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Application Proof of

Beijing Tiandi Hexing Technology Co., Ltd.*

北京天地和興科技股份有限公司

(the “Company”)

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

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Beijing Tiandi Hexing Technology Co., Ltd.* 北京天地和興科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
adjustment)
Number of [REDACTED] : [REDACTED] H Shares (subject to
adjustment and the [REDACTED])
[REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of 1%, SFC transaction levy
of 0.0027%, Stock Exchange trading fee
of 0.00565% and AFRC transaction
levy of 0.00015% (payable in full on
application in Hong Kong dollars and
subject to refund)
Nominal Value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED],
[REDACTED], [REDACTED] and [REDACTED]



中信建投國際
CHINA SECURITIES INTERNATIONAL



东方证券
— D F Z Q —

國際

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IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

CONTENTS

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	Page
Expected Timetable	iii
Contents	vi
Summary	1
Definitions	21
Glossary of Technical Terms	32
Forward-looking Statements	39
Risk Factors	41
Waivers from Strict Compliance with the Listing Rules	68
Information about this Document and the [REDACTED]	72
Directors and Parties Involved in the [REDACTED]	77
Corporate Information	81
Industry Overview	84

CONTENTS

	<i>Page</i>
Regulatory Overview	108
History, Development and Corporate Structure	121
Business	174
Relationship with our Single Largest Group of Shareholders	255
Directors and Senior Management	260
Substantial Shareholders	275
Share Capital	278
Financial Information	282
Future Plans and [REDACTED]	323
[REDACTED]	327
Structure of the [REDACTED]	341
How to Apply for [REDACTED]	351
Appendix I – Accountants’ Report	I-1
Appendix IA – Condensed Consolidated Financial Statements	IA-1
Appendix II – Unaudited [REDACTED] Financial Information	II-1
Appendix III – Summary of Articles of Association	III-1
Appendix IV – Statutory and General Information	IV-1
Appendix V – Documents Delivered to the Registrar of Companies and Available for Display	V-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [REDACTED].

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] the [REDACTED]. There are unique challenges, risks and uncertainties associated with [REDACTED] companies such as ours. Your [REDACTED] decision should be made in light of these considerations.

OVERVIEW

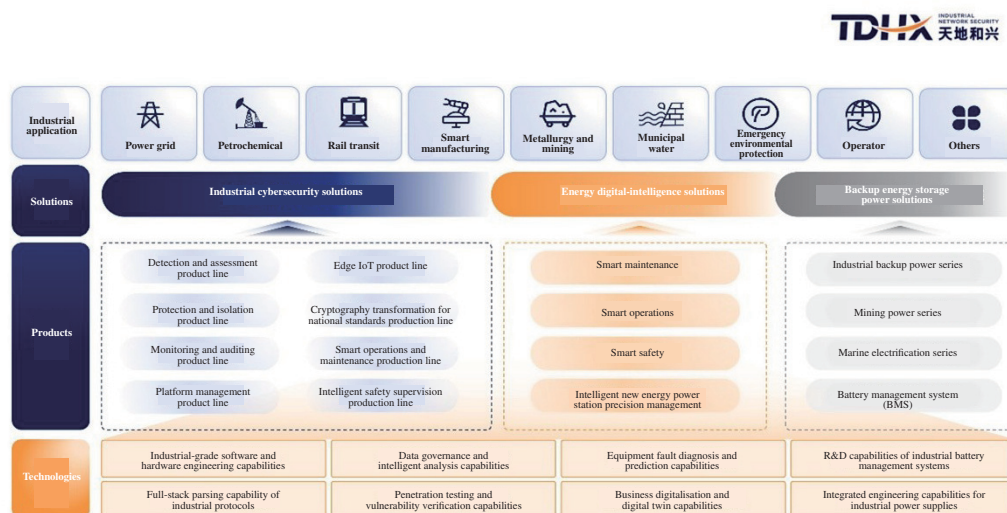
We are a reputable comprehensive industrial cybersecurity and energy digital-intelligence solutions provider in China. According to Frost & Sullivan, we ranked first by market share in China’s industrial cybersecurity market in 2024, capturing an overall market share of approximately 6.7%, and in particular, a market share of approximately 8.4% in the energy field of the industrial cybersecurity market in China. Leveraging our industry-specific technological and regulatory knowhow, we provide customisable solutions that meet the diverse and evolving needs of enterprise users across various sectors. This protects enterprise users’ information technology and operational technology assets throughout the industrial production process, including networks, systems, data, applications and devices, from attacks, and effectively guards against security threats such as cyberattacks, sabotage and unauthorised access. We employ AI-driven technologies to enhance security capabilities for enterprise users under different industrial scenarios. In addition to providing comprehensive industrial cybersecurity solutions, we also provide digital-intelligence solutions to enterprise users in the energy sector, featuring core capabilities such as real-time condition awareness, risk early warning, and process optimisation. Set out below is a summary of our three types of offerings:

- *Industrial Cybersecurity Solutions:* As a specialised industrial cybersecurity solutions provider, we are able to provide solutions based on deep industry-specific know-how and deliver end-to-end architectures. With in-depth knowledge of industrial protocols and industry-specific compliance and regulatory requirements, our technical capabilities are able to support a wide range of complex industrial communication protocols and detect and respond to emerging threats effectively. Our offerings encompass eight core product series: (i) detection and assessment; (ii) protection and isolation; (iii) monitoring and auditing; (iv) platform management; (v) edge IoT; (vi) cryptography transformation for national standards; (vii) smart operations and maintenance; and (viii) intelligent safety supervision. We also deliver tailored solutions for critical infrastructure scenarios. For instance, in terms of the electronic power industry, our offerings include specific applications in thermal hydro, wind, storage, grid infrastructure, and power dispatching communication system. The development of our industrial cybersecurity solutions is centred on building an active, intelligent, and integrated industrial cybersecurity defence architecture. Through layered deployment and coordinated operation, our solutions aim to equip clients with comprehensive capabilities, transitioning from perimeter defence to endpoint protection, from reactive response to proactive operations, and from point-in-time security to systematic security management.

SUMMARY

- Energy Digital-intelligence Solutions:** We leverage digital and intelligent technologies such as cloud computing, big data, and IoT to offer solutions that promote intelligent operations within power industry and petrochemical industries, amongst others. These solutions help transform enterprise users’ operation and management from reactive, experience-based practices into a proactive, data-driven, and standardised management model. They also help enhance equipment reliability, operational efficiency, safety compliance and economic performance.
- Backup energy storage power solutions:** These solutions incorporate comprehensive safety features and advanced big data analysis to enhance battery lifespan and operational safety for industrial enterprise users in various industries including petrochemicals, mining and power. Such solutions incorporate high-standard industrial power and energy storage products, which are customised for clients to operate in specialised environments such as explosive atmospheres, high-vibration conditions, and extreme temperature ranges. Designed to deliver highly reliable, safe, and environmentally responsible power security, these solutions serve diverse applications including data centres, mining operations, marine vessels and other critical infrastructure.

During the Track Record Period, we primarily generated our revenue from the provision of industrial cybersecurity solutions, and since our strategic acquisition of Beijing BKC in 2024, from the provision of energy digital-intelligence solutions as well. Our capability in providing backup energy storage power solutions is achieved through our acquisition of Haibo Electric in 2025. The following chart demonstrates our comprehensive offerings for illustrative purpose.



SUMMARY

Our corporate development is propelled against the backdrop of the rapid development of the industrial cybersecurity market in China, driven by strong national strategies as well as promulgation of relevant laws and regulations. Notably, the full implementation of Cybersecurity Level Protection System 2.0 incorporated industrial control systems into mandatory compliance, greatly accelerating security product deployment. Meanwhile, amid the in-depth integration of emerging technologies like industrial internet and intelligent manufacturing with industrial sector, expanded attack surfaces and practical threats have prompted enterprises to build systematic, in-depth defense capabilities, fueling rapid market growth. According to Frost & Sullivan, the overall market size of China’s industrial cybersecurity market increased from RMB4.1 billion in 2020 to RMB9.6 billion in 2024, representing a CAGR of 24.2% from 2020 to 2024. The overall market size is expected to reach RMB29.4 billion by 2029, with an estimated CAGR of 25.0% from 2024 to 2029. In terms of segment markets, the market size of the energy field industrial cybersecurity reached RMB1.8 billion in 2020 and expanded to RMB4.4 billion in 2024, representing a CAGR of 24.7% from 2020 to 2024. It is projected to expand to RMB11.7 billion by 2029, with a CAGR of 21.7% from 2024 to 2029, indicating steady market expansion. Our recent acquisitions of Beijing BKC and Haibo Electric further enhance our capabilities in the energy sector and align with the continuous growth of the energy digital-intelligent integrated solutions in China, the market of size of which has steadily risen from RMB17.2 billion in 2020 to RMB47.6 billion in 2024, with a CAGR of 17.4% during the years, according to Frost & Sullivan. The market size of the energy digital-intelligent integrated solutions in China is expected to reach RMB118.2 billion by 2029, with a CAGR of 22.9% from 2024 to 2029. With such industry potentials, we believe we are well positioned to fully seize the market opportunities with our comprehensive capabilities of providing industrial cybersecurity, energy digital-intelligence and backup energy storage power solutions going forward.

Since our inception and up to the Latest Practicable Date, we had provided industrial cybersecurity solutions in a cumulative total of over 6,000 projects, with our solutions covering various industries, including power industry, petrochemical, rail transit, smart manufacturing, metallurgy and mining, municipal water services and others and more than 200 application scenarios. The enterprise users we served accounted for over 50% of approximately 100 core central state-owned enterprises supervised by the State-owned Assets Supervision and Administration Commission of the State Council. Amongst enterprise users of our solutions, state-owned or state-controlled enterprises contributed 69.3%, 69.7%, and 80.8% of our revenue for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, respectively. Leveraging our profound technical expertise and tailored solutions, we have established strong collaboration with well-known SOEs and other government-owned enterprises and maintained ongoing project service relationships with them throughout the Track Record Period. SOE users that have consecutively used our solutions in their projects for three years or above contributed to 57.5%, 54.3% and 70.5% of our revenue in 2023, 2024 and the nine months ended 30 September 2025, respectively. This demonstrates strong user satisfaction, which is a testament of our professional capabilities and strong project execution capabilities.

For the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, our revenue amounted to RMB473.8 million, RMB726.8 million and RMB438.9 million, respectively.

SUMMARY

BUSINESS MODEL

Overview of Our Offerings

We generate our revenue from three types of offerings: (i) industrial cybersecurity solutions; (ii) energy digital-intelligence solutions; and (iii) backup energy storage power solutions.

In providing our solutions, we generally purchase various specified hardware from our suppliers and subsequently embed our self-developed software into the hardware purchased from suppliers. Our products, being the fully assembled systems, are able to provide comprehensive solutions to enterprise users based on their specific needs.

Our strong industry expertise and technology capabilities, coupled with our in-depth understanding of end-user requirements enable us to deliver differentiated value to our customers. In hardware procurement from our suppliers, instead of purchasing standard components, we engage in a customised, specification-driven process to designate specified hardware based on the distinct operational profiles and industry characteristics of enterprise users. We guide the customisation and selection of hardware – encompassing product form, interface configuration, processing power and beyond. This approach is engineered to ensure reliability, stability, security and system-wide compatibility with our self-developed software and operating system. Our proprietary software and operating system development is built upon our integrated technology system. This system allows us to develop products that are deeply tailored to specific industry environments and enterprise users’ needs. Our products are compatible with the complex industrial control systems of leading domestic and international industrial automation suppliers, which creates a significant technological complexity barrier and positions us well to be selected as the specialised industrial cybersecurity solutions provider when enterprise users have existing industrial control systems provided by these leading industrial automation suppliers. Leveraging our leading industry position and our established relationship with key players in the ecosystem, we believe our deep industry knowhow accumulated over the years combined with our strong technology capabilities collectively ensure our products are not easily replicated by others and are optimised for superior performance and user satisfaction.

The following table sets out our revenue by offering type for the periods indicated.

	For the Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Industrial cybersecurity solutions	473,839	100.0	643,900	88.6	359,170	100.0	418,797	95.4
Energy digital-intelligence solutions ⁽¹⁾	–	–	82,900	11.4	–	–	20,059	4.6
Backup energy storage power solutions ⁽²⁾	–	–	–	–	–	–	–	–
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

SUMMARY

Note:

- (1) We have generated revenue from the provision of energy digital-intelligence solutions since we strategically acquired the Beijing BKC in 2024 and consolidated its financial results into our Group since 1 October 2024.
- (2) We provide backup energy storage power solutions through Haibo Electric, which we strategically acquired in December 2025 and therefore no revenue was recorded for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025.

The nature of our offerings encompasses (i) provision of integrated solutions such as industrial cybersecurity solutions, energy digital-intelligence solutions, or backup energy storage power solutions which include embedding relevant product lines of software and hardware in enterprise users' industrial systems and providing corresponding services, or (ii) standalone sales of hardware and software, or (iii) provision of technical services. These three streams collectively enables us to deliver end-to-end value to our clients. By combining tailored solution design with proprietary and third-party products, and further supported by ongoing assembly, maintenance and training services, we not only address immediate security and operational needs but also foster long-term engagement.

Revenue Recognition

For the provision of integrated solutions or provision of technical services, revenue is recognised only after acceptance of the final solutions or services by our customers. For sales of hardware and software, revenue is recognised at the point when our customers receive and take control of the hardware and/or software we provide. The following table sets forth a breakdown of our revenue by different nature of our offerings for the periods indicated.

	For the Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Provision of integrated solution services	388,212	81.9	523,208	72.0	210,643	58.6	255,680	58.3
Sales of hardware and software	49,059	10.4	159,319	21.9	134,525	37.5	160,071	36.5
Provision of technical services	36,568	7.7	44,273	6.1	14,002	3.9	23,105	5.2
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

SUMMARY

Summary of Our Projects

Our revenue is mostly project-based. The average length of our projects is not longer than one year.

We generated revenue from 651, 807 and 683 projects (including ongoing projects and completed projects during the respective year/period) in 2023, 2024 and nine months ended 30 September 2025, respectively. The following table sets out the number of projects awarded to us and completed for the years/periods indicated.

	Years ended 31 December		Nine months ended 30 September
	2023	2024	2025
Projects brought forward	32	44	113
Number of new projects awarded	655	864	702
Number of projects completed	(643)	(795)	(656)
Projects carried forward	44	113	159

The following table sets out the contract value (excluding VAT) of projects awarded to us and revenue recognised for the years/period indicated:

	Years ended 31 December		Nine months ended 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Outstanding contract value (excluding VAT) as at the beginning of the year/period	53,621	64,856	226,739
Contract value (excluding VAT) of projects awarded during the year/period ^(Note)	485,074	888,682	631,151
Revenue recognised during the year/period	(473,839)	(726,800)	(438,856)
Outstanding contract value (excluding VAT) as at the end of the year/period	64,856	226,738	419,034

Note: The contract value (excluding VAT) of projects awarded during the year/period refers to the increase in the contract amount attributable to new projects during the relevant year or period.

SUMMARY

OUR STRENGTHS

We believe the following strengths have contributed to our success:

- leader of industrial cybersecurity industry in China;
- a proprietary, fully integrated technology system with platform-enabled advantages;
- deep integration of artificial intelligence to drive operational efficiency;
- a modular one-stop solutions portfolio with deep scenario integration;
- extensive coverage of key enterprise users and strong service capabilities; and
- experienced and forward-looking management team supported by strategic investors.

OUR STRATEGIES

We plan to pursue the following strategies to achieve our business goals:

- integrating cutting-edge technologies and adapting to full application scenarios;
- implementing platform-centric strategy and enhancing ecosystem collaboration;
- expanding strategically into high-growth emerging sectors;
- capitalising on international opportunities; and
- pursuing selective strategic investments and acquisitions.

R&D AND CORE TECHNOLOGIES

We have established a proprietary and integrated technology system, encompassing three core technology platforms aligned to our three types of offerings. We believe our integrated technology system could address the critical requirements of security, operational efficiency, computing power, and power reliability for enterprise digital-intelligent transformation, which enables us to provide full-stop solutions tailor-made to commensurate with our customers’ core operational needs.

We have established a comprehensive R&D framework, comprising various research institutes, major R&D centres, and multiple university-industry collaboration partnerships for each of our primary offerings.

SUMMARY

Our R&D team consisted of 222 personnel as of the Latest Practicable Date and 74% of them had bachelor’s degree or above. We are committed to continuously advancing our technologies so as to maintain our competitiveness and market share and sustain our success. As such, we place significant emphasis on strengthening our R&D and technological capabilities. For the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, our R&D expenses amounted to RMB51.6 million, RMB65.5 million and RMB55.0 million, respectively.

See “Business – Our R&D and Core Technologies” for details.

COMPETITIVE LANDSCAPE

The overall competitive landscape of China industrial cybersecurity market is highly fragmented with low market concentration. This is because the industrial cybersecurity field covers an extremely wide range of industries and scenarios, and there are significant differences in process flows, protocol standards, and compliance requirements across various industries. Currently, market competition is shifting toward ecological aggregation and service-oriented transformation. Competition among vendors focuses on the capability to deliver industry-specific in-depth solutions, i.e., the ability to deeply integrate security products with the business processes of specific industries, and the capacity to provide security operation services and emergency response services.

The energy digital-intelligence integrated solutions in China have seen steady growth and are driven by demand for energy transition and sustainable development, the practicable need for energy security assurance, the strategic guidance of special policies, the promotion by technological innovation and demand for cost reduction, efficiency improvement and new quality productive forces cultivation.

See “Business – Competition” and “Industry Overview” for details.

CUSTOMERS

During the Track Record Period, we were engaged by either enterprise users or main contractors, depending on the available business opportunities at the relevant time. The enterprise users we serve include large-scale state-owned or state-controlled enterprises in various sectors. The main contractors are generally technology companies or trading companies who may (i) assign us all or part of their project works to the enterprise users by engaging us for the provision of specified solutions; or (ii) purchase hardware and software and standalone technical services from us.

Revenue from our five largest customers in 2023, 2024 and the nine months ended 30 September 2025 was RMB94.6 million, RMB211.5 million and RMB174.4 million, respectively, accounting for 20.0%, 29.1% and 39.7% of our revenue for the respective period. Revenue from our largest customer in 2023, 2024 and the nine months ended 30 September was RMB24.2 million, RMB97.9 million and RMB107.5 million, representing 5.1%, 13.5% and 24.5% of our total revenue for the respective period. See “Business – Our Customers” for details.

SUMMARY

SUPPLIERS

During the Track Record Period, our suppliers consisted of (i) manufacturers or their distributors who supplied us with designated hardware, security products and network products; and (ii) providers of basic and ancillary technical services.

Our purchases from our five largest suppliers in 2023, 2024 and the nine months ended 30 September 2025 was RMB46.2 million, RMB184.2 million and RMB147.2 million, respectively accounting for 27.3%, 57.8% and 55.5% of our total purchases for the respective period. Our purchases from our largest supplier in 2023, 2024 and the nine months ended 30 September 2025 was RMB11.8 million, RMB106.1 million and RMB110.2 million, respectively, representing 7.0%, 33.3% and 41.5% of our total purchases for the respective period. See “Business – Supply Chain Management – Our Suppliers” for details.

KEY RISK FACTORS

We believe the following are some of the major risks that may have an impact on our business and financial performance:

- If we are unable to effectively manage the growth and expansion of our business and operations, for example, by failing to enhance our solutions’ features and functionality, expand and maintain coverage of enterprise users or deliver satisfactory solutions, our revenue growth may not be sufficient to offset future operating expenses, and our operating results, financial condition, and growth outlook could be adversely impacted;
- We face the risk that our capability to deliver customised solutions, which is built upon deeply accumulated industry-specific knowledge, may prove difficult to rapidly replicate and scale when entering entirely new industry sectors;
- We face competition in the industry we operate, and our operating results could be harmed if we fail to compete effectively;
- Our business depends on our ability to innovate and adapt our solutions to rapid technological changes and evolving threats; failure to do so would cause us to lose enterprise users and harm our results of operations;
- If we do not attract new enterprise users or retain existing ones, our business, operating results, and financial condition could be adversely affected; and
- Our business revenue is highly dependent on the critical infrastructure sector, where market demand and investment scale are directly influenced by national policy cycles and fluctuations in public investment; should relevant policy support diminish or industry investment momentum slow, it could directly impact our core business revenue and the stability of our cash flow.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set out selected financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I and Condensed Consolidated Financial Statements set out in Appendix IA to this document as well as “Financial Information”.

Results of Operations

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Revenue	473,839	726,800	359,170	438,856
Cost of sales	(185,239)	(360,794)	(187,491)	(225,690)
Gross profit	288,600	366,006	171,679	213,166
Other income	32,693	16,898	10,786	10,757
Other gains and losses	(195,934)	19,311	19,143	(511)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(12,783)	(32,125)	(11,825)	(17,339)
Selling and marketing expenses	(137,473)	(179,848)	(134,786)	(95,126)
Administrative expenses	(37,821)	(50,076)	(32,800)	(51,612)
Research and development expenses	(51,615)	(65,542)	(47,954)	(54,994)
[REDACTED]	–	–	–	[REDACTED]
Share of results of associates	(36)	(94)	(29)	(949)
Finance costs	(66,557)	(113,693)	(78,648)	(93,934)
Loss before tax	(180,926)	(39,163)	(104,434)	(92,129)
Income Tax (expense)/credit	(11,612)	(6,528)	1,638	(2,543)
Loss and total comprehensive expense for the year/period	(192,538)	(45,691)	(102,796)	(94,672)

SUMMARY

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year/period (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit for the year/period (a non-IFRS measure) as profit for the year/period adjusted for shared-based payment, modification of redemption liabilities, and interests on redemption liabilities.

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Reconciliation of net profit to adjusted net profit (non-IFRS measure)				
Loss for the year/ period	(192,538)	(45,691)	(102,796)	(94,672)
Add:				
Share-based payment expenses	5,072	11,968	8,975	6,492
Modification of redemption liabilities	191,489	(18,950)	(18,950)	–
Interests on redemption liabilities	66,212	108,076	78,234	92,333
Adjusted net profit (non-IFRS measure)	70,235	55,403	(34,536)	4,153

Revenue

Our revenue increased by 22.2% from RMB359.2 million in the nine months ended 30 September 2024 to RMB438.9 million in the nine months ended 30 September 2025, primarily attributable to (i) the increase in revenue from provision of industrial cybersecurity solutions as the our product lines expanded and our solutions covered more sectors, and (ii) the increase in revenue from energy digital-intelligence solutions, which was launched after our acquisition of Beijing BKC, the financial statements of which were consolidated into ours since October 2024.

SUMMARY

Our revenue increased by 53.4% from RMB473.8 million in 2023 to RMB726.8 million in 2024, primarily because (i) increase in revenue from provision of cybersecurity solutions as the our product lines expanded and our solutions covered more sectors, and (ii) the increase in digital-intelligence solutions followed our acquisition of Beijing BKC, the financial statements of which were consolidated into ours since October 2024.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit and gross profit margin by offering categories in absolute amounts and as a percentage of revenue, or gross profit margin, for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(Unaudited)			
Provision of integrated solutions	251,445	64.8	330,245	63.1	155,741	73.9	184,948	72.3
Sales of hardware and software	13,861	28.3	8,228	5.2	4,001	3.0	9,894	6.2
Provision of technical services	23,294	63.7	27,533	62.2	11,937	85.3	18,324	79.3
Total	288,600	60.9	366,006	50.4	171,679	47.8	213,166	48.6

Our gross profit increased by 24.2% from RMB171.7 million in the nine months ended 30 September 2024 to RMB213.2 million in the nine months ended 30 September 2025, which is in line with our business expansion. Our gross profit margin remained relatively stable at 47.8% in the nine months ended 30 September 2024 and at 48.6% in the nine months ended 30 September 2025.

Our gross profit increased by 26.8% from RMB288.6 million in 2023 to RMB366.0 million in 2024, which is in line with our business expansion. Our gross profit margin decreased from 60.9% in 2023 to 50.4% in 2024, primarily (i) because we introduced a new major enterprise user in 2024, which engaged us for two new projects under our offering of sales of hardware and software with relatively higher costs. The projects were strategically undertaken to strengthen and maintain the relationship with this major enterprise user, despite the higher cost structure of the relevant projects, aligning with our long-term account retention objectives, and (ii) because of the relatively lower margin contributed by the business line of energy digital-intelligence solutions that we commenced in 2024.

SUMMARY

Summary of Consolidated Statements of Financial Position

The following table sets out our consolidated statements of financial position as of the dates indicated.

	As of 31 December		As of 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
NON-CURRENT ASSETS			
Property and equipment	13,250	26,204	25,745
Right-of-use assets	4,604	14,539	9,584
Intangible assets	14,751	21,186	16,496
Investments in associates	3,012	1,760	5,593
Goodwill	–	12,252	12,252
Restricted bank deposits	–	127	–
Time deposits	–	10,142	10,179
Deferred tax assets	4,740	8,827	12,029
Prepayments, deposits and other receivables	538	2,082	2,090
Financial assets at FVTPL	–	893	2,893
Contract assets	8,171	11,685	15,700
	<u>49,066</u>	<u>109,697</u>	<u>112,561</u>
CURRENT ASSETS			
Inventories	11,807	17,479	35,239
Trade receivables	639,781	904,072	1,036,642
Notes receivables measured at fair value through other comprehensive income (“FVTOCI”)	8,505	8,712	11,903
Contract assets	13,241	26,616	21,435
Contract costs	98	19,092	51,070
Prepayments, deposits and other receivables	26,560	45,956	212,797
Financial assets at FVTPL	80,067	60,262	80,145
Restricted bank deposits	952	5,273	9,265
Time deposits	–	50,183	–
Cash and cash equivalents	179,728	234,195	133,005
	<u>960,739</u>	<u>1,371,840</u>	<u>1,591,501</u>

SUMMARY

	As of 31 December		As of 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
CURRENT LIABILITIES			
Trade and notes payables	141,713	203,611	230,360
Other payables and accruals	55,709	56,969	47,732
Income tax payable	10,009	5,228	2,868
Bank borrowings	–	2,069	60,525
Lease liabilities	3,146	8,575	4,419
Contract liabilities	–	8,392	175,297
	<u>210,577</u>	<u>284,844</u>	<u>521,201</u>
NET CURRENT ASSETS	<u>750,162</u>	<u>1,086,996</u>	<u>1,070,300</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u><u>799,228</u></u>	<u><u>1,196,693</u></u>	<u><u>1,182,861</u></u>
NON-CURRENT LIABILITIES			
Bank borrowings	–	36,186	39,326
Lease liabilities	1,386	5,897	5,397
Deferred tax liabilities	–	1,568	2,128
Redemption liabilities	<u>1,181,538</u>	<u>1,429,582</u>	<u>1,528,415</u>
	<u>1,182,924</u>	<u>1,473,233</u>	<u>1,575,266</u>
Net liabilities	<u><u>(383,696)</u></u>	<u><u>(276,540)</u></u>	<u><u>(392,405)</u></u>

Our net current assets decreased from RMB1,087.0 million as of 31 December 2024 to RMB1,070.3 million as of 30 September 2025, primarily due to (i) the decrease in cash and cash equivalents of RMB101.2 million, and (ii) the increase in bank borrowings of RMB58.5 million, partially offset by the increase in trade receivables of RMB132.6 million.

Our net current assets increased from RMB750.2 million as of 31 December 2023 to RMB1,087.0 million as of 31 December 2024, primarily due to (i) the increase in trade receivables of RMB264.3 million, (ii) the increase in cash and cash equivalents of RMB54.5 million, (iii) the increase in time deposits of RMB50.2 million and (iv) the decrease in financial assets at FVTPL of RMB19.8 million.

SUMMARY

Cash Flows

The following table sets out a summary of our consolidated statements of cash flows for the years/periods indicated.

	Year ended 31 December		Nine months ended
	2023	2024	30 September 2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Net cash used in operating activities	(83,520)	(91,634)	(158,955)
Net cash (used in) from investing activities	(90,645)	(19,602)	17,789
Net cash from financing activities	227,334	165,703	39,976
Cash and cash equivalents at beginning of the year	126,559	179,728	234,195
Cash and cash equivalents at end of the year	179,728	234,195	133,005

In the nine months ended 30 September 2025, our net cash used in operating activities was RMB159.0 million. This was primarily driven by our loss before tax of RMB92.1 million, as adjusted by (i) finance costs of RMB93.9 million, along with other non-cash expenses including impairment losses under the ECL model, net of reversal of RMB17.3 million; and (ii) a net use of cash from working capital changes, primarily due to a decrease in contract liabilities of RMB166.9 million, a decrease in prepayments and other receivables of RMB172.2 million, and an increase in trade and note receivables of RMB149.9 million.

In 2024, our net cash used in operating activities was RMB91.6 million, which was primarily driven by our loss before tax of RMB39.2 million, as adjusted by (i) finance costs of RMB113.7 million and impairment losses under the ECL model, net of reversal of RMB32.1 million, along with other non-cash items including share-based payment expenses, depreciation, and amortisation totaling RMB29.6 million, which were partially offset by a gain from modification of redemption liabilities of RMB19.0 million; and (ii) substantial use of cash from working capital changes, primarily due to a large increase in trade receivables of RMB265.7 million, a decrease in contract costs of RMB31.4 million, a decrease in contract liabilities of RMB21.8 million, an increase in contract assets of RMB10.3 million, and an increase in inventories of RMB2.5 million, partially offset by an increase in trade payables of RMB46.2 million, and a decrease in prepayments and other receivables of RMB10.9 million.

SUMMARY

In 2023, our net cash used in operating activities was RMB83.5 million. This was primarily driven by our loss before tax of RMB180.9 million, as adjusted by (i) a loss from modification of redemption liabilities of RMB191.5 million and finance costs of RMB66.6 million, along with other non-cash expenses including impairment losses under the ECL model, net of reversal of RMB12.8 million, depreciation of right-of-use assets of RMB6.9 million, and amortisation of intangible assets of RMB4.0 million; and (ii) a net use of cash from working capital changes, primarily due to a large increase in trade and notes receivables of RMB218.1 million and an increase in contract assets of RMB7.5 million, partially offset by a decrease in inventories of RMB1.6 million, an increase in trade payables of RMB46.6 million, and a decrease in prepayments and other receivables of RMB14.4 million.

Key Financial Ratio

The following table sets forth our key financial ratio as of the balance sheet dates indicated.

	As of 31 December		As of 30 September
	2023	2024	2025
Gross profit margin ⁽¹⁾ (%)	60.9	50.4	48.6
Net profit margin ⁽²⁾ (%)	(40.6)	(6.3)	(21.6)
Adjusted net margin (a non-IFRS measure) ⁽³⁾ (%)	14.8	7.6	0.9
Current ratio ⁽⁴⁾	4.6	4.8	3.1
Quick ratio ⁽⁵⁾	4.5	4.8	3.0

Notes:

- (1) Gross profit margin equals gross (loss)/profit divided by revenue for the year/period and multiplied by 100%.
- (2) Net profit margin equals net (loss)/profit divided by revenue for the year/period and multiplied by 100%.
- (3) Adjusted net margin (a non-IFRS measure) is calculated as adjusted profit for the year/period (a non-IFRS measure) divided by revenue for the corresponding year/period and multiplied by 100%.
- (4) Current ratio equals total current assets divided by total current liabilities.
- (5) Quick ratio equals total current assets less inventories divided by total current liabilities.

See “Consolidated Statements of Financial Position – Current Assets and Liabilities” in “Financial Information” for details of changes in our current assets and current liabilities over the Track Record Period.

SUMMARY

[REDACTED]

The statistics in the following table are based on the assumptions that (i) the [REDACTED] is completed and [REDACTED] are issued pursuant to the [REDACTED]; (ii) the [REDACTED] is not exercised; and (iii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED]:

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market capitalisation of our Shares ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted net tangible assets per H Share ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of market capitalisation is based on [REDACTED] Shares expected to be in issue following completion of the [REDACTED].
- (2) The unaudited [REDACTED] adjusted net tangible asset per Share is calculated after making the adjustments referred to in “Unaudited [REDACTED] Financial Information” set out in Appendix II to this document and on the basis of a total of [REDACTED] Shares expected to be in issue following the completion of the [REDACTED].

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] stated in this document), the [REDACTED] which are payable by us are estimated to amount in aggregate to be approximately RMB[REDACTED] million (equivalent to approximately HK\$[REDACTED] million), accounting for approximately [REDACTED]% of the [REDACTED] from the [REDACTED].

The total [REDACTED] consist of (i) approximately RMB[REDACTED] million [REDACTED] fees (including [REDACTED] commission, incentive fee, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) and (ii) approximately RMB[REDACTED] million [REDACTED] fees mainly comprising (a) fees paid to legal adviser(s) and accountant(s) of approximately RMB[REDACTED] million, and (b) other fees and expenses and fees paid to other professional parties of approximately RMB[REDACTED] million. Among the total [REDACTED], nil, nil and RMB[REDACTED] million was charged to our consolidated statements of comprehensive income for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, respectively, and approximately RMB[REDACTED] million is expected to be charged to profit or loss, and approximately RMB[REDACTED] million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the [REDACTED]. Our total [REDACTED] are estimated to account for [REDACTED]% of the gross [REDACTED] of the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

SUMMARY

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million after deducting professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED] at the [REDACTED] of HK\$[REDACTED] per [REDACTED].

We intend to use the [REDACTED] we receive from the [REDACTED] as follows:

- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for further R&D of our technologies to advance our industrial cybersecurity and energy digital-intelligence solutions, as well as for the improvement of our production capabilities;
- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to further expand the our commercialisation capabilities domestically and on an international scale in the next five years;
- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund potential investment and acquisition opportunities; and
- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and other general corporate purposes.

To the extent that our actual [REDACTED] from the [REDACTED] differ from our estimate above, we intend to apply the actual [REDACTED] in the same proportion set out above. See “Future Plans and [REDACTED]” for further details of our [REDACTED] from the [REDACTED].

DIVIDEND

No dividends have been paid or declared by the Company in respect of the Track Record Period.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As at the Latest Practicable Date, each of Mr. Wang, Tianjin Xingyuan and Tianjin Xinghui held approximately 21.99%, 9.54% and 3.38% of the issued share capital of our Company. Mr. Wang is the general partner of Tianjin Xingyuan and hence controls the total voting right of Tianjin Xingyuan. Tianjin Zhichuang is general partner of Tianjin Xinghui. Tianjin Zhichuang is wholly owned by Mr. Wang, thus Mr. Wang can control the total voting right of Tianjin Xinghui. As such, pursuant to the Chapter 1.1C of the Guide, Mr. Wang together with Tianjin Zhichuang, Tianjin Xingyuan and Tianjin Xinghui constituted our Single Largest Group of Shareholders.

Immediately following the completion of the [REDACTED], our Single Largest Group of Shareholders will be interested in approximately [REDACTED]% of our total share capital (assuming the [REDACTED] are not exercised) or approximately [REDACTED]% of our total share capital (assuming the [REDACTED] are exercised in full). Therefore, they will remain as our Single Largest Group of Shareholders and our Company will not have any controlling shareholders as defined under the Listing Rules upon [REDACTED].

SUMMARY

[REDACTED] INVESTMENTS

We completed several rounds of [REDACTED] Investments since 2016. Our major [REDACTED] Investors include Beijing Jingguoguan, Shenzhen Songhe, Jiangsu Provincial Modern Service Industry Development Venture Capital Fund (Limited Partnership)(江蘇省現代服務業發展創業投資基金(有限合夥)), Shanghai Zhongdiantou Ronghe New Energy Investment Management Center (Limited Partnership) (上海中電投融和新能源投資管理中心(有限合夥)), Chongqing Fuling District Songhe Zhixun Private Equity Investment Fund Partnership (Limited Partnership) (重慶市涪陵區松禾智訊私募股權投資基金合夥企業(有限合夥)), Qingdao Shangqi Huizhu Strategic Emerging Industries Investment Fund Partnership (Limited Partnership) (青島尚頤匯鑄戰新產業投資基金合夥企業(有限合夥)), Hubei Yangtze River Zhongxin Technology Mobile Communication Technology Industry Investment Fund Partnership (Limited Partnership) (湖北長江中信科移動通信技術產業投資基金合夥企業(有限合夥)), Lianjin Chuangxin Industry Private Equity Investment Fund (Shenzhen) Partnership (Limited Partnership) (聯金創新產業私募股權投資基金(深圳)合夥企業(有限合夥)), Jingdezhen Fengchao Lingxuan New Energy Industry Investment Center (Limited Partnership) (景德鎮蜂巢鈴軒新能源產業投資中心(有限合夥)), Beijing Zhongguancun Science City Technology Growth Investment Partnership (Limited Partnership) (北京中關村科學城科技成長投資合夥企業(有限合夥)) and Beijing Information Industry Development Investment Fund (北京信息產業發展投資基金(有限合夥)). See “History, Development and Corporate Structure – [REDACTED] Investments”.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

On 29 October 2025, the Company respectively entered into equity transfer agreements (the “**Haibo Electric Equity Transfer Agreements**”) with Mr. Yue Gongyou (岳公友) (“**Mr. Yue**”), Junbo Investment, Mr. Cao and Ms. Pang who are Independent Third Parties except for being shareholders of Haibo Electric. Pursuant to the Haibo Electric Equity Transfer Agreements, the Company agreed to acquire and Mr. Yue, Junbo Investment, Mr. Cao and Ms. Pang agreed to transfer 51% of the equity interests of Haibo Electric in total for a total consideration of RMB51,000,000 which was settled on 18 December 2025. The consideration was determined after arm’s length negotiations among the parties.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the acquisition of Haibo Electric reaches 25% or above which would require disclosure pursuant to Rule 4.05A of the Listing Rules. See “History, Development and Corporate Structure – Major Acquisitions, Disposals and Mergers – Acquisition of Haibo Electric” for details.

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since 30 September 2025, being the end date of our latest consolidated financial statements as set out in the Condensed Consolidated Financial Statements included in Appendix IA to this document, and up to the date of this document.

SUMMARY

REGULATORY DEVELOPMENTS ON OVERSEAS [REDACTED]

We have submitted a filing to the CSRC for the [REDACTED] and for the [REDACTED] of our Shares on the Stock Exchange on [REDACTED]. The CSRC issued the Notice of Filing on [REDACTED] for the [REDACTED] and for the [REDACTED] of the Shares on the Stock Exchange. As advised by our PRC Legal Advisers, our Company [has] completed all necessary filings with the CSRC for the proposed [REDACTED] of our Shares on the Stock Exchange.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are applying for the [REDACTED] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalisation/revenue test, with reference to (i) our revenue for the year ended 31 December 2024, being RMB726.8 million, which exceeds HK\$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalisation at the time of the [REDACTED], which is HK\$5.3 billion (based on an [REDACTED] of HKD\$[REDACTED] being the [REDACTED] of the stated range of the [REDACTED]) and exceeds HK\$4 billion as required by Rule 8.05(3) of the Listing Rules.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms”.

“Accountants’ Report”	the accountants’ report for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], the summary of which is set out in “Appendix III – Summary of our Articles of Association” to this document
“associates”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of our Board
“Beijing BKC”	Beijing BKC Technology Co., Ltd. (北京必可測科技股份有限公司), established as a limited liability company in the PRC in 25 September 2002
“Beijing Jingguoguan”	Beijing Jingguoguan Equity Investment Fund (Limited Partnership) (北京京國管股權投資基金(有限合夥)), established as a limited partnership in the PRC on 15 March 2022
“Beijing Jingguorui”	Beijing Jingguorui Investment Management Limited (北京京國瑞投資管理有限公司), established as a limited liability company in the PRC on 11 December 2014
“Board” or “Board of Directors”	our board of Directors
“Business Day” or “business day”	a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong

compound annual growth rate

chairman of our Board

the People's Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China" and the "PRC" do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“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”	Beijing Tiandi Hexing Technology Co., Ltd. (北京天地和興科技股份有限公司) (formerly known as Beijing Tiandi Hexing Technology Limited (北京天地和興科技有限公司) before the conversion into joint stock company on 17 October 2025)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rule
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Director(s)”	director(s) of our Company
“Domestic Shares”	domestic shares in the ordinary share capital of our Company, with a par value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

“ESG”	environmental, social and governance

DEFINITIONS

“Extreme Conditions” extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

“Frost & Sullivan” or “F&S” Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the independent industry consultant commissioned by our Company to prepare the Frost & Sullivan Report

“Frost & Sullivan Report” or “F&S Report” the independent industry research report commissioned by our Company and prepared by Frost & Sullivan, summary of which is set out in “ Industry Overview”

[REDACTED]

“Group”, “our Group”, “our”, “we”, or “us” our Company and all of its subsidiaries, or any one of them as the context may require

“Guide” the Guide for New Listing Applicants issued by the Stock Exchange effective from 1 January 2024 (as amended, supplemented or otherwise modified from time to time)

“Haibo Electric” Yantai Haibo Electrical Equipment Co., Ltd. (煙台海博電氣設備有限公司), established as a limited liability company in the PRC in 18 December 2014

“H Share(s)” overseas [REDACTED] foreign Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be traded in HK dollars and for which an application has been made for [REDACTED] and permission to [REDACTED] on the Stock Exchange

“H Shareholder(s)” holders of the H Shares

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

“Independent Third Party(ies)” any person(s) or entity(ies) who is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

“Joint Sponsors” China Securities (International) Corporate Finance Company Limited and Orient Capital (Hong Kong) Limited

“Latest Practicable Date” 20 January 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Wang”	Mr. Wang Xiaodong (王小東先生), our executive Director, Chairman and a member of our Single Largest Group of Shareholders
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NIPA”	the National Intellectual Property Administration of the PRC (中華人民共和國國家知識產權局)
“Nomination Committee”	the nomination committee of our Company
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

DEFINITIONS

[REDACTED]

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Legal Advisers”	Jingtian & Gongcheng
“[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the [REDACTED] Investors prior to the [REDACTED], the details of which are set out in “History, Development and Corporate Structure”
“[REDACTED] Investor(s)”	the investor(s) in our Company prior to the [REDACTED] as named in “History, Development and Corporate Structure – [REDACTED] Investments – Information about the [REDACTED] Investors”

[REDACTED]

“R&D”	research and development

[REDACTED]

“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration and assessment committee of our Board

DEFINITIONS

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC(中華人民共和國外匯管理局)
“SAMR”	the State Administration of Market Regulation (國家市場監督管理總局)
“SAT”	the 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 of the PRC (中華人民共和國全國人民代表大會常務委員會)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“Series A Financing”	the series A financing of our Company. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series A Financing”
“Series A Investors”	the [REDACTED] Investors who participated in the Series A Financing. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series A Financing”
“Series B Financing”	the series B financing of our Company. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series B Financing”
“Series B Investors”	the [REDACTED] Investors who participated in the Series B Financing. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series B Financing”
“Series C Financing”	The series C financing of our Company. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series C Financing and Capitalisation of Capital Reserves in September 2020 and October 2020”
“Series C Investors”	the [REDACTED] Investors who participated in the Series C Financing. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series C Financing and Capitalisation of Capital Reserves in September 2020 and October 2020”

DEFINITIONS

“Series D Financing”	the series D financing of our Company. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series D Financing”
“Series D Investors”	the [REDACTED] Investors who participated in the Series D Financing. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series D Financing”
“Series E Financing”	the series E financing of our Company. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series E Financing”
“Series E Investors”	the [REDACTED] Investors who participated in the Series E Financing. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series E Financing”
“Series E+ Financing”	the series E+ financing of our Company. See “History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes – Series E+ Financing”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen Songhe”	Shenzhen Songhe Chuangzhi Venture Capital Partnership (Limited Partnership) (深圳松禾創智創業投資合夥企業(有限合夥)), established as a limited partnership in the PRC on 27 March 2018
“Single Largest Group of Shareholder(s)”	collectively Mr. Wang, Tianjin Xingyuan, Tianjin Zhichuang and Tianjin Xinghui

[REDACTED]

“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, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buybacks published by the SFC (as amended, supplemented or otherwise modified from time to time)
“Tianjin Xinghui”	Tianjin Xinghui Zhiyuan Enterprise Management Consulting Centre (Limited Partnership) (天津興輝致遠企業管理諮詢中心(有限合夥)), a member of our Single Largest Group of Shareholders
“Tianjin Xingyuan”	Tianjin Xingyuan Enterprise Management Consulting Partnership (Limited Partnership) (天津興遠企業管理諮詢合夥企業(有限合夥)), a member of our Single Largest Group of Shareholders
“Tianjin Zhichuang”	Tianjin Zhichuang Xinan Technology Co., Ltd. (天津智創新安科技有限公司), a member of our Single Largest Group of Shareholders
“Track Record Period”	the financial years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025
[REDACTED]	
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“ [REDACTED] Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are not [REDACTED] on any stock exchange
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“%”	percent

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

If there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC mentioned in this document and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such PRC entities or enterprises are provided for identification purposes only.

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain terms used in this document in connection with us and/or our business. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“5G”	the fifth-generation technology standard for cellular networks
“AI-driven technologies”	technologies employed to enhance system or security capabilities
“air gap defence”	security model relying on physical isolation from networks
“AMI”	Advanced Metering Infrastructure, an integrated system used in smart grids for remote meter reading, electricity consumption data collection, and grid management
“APT”	Advanced Persistent Threat, a prolonged, stealthy cyberattack
“Belt and Road Initiative”	a Chinese global infrastructure development strategy
“big data”	the strategy and technology of capturing and analysing vast, complex datasets from both traditional and digital sources to drive actionable insights and intelligent decision-making
“BMS”	Battery Management System, a critical electronic system within a battery pack that manages the performance, safety, and lifespan of rechargeable battery cells (commonly lithium-ion)
“CICSVD”	Industrial Control System Security Vulnerability Database, a specialised, national-level database in China dedicated to collecting, analysing, publishing, and managing information related to security vulnerabilities discovered in industrial control system products, software, and components
“CII”	Critical Information Infrastructure, network facilities and information systems vital to national security and public interest
“cloud computing”	the on-demand delivery of IT resources and applications over the internet with a pay-as-you-go pricing model
“cloud-edge-end collaboration”	a collaborative security architecture model, an integrated security architecture model that distributes and coordinates security functions, intelligence, and data processing across three logical layers, the cloud, the edge, and the endpoints

GLOSSARY OF TECHNICAL TERMS

“CMMI Level 5”	the highest maturity level certification for software development, a globally recognised model for improving and appraising an organisation’s process capability in software development and service delivery
“CNCERT”	China National Computer Network Emergency Response Technical Team/Coordination Centre, operating under the Ministry of Industry and Information Technology (MIIT), it serves as the central coordination hub for the prevention, detection, early warning, and response to major cybersecurity incidents within China and affecting its national interests
“CNNVD”	China National Vulnerability Database, the official, national-level platform mandated by the Chinese government for the management of cybersecurity vulnerability information
“CNVD”	China National Vulnerability Database, a national platform in China responsible for collecting, analysing, and disclosing information on information security vulnerabilities
“cybersecurity level protection system 2.0”	the updated mandatory Chinese cybersecurity compliance framework
“data assetisation”	the process of treating data as a valuable strategic resource
“database auditing”	the systematic monitoring and recording of selected user database activities for security, compliance, and troubleshooting purposes
“DCS”	Distributed Control System, a control system for a process or plant, with controller elements distributed throughout
“digital transformation”	the integration of digital technology into all areas of business
“digital twin”	a virtual model of a physical process or system
“DNP3”	a communication protocol commonly used in critical infrastructure such as power and water utilities, supporting remote monitoring and control
“dual carbon goals”	China’s national goals of carbon peak and carbon neutrality
“edge IoT”	an architectural paradigm that integrates edge computing capabilities directly into Internet of Things infrastructures
“energy digital-intelligence market”	the market for digital and intelligent solutions in the energy industry

GLOSSARY OF TECHNICAL TERMS

“ERP”	Enterprise Resource Planning software, is an integrated suite of business application modules designed to manage, automate, and synchronise the core operational and administrative processes of an organisation through a single, unified database and common user interface
“full-life cycle security protection”	security measures covering all stages of data or system existence
“GPU clusters”	Clusters of Graphics Processing Units for parallel computing
“ICS” or “Industrial Control System”	an overarching term that encompasses the integration of hardware, software, and network components designed to monitor, control, and automate physical industrial processes and infrastructure
“IEC 62443”	international standard for security of industrial automation and control systems
“IMS”	Integrated Monitoring System, typically used in rail transit environments to centrally monitor the operational status of multiple subsystems (e.g., power, signalling, environment)
“industrial cybersecurity”	a set of technologies, processes, and practices aimed at protecting Industrial Control Systems, networks, and data from cyber threats, ensuring the continuity, safety, and reliability of industrial operations
“industrial firewall”	a network security device specifically designed for industrial control environments, used to monitor and control industrial network traffic to prevent unauthorised access and malicious attacks
“industrial internet”	the integration of industrial machinery with internet-connected sensors and software
“industrial intrusion detection”	a system or tool used to monitor industrial networks for anomalous activity or potential threats, designed to promptly detect and respond to security incidents
“industrial network”	a comprehensive security protection system for IT and OT assets in industrial production

GLOSSARY OF TECHNICAL TERMS

“IoT”	Internet of Things, refers to the pervasive network of physical objects (“ things ”) embedded with sensors, software, and other technologies for the purpose of connecting, collecting, and exchanging data with other devices and systems over the internet or other communications networks
“IPv6”	Internet Protocol version 6, it is the most recent version of the Internet Protocol, which provides an identification and location system for computers on networks and routes traffic across the Internet
“ISO 14001”	environmental management system certification
“ISO 20000”	information technology service management system certification
“ISO 22301”	business continuity management system certification
“ISO 27001”	information security management system certification
“ISO 27701”	privacy information management system certification
“ISO 9001”	quality management system certification
“IT”	Information Technology, is the comprehensive study, design, development, implementation, support, and management of computer-based information systems
“KPI”	Key Performance Indicator, a quantifiable metric used to evaluate the success of an organisation or a specific activity in meeting its key objectives
“KVM”	Kernel-based Virtual Machine, a Linux kernel module that enables the operating system to function as a hypervisor for running multiple, isolated virtual machines
“LFP”	Lithium Iron Phosphate, a type of lithium-ion battery cathode material prized for its stability, safety, and long cycle life
“log auditing”	the systematic review of event logs to monitor security, ensure compliance, and diagnose operational issues
“MES”	Manufacturing Execution Systems, the systems used to manage and monitor production activities within the manufacturing process, enabling real-time data collection and process optimisation

GLOSSARY OF TECHNICAL TERMS

“Modbus”	a communication protocol widely used in industrial automation for data exchange between controllers and devices
“MSSP”	Managed Security Service Provider, a provider of ongoing security monitoring and management services
“multi-level protection scheme”	the Chinese cybersecurity level protection system
“network traffic auditing”	the process of inspecting and analysing data flow across a network to ensure security, optimise performance, and enforce compliance
“O&M”	Operations and Maintenance, a comprehensive set of documents compiled for a constructed asset or installed system, provided to the client or end-user upon project completion
“OMS”	Order Management System, a software platform or integrated set of applications that centralises, automates, and manages the entire lifecycle of a customer order
“one-stop domestic substitution”	a strategy using a complete suite of domestically developed/procured technologies
“OT”	Operational Technology, is a specialised category of hardware and software designed to directly monitor, control, and manage physical devices, industrial processes, and infrastructure in the real world
“penetration test”	an authorised, simulated cyberattack against a computer system to evaluate its security by exploiting vulnerabilities
“PKCS#7”	a standard for cryptographically protected messages
“PKI”	Public Key Infrastructure, is a comprehensive framework of technologies, policies, and procedures that enables the secure creation, management, distribution, use, storage, and revocation of digital certificates and public-key encryption
“PLC”	Programmable Logic Controller, a ruggedised industrial digital computer designed for automation and control within manufacturing or process environments
“policy-driven ecosystem”	an industry ecosystem heavily influenced by government policy

GLOSSARY OF TECHNICAL TERMS

“rail transit industrial cybersecurity”	industrial cybersecurity measures specifically tailored for rail transit systems (such as signalling, power supply, and train control), ensuring the safe and stable operation of transportation systems
“RTU”	Remote Terminal Units, the devices used for the remote monitoring and control of industrial equipment, commonly found in SCADA systems
“SCADA”	Supervisory Control and Data Acquisition system, is a category of industrial control system (ICS) comprising hardware and software for high-level supervision, control, and real-time monitoring of geographically dispersed assets and processes
“SM2/SM4/SM9”	Chinese national cryptographic algorithms
“smart grids”	electrical grids that use digital communication technology
“smart manufacturing”	manufacturing employing computer-controlled and ai-driven processes
“SOC/SOH”	State of Charge/State of Health (battery metrics), a metric that indicates the remaining usable capacity in a battery at a specific point in time, expressed as a percentage (%) of its current maximum capacity
“SOE”	State-owned enterprise, a commercial enterprise that is wholly or majority owned by the state and whose operations are controlled by the government
“Stuxnet incident”	a sophisticated computer worm, discovered in 2010, that was the first known malware designed specifically to attack and damage industrial control systems, most notably those used in Iran’s nuclear program
“systematised competition”	market competition based on integrated, systematic solution capabilities
“threat intelligence”	the collection, analysis, and dissemination of information about potential or current cyber threats to assist organisations in preventing or responding to security attacks
“TOCS”	Train Operation Control System, a system used to monitor and manage train operational status, scheduling, and safety control

GLOSSARY OF TECHNICAL TERMS

“UPS”	Uninterruptible Power Supply, an electrical apparatus that provides emergency backup power to connected equipment almost instantly when the main power supply (mains) fails, preventing data loss and operational downtime
“vulnerability scans”	the automated process of proactively identifying security weaknesses, misconfigurations, and missing patches within an organisation’s IT systems, networks, and applications to assess cyber security risk
“WAMS”	Wide-Area Measurement System, a system used in power systems for real-time monitoring of grid conditions to enhance grid stability and reliability
“WAN”	Wide Area Network, a telecommunications network that extends over a broad geographical area, such as across cities, countries or continents
“zero-trust security philosophy”	security model assuming no implicit trust

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements and information that relate to our current expectations and views of future events. These forward-looking statements are contained principally in “Summary”, “Risk Factors”, “Industry Overview”, “Business”, “Financial Information” and “Future Plans and [REDACTED]”. These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in “Risk Factors”, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

This document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim”, “anticipate”, “aspire”, “believe”, “could”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “schedule”, “seek”, “should”, “target”, “vision”, “will”, “would” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in “Risk Factors” and elsewhere in this document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statement involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to effectively manage the growth and expansion of our business;
- our ability to continue to enhance our technology capabilities and provide tailored solutions based on enterprise users’ specific needs;
- our financial condition and performance;
- our ability to collect trade receivables in a timely manner and improve our liquidity position;
- our capital expenditure plan;
- our ability to maintain good relationships with our business partners;
- future developments, trends and conditions (including economic, political and business conditions) in the industries and markets in which we operate or plan to operate;
- the actions and developments of our competitors;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to control or reduce costs;

FORWARD-LOOKING STATEMENTS

- our ability to control our risks;
- our financial condition and performance, debt levels and capital needs;
- various business opportunities that we may pursue;
- our business strategies, objectives and plans and our ability to achieve these strategies;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in “Risk Factors”.

The forward-looking statements made in this document relate only to events or information as of the date on which the statements are made in this document. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this document completely and with the understanding that our actual future results or performance may be materially different from what we expect.

RISK FACTORS

You should carefully read and consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. Our business, financial condition, results of operations and/or the ability to meet our financial obligations could be materially and adversely affected by any of these risks and uncertainties. The [REDACTED] of our Shares could decline due to any of these risks (or such additional risks), and you may lose all or part of your [REDACTED].

An [REDACTED] in our H Shares involves various risks. You should carefully consider all the information in this document and in particular the risks and uncertainties described below before making an [REDACTED] in our H Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisers regarding your prospective [REDACTED] in the context of your particular circumstances. 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, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements”.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we are unable to effectively manage the growth and expansion of our business and operations, for example, by failing to enhance our solutions’ features and functionality, expand and maintain coverage of enterprise users or deliver satisfactory solutions, our revenue growth may not be sufficient to offset future operating expenses, and our operating results, financial condition, and growth outlook could be adversely impacted.

Since inception, we have broadened both the scope and scale of our solutions and achieved steady revenue growth during the Track Record Period. We may continue to roll out new business initiatives as we identify new business needs. While these initiatives may create additional monetisation opportunities, they also heighten operational complexity and may place significant demands on our managerial, operational, financial, and human resources. Our existing and planned headcount, systems, processes, and controls may prove insufficient to support our future operations.

RISK FACTORS

We cannot assure you that we can sustain prior growth rates for a variety of reasons. We believe our revenue growth depends on several factors, including our ability to expand our solutions’ features and capabilities; attract new enterprise users and retain current ones; drive broad adoption and usage of our solutions; deliver timely and effective customer support; maintain the security and reliability of our software and hardware; scale our sales organisation appropriately; price our solutions to attract and retain paying project collaborators while preserving profitability; compete successfully against established players and new entrants; strengthen brand awareness; comply with evolving laws and regulations. Our strategy focuses lies in the sustained increase of R&D investment, deepening innovation in the fields of industrial cybersecurity and energy digital-intelligence, and advancing technology-driven upgrades as our core development priority. To this end, we will enhance our core technological capabilities through a series of measures, including expanding our high-calibre R&D team, optimising incentive mechanisms, and establishing high-standard industrial cybersecurity attack-and-defence testing laboratories. However, it must be noted that we cannot guarantee our ability to fully and effectively manage the challenges associated with growth, or to successfully implement all strategies and control measures. In addition, the actual outcomes, market acceptance, and profitability of these new initiatives may be subject to uncertainties and risks.

If we fail to achieve any of our development objectives, our revenue growth could be negatively affected. Should revenue growth fail to keep pace with future operating expenses, our business, operating results, and financial condition could suffer, and we may be unable to achieve or sustain profitability. We have encountered, and expect to continue encountering, risks and uncertainties common to rapidly growing companies in fast-evolving industries. If the assumptions underlying our planning prove incorrect or change, or if we fail to manage these risks effectively, our growth may slow and our business could be adversely affected.

We face the risk that our capability to deliver customised solutions, which is built upon deeply accumulated industry-specific knowledge, may prove difficult to rapidly replicate and scale when entering entirely new industry sectors.

Our core business capabilities are built upon a profound understanding derived from long-term, deep engagement within specific industry verticals, such as power, petrochemicals, and rail transportation. This encompasses knowledge of their unique production processes, operational environments, safety protocols, and compliance requirements. This industry-specific technological and regulatory know-how has been progressively internalised into a key competitive barrier, manifesting in highly customised, quantifiable, and industry-adapted integrated solutions. However, this industry-specific expertise and contextualised capability, reliant on long-term accumulation and continuous iteration, is inherently difficult to replicate rapidly or scale across different sectors through standardised tools or short-term training programmes.

RISK FACTORS

When expanding into new industry domains such as intelligent manufacturing, we must systematically develop an understanding of the operational logic, technological frameworks, and regulatory landscapes of these sectors from the ground up. This necessitates the redesign and engineering adaptation of our solutions to meet their distinct requirements. This process not only demands significant investments of time and resources for industry research, on-site field studies, and pilot validation programmes but also critically relies on specialised teams possessing cross-disciplinary learning and integration capabilities. Should our market expansion teams fail to consolidate the necessary knowledge and build requisite competencies within a reasonable timeframe, or if their understanding of these new operational contexts remains superficial, it could result in proven solutions becoming unsuitable in the new environment. This may manifest as underperformance against specifications, low customer acceptance, or substantial cost overruns during project delivery.

Such delays in capability replication could consequently hinder the critical transition from successful pilot cases to large-scale, sector-wide deployment, constraining the growth velocity and profitability of new business lines. Ultimately, this poses a substantive challenge to the advancement of our overall corporate strategy and the long-term diversification of our business portfolio. Therefore, determining how to systematically develop a transferable and scalable framework for industry insight and solution architecture while continuously extending our sectoral reach constitutes a significant operational risk that we must proactively address and manage.

We face competition in the industry we operate, and our operating results could be harmed if we fail to compete effectively.

The market for industrial cybersecurity and energy digital-intelligence solutions is relatively new in certain segments, and evolving, and competitive. We face competition across numerous dimensions of our business including the breadth and flexibility of our offerings, brand recognition, the pace and quality of our innovation, and our vertical expertise in delivering industry-specific security solutions. In addition to other solutions providers, we compete with large, established infrastructure and enterprise software vendors that sell on-premise security products and platforms. These legacy technology companies are increasingly augmenting their traditional, appliance-based and on-premise offerings with competing cloud-delivered and hybrid security services through acquisitions, partnerships, and internal development. Moreover, vendors historically focused on adjacent technologies, such as cloud hyperscalers, telecommunications carriers, and managed service providers, may expand into or deepen their presence in cybersecurity.

Many of our competitors can allocate substantially greater financial, technical, and marketing resources to developing, promoting, and selling their products and services, and many have the ability to initiate or withstand significant price competition. Current or potential competitors may also be acquired by larger companies with substantially greater resources, thereby enhancing their competitive position. Competitors may establish strategic alliances among themselves or with third parties to bolster their offerings, distribution, or go-to-market capabilities. As new technologies emerge and new entrants join the market, we expect competitive pressures to intensify. If we fail to anticipate the right combination of market trends and technologies, if our competitors’ products, services, or technologies achieve broader market acceptance, if they reach the market ahead of us, or if their offerings are less expensive or more advanced than ours, our revenue could be adversely affected. Pricing pressure and increased competition could lead to lower sales and revenue, compressed margins, and the loss of, or an inability to improve, our competitive position, any of which could harm our business.

RISK FACTORS

Our business depends on our ability to innovate and adapt our solutions to rapid technological changes and evolving threats; failure to do so would cause us to lose enterprise users and harm our results of operations.

The market for industrial cybersecurity energy digital-intelligence solutions in China, where we operate and compete, is characterised by rapid innovation and continual change. Developing new security technologies can be costly and time-consuming, which may delay or prevent the development, introduction, or deployment of new products, services, and enhancements. In particular, the accelerating adoption of artificial intelligence in both cybersecurity and operational technology represents related risks. If we fail to effectively integrate AI technologies into our solutions in a timely and competitive manner, our ability to deliver proactive, intelligent security and maintenance capabilities could be impaired. This could result in our solutions becoming less effective at detecting advanced threats or optimising operational efficiency, causing enterprise users to seek alternatives that better leverage AI-driven innovation.

We may not be able to sustain similar levels of investment in terms of time and capital in our research and development in the future as we did in the past. If we are unable to improve and extend our solutions in a manner that promptly addresses our enterprise users’ evolving threat environments and compliance requirements, we may lose our enterprise users and our business, financial condition, results of operations, and prospects could be adversely affected.

We may not succeed in delivering enhancements on our solutions or bringing them to market in a timely manner. In addition, uncertainty regarding the timing and nature of new network architectures, encryption standards, operating system updates, hardware platforms, or modifications to existing technologies could delay our product roadmap and increase our research and development costs. Any failure of our solutions to interoperate effectively with future platforms and technologies could reduce demand, lead to client dissatisfaction, and harm our business.

If we do not attract new enterprise users or retain existing ones, our business, operating results, and financial condition could be adversely affected.

To grow our revenue, we must acquire new enterprise users, encourage existing enterprise users to renew their subscriptions or licences on terms favourable to us, expand user and endpoint coverage, and upsell additional security features and modules to our installed base. As part of our strategy to deepen penetration in our target industries, we rely on commercial relationships with, and referrals from, market-leading enterprise users. When entering a new sector, our dedicated sales team engages top-tier enterprises and we commit substantial resources to meeting prospective enterprises users’ requirements. Endorsements from leading players have helped accelerate adoption within relevant verticals. There is no assurance this approach will consistently meet expectations. Securing flagship accounts often requires significant upfront expenditure, and there is no guarantee these efforts will succeed. If this go-to-market strategy proves less effective than anticipated, we may be unable to sustain our current revenue or profitability.

RISK FACTORS

As the industry of industrial cybersecurity and energy digital-intelligence matures, or as competitors introduce lower-cost and/or differentiated offerings perceived to compare favourably with ours, our ability to win new customers and to renew, expand, or upsell existing ones based on pricing, technology, and functionality may be constrained. Consequently, we may be unable to renew agreements with current customers, attract new customers, or generate additional business from our installed base, which could adversely affect our revenue and growth. In particular, the loss of any key enterprise users, or reductions in their purchases of our solutions, could materially impact our revenue, reputation, and our ability to secure new business.

In addition, factors beyond our control may hinder customer retention. Our enterprise users may be unable to sustain or expand their operations and may therefore cancel or reduce purchases for our solutions. Our revenue from specific industries may fluctuate for reasons largely outside our control, including sector-specific market conditions, changes in regulatory requirements, and new government policies. If certain customers elect, or are required, to cease or reduce operations due to changes in laws, regulations, or their interpretation, our business, financial condition, and operating results could be materially and adversely affected.

We have grown our business in part through recent acquisitions and intend to continue to grow our business through selective acquisitions and investments; if we fail to enhance post-acquisition performances in the future, it could have an adverse effect on our business prospects.

We believe our recent acquisitions of Beijing BKC and Haibo Electric further enhance our capabilities in the energy sector and align with the continuous growth of the energy digital-intelligent integrated solutions in China. Our ability to successfully grow our business through such acquisitions remains subject to further risks and uncertainties, including that we may be unable to successfully integrate the acquired businesses in order to achieve the expected synergies with our own business or to increase the efficiencies of the acquired businesses in the manner we contemplated, or that we may be unable to effectively manage our enlarged business operations, or manage acquired businesses that may operate in new markets, regulatory environments or geographic regions, or that the acquired businesses do not generate the revenue and profitability we had anticipated.

In addition, we intend to continue to grow our business through selective acquisitions and investments. To the extent we are unable to successfully grow our business through such acquisitions, our ability to achieve future growth of our business will more heavily depend on the organic growth of our business.

RISK FACTORS

Our overseas expansion strategy may be delayed or fail to execute as planned, as market entry faces geopolitical and technical standard barriers, potentially preventing us from achieving anticipated profitability within the expected timeframe. This could adversely affect our financial condition and existing operations.

Our business strategy explicitly incorporates an international expansion pathway, which entails collaborating with key domestic industrial partners in strategic regions including central Asia, southeast Asia, and the Middle East. See “Business - Our Strategies - Capitalising on International Opportunities” for details. However, expanding into overseas markets is far from a simple replication of the domestic model. Beyond common challenges such as cultural differences, channel network development, and the cultivation of local service teams, we will confront stringent technical standard barriers and market access restrictions imposed by host countries, driven by concerns over data sovereignty, national security, and industrial protectionism. In this context, our core advantages, including state-endorsed cryptographic algorithms and a fully domestic technology stack, may face adaptation challenges in certain markets, necessitating prolonged local certification and compliance adaptation processes. Should we fail to achieve deep localisation including a precise grasp of local regulations, industry ecosystems, and client needs, and particularly if we fail to successfully integrate into the local standard-setting framework and influence technological roadmaps, our overseas business could remain in a prolonged phase of high investment and slow returns. This would make it difficult to achieve sustainable, scalable profitability within the expected timeframe, thereby impacting our overall growth trajectory and financial objectives.

We face cybersecurity and data protection risks, and our safeguards may be insufficient, which could leave our systems vulnerable to compromise and could adversely affect our business, financial condition, results of operations and prospects.

Sophisticated cyber threats, such as targeted intrusions, distributed denial-of-service attacks, hacking and phishing campaigns, security breaches, and malicious code, continue to increase in frequency and complexity, and providers of security solutions are frequent targets. We cannot guarantee that our implemented security frameworks, network defences, incident response and recovery capabilities, and other protective measures will prevent all attacks, breaches, service interruptions, system failures, or data loss. Adversaries regularly evolve their tactics, techniques, and procedures, and many attacks are not discovered until after they have occurred. We also cannot be certain that we will promptly identify and remediate all software or configuration vulnerabilities that may arise. Any successful attack or breach could delay or disrupt delivery of our products and services, damage our brand and reputation, expose us to litigation and other liabilities, and require substantial expenditure of capital and resources to investigate, contain, and remediate the incident.

Security incidents experienced by us may lead to public disclosures and widespread negative publicity concerning us or the cybersecurity industry generally, and clients may lose confidence in the security of our platforms and managed security services. If we do not effectively address these risks, our business, financial condition, results of operations and prospects could be materially and adversely affected.

RISK FACTORS

We are subject to hazards and operational risks that may disrupt our business.

Our operations as an industrial cybersecurity and energy digital-intelligence solutions provider are subject to hazards and risks inherent in the industry, including:

- **damage to third-party and our own infrastructure:** damage to our servers and related equipment, and to surrounding properties, caused by earthquakes, hurricanes, tornadoes, floods, fires and other natural disasters, as well as explosions and acts of terrorism;
- **employee misconduct or error:** misconduct, negligence or inadvertent mistakes by our personnel, including engineers, security analysts and administrators;
- **third-party errors or failures:** inadvertent damage or operational failures by third parties, including telecommunications carriers, data centre operators, hardware vendors, software suppliers and managed service partners; and
- **other operational hazards:** events that could lead to suspension of operations, personal injury or loss of life, such as utility outages, cyber incidents affecting our own corporate systems, hardware failures, software defects, supply chain disruptions, transportation interruptions and public health emergencies.

We cannot guarantee that these risks will not result in substantial losses or require the curtailment or suspension of our operations. As a consequence, we may experience interruptions to systems and services, reputational damage, delays in product development and roadmap execution, breaches of data security and the loss or corruption of critical data, any of which could adversely affect our operating results.

We are not insured against certain claims, events or accidents that may occur. If a significant accident or disruptive event takes place, or if we or our data centre providers are unable to restore operations at facilities affected by such events, our business operations and financial condition could be harmed.

If the industrial cybersecurity and energy digital-intelligence market develops more slowly than anticipated or contracts, our business could be adversely affected.

The market for industrial cybersecurity and energy digital-intelligence solutions is less mature in certain segments than markets for established on-premise security appliances and legacy perimeter-based systems. It remains uncertain whether modern cybersecurity architectures will achieve and sustain high levels of client demand and market acceptance as replacements for entrenched legacy stacks. Our success depends to a significant extent on the broad adoption of next-generation security solutions in place of existing on-premise products and bespoke integrations. Many larger organisations have invested substantial technical, personnel and financial resources to implement and integrate legacy security infrastructures into their operations and therefore may be reluctant or unwilling to transition to newer cybersecurity platforms and service models.

RISK FACTORS

It is difficult to predict adoption rates, demand for our solutions, the future growth trajectory and ultimate size of the addressable market for cybersecurity products and services, or the timing and impact of competing offerings. Expansion of the market depends on a number of factors, including the refresh cycle for legacy systems, comparative cost and performance, perceived value and return on investment, and the ability of providers to address concerns relating to security, stability, data protection, privacy and data sovereignty. If other solutions providers experience high-profile security incidents, loss of client data, service disruptions or other significant problems, overall confidence in cybersecurity platforms and managed security services may be undermined, which could adversely affect demand for our solutions as well.

If cybersecurity solutions do not achieve widespread adoption, or if demand declines due to a lack of client acceptance, enhancements by incumbent on-premise vendors, technological constraints, macroeconomic weakness, heightened security or privacy concerns, the emergence of competing technologies and products, reductions in corporate information technology spending, or other factors, our revenue could decrease and our business could be harmed.

Our ability to advance our solutions depends on sufficient research and development resources. If we do not adequately fund research and development, we may be unable to compete effectively and our business and operating results may be adversely affected.

To remain competitive in the industrial cybersecurity and energy digital-intelligence market, we must continue to develop new products and services and enhance our existing solutions. Maintaining adequate research and development personnel and resources to meet market demands is essential. If we are unable to develop products, applications or features internally due to constraints such as high employee turnover, inability to recruit and retain sufficient research and development personnel, or a lack of other research and development resources, we may miss market opportunities and fail to deliver timely innovations.

Many of our competitors devote significantly greater financial and technical resources to their research and development programmes. Competitors that do not currently do so may be acquired by larger companies that can allocate greater resources to their research and development activities. If we do not devote sufficient resources to research and development, or if we are unable to compete effectively with the research and development programmes of our competitors, our ability to innovate in areas such as threat detection, response, automation, platform integration and performance may be impaired. This could harm our competitive position and adversely affect our business and operating results.

RISK FACTORS

Our business could be adversely affected if enterprise users are dissatisfied with our solutions, or their demand for our solutions is otherwise affected.

Our performance depends on our ability to satisfy enterprise users not only with the functionality and reliability of our industrial cybersecurity and energy digital-intelligence solutions but also with the professional services and technical support that enable effective deployment, integration and ongoing use. If we fail to meet required service or performance levels, we may face compensation claims, credits or penalties, and enterprises users may elect to terminate or reduce their use of our services. Rising costs to meet service and performance obligations could adversely affect our operating results.

We may be unable to respond in a timely manner to short-term increases in enterprises users’ demand for support or implementation services. We may also be unable to adapt our support models to remain competitive if enterprises users’ expectations or industry practices change. Higher demand for services that is not matched by corresponding revenue could increase our costs and harm our margins. If enterprises users are dissatisfied with solution deployment, integration outcomes, incident response, or ongoing support, we could lose them, miss opportunities to expand within existing accounts, incur additional remediation costs, or experience reduced margins on service revenue, any of which could impair our growth.

Furthermore, demand from our enterprise customers may be impacted by various factors, including unforeseen regulatory developments or reductions in internal budgets due to shifts in their business strategies. Such factors could adversely affect our business operations and financial performance and are largely beyond our control. Additionally, a portion of our revenue is derived from project-based sales, some of which are non-recurring in nature. There is no guarantee that we will be able to secure similar projects in the future.

Negative publicity relating to our professional services or technical support, regardless of its accuracy, could damage our reputation, reduce client confidence and make it more difficult to win new business or retain existing enterprises users.

Changes in the mix of enterprise users and solution components may affect our gross margins and operating results.

Our strategy includes serving both large enterprises and small and medium-sized organisations across multiple sectors. Sales to larger organisations often involve longer sales cycles, more complex procurement and security due diligence, greater implementation and integration effort, and higher service level requirements. Larger organisations may also exert stronger bargaining power on pricing and contractual terms. These factors can increase acquisition costs and reduce margins.

Selling to smaller enterprise users may involve smaller contract values, shorter subscription terms, higher price sensitivity, fewer opportunities for cross-sell and upsell, and a greater likelihood of non-renewal or early termination. These characteristics can lead to lower returns on sales and marketing expenditure and may adversely affect gross margin.

RISK FACTORS

Our gross margins can also be influenced by changes in the composition of our solutions purchased by enterpriser users. A higher mix of lower-margin components, such as third-party licensed technologies, hardware appliances, bandwidth-intensive or storage-intensive offerings, and labour-intensive professional or managed services, may reduce gross margin compared with higher-margin software subscriptions and value-added security modules. In addition, increased customisation, elevated support commitments, or expanded service-level obligations can increase costs of delivery.

Shifts over time in the mix of enterpriser users’ sizes, industries, deployment models, contract durations, pricing structures, or solution components can therefore affect our gross margins and operating results. If these shifts are unfavourable, our profitability and financial performance may be adversely affected.

If we do not expand our sales and marketing capabilities effectively, our business may be adversely affected.

Our ability to grow our enterpriser users base and achieve broader market acceptance of our industrial cybersecurity and energy digital-intelligence solutions depends to a significant extent on the effective expansion of our sales and marketing capabilities. This includes enhancing sales enablement and training, improving sales operations and tooling, and retaining experienced personnel. Identifying, recruiting and training qualified sales and marketing professionals requires significant time, expense and management attention, and it can take an extended period before new personnel are fully productive. If we are unable to hire, develop and retain talented sales and marketing personnel, or if new hires do not achieve expected productivity within a reasonable timeframe, we may fail to realise anticipated benefits from these investments and our revenue growth could be constrained.

We may also seek to expand our geographic reach, which can increase complexity in compliance, pricing, discounting, and support obligations. If our sales processes, governance and systems do not scale in line with these expansions, sales efficiency and conversion rates may decline, which could harm operating results. Larger prospective clients often require extensive security evaluations, proofs of concept and procurement reviews, which lengthen sales cycles and increase pre-sales costs. If close rates do not offset these higher costs, margins may be adversely affected.

In addition, we plan to continue investing in marketing activities, including digital campaigns, thought leadership, industry sponsorships and participation in conferences and trade events. These activities will increase marketing expenditure. There is no assurance that such spending will generate sufficient qualified demand or revenue to offset the associated costs. If our sales and marketing investments do not produce the expected increase in pipeline, win rates or average contract values, our ability to grow revenue and improve profitability may be adversely affected.

RISK FACTORS

There is no assurance that we will be able to maintain or improve our financial performance.

Our profitability and financial performance can be affected by numerous factors that are difficult to predict. Our gross margin and net margin may fluctuate due to changes in pricing, client mix, solution mix, cost structure, market conditions and competitive dynamics. Profitability may also be affected by the timing of large contracts, lengthening sales cycles, and the balance between higher margin software subscriptions and lower margin hardware, third-party technologies, bandwidth, storage and services.

Our ability to maintain or improve our financial performance depends on a number of factors, including:

- **execution of growth strategy:** effective expansion across target markets, verticals and geographies, and the successful scaling of go-to-market operations.
- **sales and marketing efficiency:** strengthening sales and marketing capabilities and achieving acceptable returns on customer acquisition and channel investments.
- **cost discipline:** controlling costs of revenue, managing operating expenses and allocating research and development, sales and marketing, and general and administrative spend efficiently.
- **pricing and discounting:** maintaining pricing power and favourable commercial terms in the face of competitive pressure and procurement negotiations.
- **product and service mix:** increasing the contribution of higher margin software subscriptions and value-added security modules relative to lower margin components and labour-intensive services.
- **innovation velocity:** delivering timely product enhancements and new capabilities that sustain differentiation and support upsell and cross-sell.
- **client retention and expansion:** retaining existing clients, reducing churn and expanding within the installed base through renewals, seat growth and additional modules.
- **operational scalability:** improving utilisation, cloud and infrastructure efficiency, supply chain resilience and service delivery productivity.
- **regulatory and compliance costs:** managing costs associated with evolving cybersecurity, data protection and industry-specific compliance requirements.
- **macroeconomic and market conditions:** navigating changes in corporate information technology budgets, foreign exchange movements and broader economic conditions.

As a result of these and other factors, our financial performance may fluctuate from period to period, and our revenue growth may not translate into improved margins or net income. Investors should not rely on historical financial performance as an indicator of future results.

RISK FACTORS

If we fail to collect trade receivables from our customers in a timely manner, our business, results of operations, and financial condition may be materially and adversely affected.

As of 31 December 2023 and 2024, and 30 September 2025, we recorded trade receivables of RMB663.6 million, RMB956.3 million and RMB1,107.7 million, respectively, and allowance for credit loss of trade receivables of RMB23.8 million, RMB52.2 million, and RMB71.1 million, respectively. The trade receivables turnover days in the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 were 414, 389 and 597 days, respectively. Our credit terms with customers that are main contractor are generally longer than our credit terms with enterprise users because main contractors' payments to us are oftentimes made upon their receipt of payments from their end customers. If any of our customers' cash flow, working capital, financial condition, or results of operations deteriorates, it may become unable or unwilling to settle its trade receivables with us promptly or at all. Alternatively, a customer may deliberately delay or refuse to settle its trade receivables with us. Any delay or failure in our collection of trade receivables may adversely affect our liquidity and cash flows, which in turn may have a material adverse effect on our business, results of operations and financial condition. In addition, as our business continues to scale up, our trade receivables may continue to grow, which may increase our credit risk exposure.

We recorded negative operating cash flow at times during the Track Record Period. If we continue to have negative operating cash flow in the future, our liquidity and financial condition may be adversely affected.

We recorded negative operating cash flow of RMB83.5 million, RMB91.6 million and RMB159.0 million for the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025. For reasons of negative operating cash flow, see "Financial Information — Cash Flows — Net cash from operating activities". We cannot assure you that we will not record negative operating cash flow again in the future.

If we resort to external financing facilities to generate additional cash, we will incur additional financing costs. If operating cash flow remains negative in the future and if we cannot obtain adequate fund from other resources on satisfactory terms or at all to fund our operation, our business, financial conditions and results of operations may be materially and adversely affected.

We are subject to seasonal fluctuations in revenue.

Our revenue are affected by seasonality, amongst other factors. Our results of operations have fluctuated from season to season in the past and are likely to continue to fluctuate in the future due to seasonality. During the Track Record Period, we generally recorded a majority of our revenue in the fourth quarter. Such seasonality is primarily attributable to the seasonal nature of project planning and project execution by our customers. The end users of the projects we participate in including large-scale enterprises including SOEs. Generally speaking, the planning and investment management of the relevant industrial projects are conducted in the first half of the year, and the final project inspection and acceptance are conducted in the fourth quarter of the year, resulting in corresponding revenue being recognised in the same period. Accordingly, any comparison of our results of operations between interim and annual results in a financial year is not necessarily meaningful. As a result, our interim results should not be referred to as an indicator of our performance for that financial year.

RISK FACTORS

We may be unable to obtain financing on favourable terms, or at all, to meet future capital requirements.

Future capital may be required to support research and development, pursue business opportunities, respond to competitive challenges, execute acquisitions, address regulatory obligations or manage unforeseen events. To meet these needs, financing may be sought through equity or debt issuances or by entering into credit facilities. There is no assurance that additional capital will be available when required, or that it will be available on acceptable terms.

The ability to raise additional capital is subject to uncertainties that include, among others:

- **market position and competitiveness:** perceptions of our positioning, resilience and growth prospects in the network security and cybersecurity industry.
- **financial performance and outlook:** our profitability, financial condition, operating results, cash flows and visibility on future performance.
- **capital market conditions:** the availability and cost of capital, interest rate levels, investor risk appetite and liquidity in global and regional markets.
- **industry dynamics:** demand trends for cybersecurity products and services, sector valuations and sentiment toward security vendors.
- **regulatory environment:** evolving legal, regulatory and compliance requirements that may affect access to capital or increase financing costs.
- **macroeconomic and geopolitical factors:** economic conditions, geopolitical developments, currency volatility and other external events.

Failure to secure additional financing in a timely manner, or on acceptable terms, could delay or curtail product development, innovation initiatives, sales and marketing activities, investments in infrastructure, compliance programmes and potential strategic transactions. This could adversely affect growth prospects, competitiveness and operating results.

Any future issuance of equity or equity-linked securities could dilute existing shareholders. The incurrence of indebtedness would increase debt service obligations and could include covenants that restrict operations, limit the ability to incur additional debt, impose financial maintenance requirements, constrain flexibility in capital allocation and restrict the payment of dividends. Debt financing may also require the granting of security interests over assets, expose the business to interest rate risk where borrowings are at variable rates, and create refinancing risk at maturity.

RISK FACTORS

We may be unable to obtain, maintain, enforce and protect our intellectual property and proprietary information, which could adversely affect our business and competitive position.

Our trade secrets, trademarks, copyrights, patents, and other intellectual property rights are critical to our success. As of the Latest Practicable Date, we had registered 261 software copyrights, 158 issued patents, 22 trademarks and 10 domain names.

Intellectual property and proprietary information, including trade secrets, know-how, confidential information, software code, data models, detection content, threat intelligence, trademarks, copyrights and patents, are critical to success in the network security and cybersecurity industry. Protection of these assets typically relies on a combination of intellectual property laws, unfair competition laws, confidentiality and invention assignment agreements, licence agreements and other protective measures. These measures may not be adequate. Applications for patents or trademarks may be refused or delayed. Any patents that are granted may be challenged, narrowed or invalidated. Competitors may develop similar or superior technologies that do not infringe existing rights or may design around patented features. Pending applications may not result in issued rights. As a result, it may not be possible to prevent unauthorised use, copying or reverse engineering of technology, particularly in jurisdictions where enforcement is difficult, which could require significant resources to address.

Monitoring, securing and enforcing intellectual property rights can be costly, time consuming and uncertain. Actions to protect these rights may lead to disputes, counterclaims or countersuits that challenge the validity, enforceability or ownership of the rights at issue. Adverse outcomes could result in the loss, limitation or impairment of intellectual property protection, injunctions against the use of certain technologies, or the obligation to pay damages, licence fees or royalties. Even if successful, enforcement actions can divert management attention, increase costs and disrupt operations.

There is also a risk of unauthorised disclosure or misappropriation of trade secrets and other confidential information by employees, contractors, partners or other third parties, despite confidentiality obligations and security controls. Once disclosed, trade secret protection may be lost. Failure to adequately secure, protect and enforce intellectual property and proprietary information could diminish the value of technology and content, reduce differentiation, weaken brand equity and harm business performance and prospects.

If we become involved in litigation, legal disputes or claims, we may incur costs and liabilities.

We may from time to time in the future become, involved in litigation, legal disputes or claims arising from the performance of our contractual obligations and in the ordinary course of our business, including labour disputes. Ongoing litigation, legal disputes or claims, whether or not they have merit, may divert the attention of our management and consume significant resources. In addition, matters that initially appear to be of limited significance may escalate for various reasons, including the underlying facts and circumstances, the assessed likelihood of loss, the amount in dispute and the identity of the parties involved.

RISK FACTORS

Adverse publicity arising from litigation, legal disputes or claims may damage our reputation and negatively affect our brand. Moreover, an adverse judgment or award could require us to pay substantial monetary damages, assume additional liabilities or suspend or terminate the related business or project. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Negative publicity and allegations concerning our Group or our affiliates may harm our reputation and adversely affect our operations and financial results.

From time to time, we and our affiliates may be the subject of adverse media reports and public allegations. Such negative publicity directed at our Group and/or our affiliates could undermine perceptions of our brand and damage our reputation. We cannot assure you that we will be able to address or mitigate unfavourable press coverage or public allegations concerning our Group and/or our affiliates to the satisfaction of investors, customers, suppliers and other business partners. If we are unable to effectively counter negative publicity concerning our Group and/or our affiliates, our brand and reputation may be impaired, our operational and financial performance may suffer and the [REDACTED] of our H Shares may decline.

Our insurance coverage may not fully address the risks associated with our business and operations.

We maintain limited insurance coverage, including insurance on vehicles and third-party logistics. We do not maintain business interruption insurance or product liability insurance, which we believe is consistent with prevailing industry practice. There is no assurance that our existing insurance coverage will be sufficient to cover all potential losses arising from our business and operations. See “Business – Insurance” for further information on the insurance policies we maintain. If our insurance policies do not adequately compensate us for losses resulting from damage to insured items or otherwise incurred, we would need to bear any shortfall ourselves, and our cash flow and liquidity could be adversely affected.

We may be unable to secure additional capital and advance our long term business plan.

We will require additional working capital to support our long term business plan, which contemplates selectively pursuing strategic investment and acquisition opportunities. See “Business – Our Strategies – Selective Strategic Investment and Acquisitions” for details. Our working capital needs and the cash flow generated from future operating activities, if any, may fluctuate significantly from quarter to quarter due to variations in business volume and the payment terms agreed with customers. We may not be able to obtain sufficient additional financing through equity, debt or other sources. Any additional financing could dilute earnings per H Share or involve the issuance of securities with rights that are senior to those of our currently outstanding securities. If we are unable to raise additional funds, we may be unable to execute our long term business plan, develop or improve our software products and services, capitalise on future opportunities or respond in a timely manner to competitive pressures, if at all. A failure to obtain additional financing could also require us to significantly reduce or discontinue our operations.

RISK FACTORS

Unexpected regulatory developments and changes in government policies could adversely affect our business, financial condition, results of operation and prospects.

We provide solutions to enterprise users which operate in highly regulated sectors in China. Our operations are subject to extensive oversight under certain national laws and regulations, including the Multi-Level Protection Scheme (MLPS) 2.0 and related national standards. The Chinese government has pursued strong national strategies to bolster industrial cybersecurity, driven by policies promoting cybersecurity in industrial sectors, energy security, and digital-intelligent transformation. This positions us in a domain subject to frequent policy evolution.

Unexpected changes in these regulatory regimes and new mandatory standards in this regard could materially impact us. If new or amended regulations impose stricter classification, assessment, or certification thresholds for our solutions or those of our enterprise users, we may need to invest significantly in R&D, product upgrades, or third-party evaluations to maintain compliance, potentially delaying deployments or increasing costs.

We believe that we have benefited from policies favouring domestic technologies, specific vendors, or localised supply chains. Any shifts in these policies, or any policy pivot reducing emphasis on rapid deployment could slow market growth in industrial cybersecurity and energy digital-intelligence solutions, reducing demand for our comprehensive offerings, or restrict our ability to source components cost-effectively or require modifications to our integrated solutions.

We may not always anticipate or respond promptly to regulatory shifts. Failure to meet new standards in a timely manner, could result in penalties, loss of certifications, restricted market access, reduced client contracts, or reputational harm. Moreover, increased government oversight could lead to more frequent inspections, audits, or directives that divert management resources or impose additional compliance burdens. These factors could, individually or collectively, adversely affect our business, financial condition, results of operations and prospects.

We are exposed to risks from health epidemics, natural disasters, terrorist activities, political unrest, financial or economic crises and other force majeure events that could significantly disrupt our operations.

Our business may be adversely affected by health epidemics. In recent years, there have been outbreaks of Covid-19 pandemic in China and globally. In response to Covid-19 pandemic, various countries implemented measures including restrictions on mobility and travel, cancellation of public events and temporary suspension of public transportation, which may lead to delays or disruptions in our operations, including business activities and R&D activities. A renewed outbreak of Covid-19 pandemic or other health epidemics could limit overall economic activity and slow or disrupt our business operations, which could in turn adversely affect our business, financial condition, results of operations and prospects.

RISK FACTORS

Beyond the impact of health pandemics, our business could be materially and adversely affected by natural disasters such as snowstorms, earthquakes, fires or floods, and by other events such as wars, acts of terrorism, environmental accidents, power shortages or communication failures. The occurrence of such events in the countries and regions where we operate could materially disrupt our business and operations. These events could also affect our industry and result in the temporary closure of facilities used in our operations, severely disrupting our activities and having an adverse effect on our business, financial condition, results of operations and prospects.

Any financial or economic crisis, or the perceived risk of such a crisis, including a significant decline in consumer confidence, may materially and adversely affect our business, financial condition and results of operations. There is significant uncertainty regarding the long term effects of expansionary monetary and fiscal policies adopted by central banks and financial authorities in certain economies in which we operate. If fluctuations in the global economy materially and adversely affect demand for our solutions, our business, financial condition, results of operations and prospects could be materially and adversely affected.

RISKS RELATING TO DOING BUSINESS IN CHINA

Our business revenue is highly dependent on the critical infrastructure sector, where market demand and investment scale are directly influenced by national policy cycles and fluctuations in public investment; should relevant policy support diminish or industry investment momentum slow, it could directly impact our core business revenue and the stability of our cash flow.

Based on the deep focus of our business strategy on the critical infrastructure sector, a substantial portion of our revenue is derived from core critical information infrastructure industries such as energy, intelligent manufacture, rail transit, metallurgy, and emergency & environment protection. The pace of informatisation and intelligent investment, as well as security construction demands within these industries, are profoundly influenced by national industrial policy directives, mandatory safety regulations, and medium- to long-term fixed asset investment plans.

Our industrial cybersecurity and energy digitalisation solutions are closely aligned with the advancement of national-level initiatives such as the full implementation of Cybersecurity Level Protection System 2.0. Should policy support weaken, the implementation of detailed rules slow, or capital expenditure in these industries contract cyclically due to macroeconomic adjustments or local fiscal constraints, it may lead to delays in our customers’ new projects, re-evaluations, or even reductions in budgets for planned projects. Such industry-wide investment volatility would exert direct and significant pressure on our order acquisition, project implementation progress, and ultimately revenue recognition.

Our core revenue and profit sources remain concentrated in the aforementioned strongly cyclical industries. While this concentration enables rapid growth during periods of policy tailwinds, it also implies that our operational performance may exhibit substantial fluctuations in tandem with the investment cycles of these related industries. Therefore, for the foreseeable future, dependence on the policy and investment cycles of domestic critical infrastructure industries remains one of our primary operational risks.

RISK FACTORS

Failure to comply with rapidly evolving regulations and other legal obligations concerning data protection and cybersecurity may adversely affect our business.

We are subject to PRC and overseas laws relating to cybersecurity and data privacy. Many jurisdictions have enacted strict data protection laws, and others are considering additional restrictions. These laws continue to evolve and may be inconsistent across jurisdictions. For example, we are subject to the PRC Data Security Law 《中華人民共和國數據安全法》, the Cybersecurity Law of the PRC 《中華人民共和國網絡安全法》, the Personal Information Protection Law of the PRC 《中華人民共和國個人信息保護法》 and the Regulations on Network Data Security Management 《網絡數據安全管理條例》 together referred to as the Data Security Regulations. If our data processing activities are subject to these laws and regulations, we must ensure that they are conducted in a lawful, legitimate, specific and clear manner. Non-compliance could result in severe penalties, legal liability and reputational damage. Any failure to comply with PRC or overseas cybersecurity or data protection laws and regulations could result in proceedings brought by governmental authorities or other parties.

As of the Latest Practicable Date, we had not been notified that we are a critical information infrastructure operator, had not received any inquiry, notice or warning from any PRC authority, and had not been subject to any investigation, sanctions or penalties by PRC authorities in relation to national security risks arising from our operations. Our PRC Legal Advisor is of the view that we are not required to proactively apply for cybersecurity review in connection with our [REDACTED] and the conversion of [REDACTED] Shares into H shares. Because terms such as “affect or may affect national security” are broadly defined, and enforcement depends on contemporaneous interpretation, we cannot assure you that the Data Security Regulations will not be interpreted in a manner adverse to us.

In addition, regulatory requirements regarding cybersecurity and data privacy are continually developing, with potential new regulations introduced and existing ones revised or repealed, which requires ongoing determination of our responsibilities based on the laws and regulations in effect at the relevant time. We may also become subject to additional or new laws and regulations concerning the protection of personal information and important data, or other privacy matters related to our methods for data collection, analysis, storage and use. If we are unable to comply with applicable laws and regulations or to effectively address data privacy and protection concerns, any actual or alleged failure could damage our reputation, deter customers from purchasing our products and expose us to significant legal liabilities.

RISK FACTORS

We may be subject to additional social insurance fund, housing provident fund contributions and late fees or fines imposed by relevant regulatory authorities.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), we are required to make contributions to the social insurance plans and the housing provident fund under the relevant PRC laws and regulations for our employees. Such social insurance plans consist of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. The amount we are required to contribute for each of our employees under such plan and with regard to the housing provident fund should be calculated based on the actual income of our employees, together with the minimum and maximum level as from time to time prescribed by national laws and regulations and local authorities. Any failure to make timely and adequate social welfare contribution for its employees may trigger an order of correction from competent authority requiring the employer to make up the full amount of such overdue social welfare contribution within a prescribed period, and the competent authority may further impose fines or penalties.

During the Track Record Period, we did not pay social insurance and housing provident fund in full for our employees based in the PRC. Additionally, during the Track Record Period, we engaged third-party human resources agencies to contribute to social insurance and housing provident funds on behalf of certain employees. If these third-party human resources agencies fail to make social insurance or housing provident fund contributions for the employees in accordance with applicable Chinese laws and regulations, or if the validity of such arrangements is challenged by Chinese competent authorities, we may be required to rectify by making full retroactive contributions for the employees and may be subject to late payment surcharges and/or penalties imposed by the relevant authorities. Pursuant to relevant PRC laws and regulations, the relevant PRC authorities may demand us to pay the outstanding social insurance contributions within a prescribed period 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 deadline set by the relevant PRC authorities, we may be liable to a fine of one to three times the amount of the outstanding contributions. With respect to a failure to pay the full amount of housing funds as required, the housing funds management centre in China may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

As advised by our PRC Legal Advisers, based on the interviews conducted with Haidian District Human Resources and Social Security Bureau of Beijing Municipality (北京市海淀區人力資源和社會保障局) and Haidian Management Department of Beijing Housing Provident Fund Management Centre (北京市住房公產金管理中心海淀管理部) in relation to our Company, and Wuhan Municipal Human Resources and Social Security Bureau Jiangnan Social Insurance Administration Office (武漢市人力資源和社會保障局江漢社會保險管理處) in relation to our subsidiary Hubei Tiandi Hexing Technology Co., Ltd. (湖北天地和興科技有限公司, the “**Hubei Subsidiary**”), in the absence of any employees complaint in this regard, and provided that there are no significant changes on current regulatory policies and enforcement practices, the likelihood that the relevant authorities would impose any administrative penalties on our Company due to such non-compliance events or our Hubei Subsidiary due to our failure to make full payment of the social insurance funds is remote.

RISK FACTORS

Our Directors believe that such non-compliance would not have a material adverse effect on our business or results of operations, considering that: (i) we had not been subject to any administrative actions, fines or penalties during the Track Record Period and up to the Latest Practicable Date due to such non-compliance; (ii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing funds; (iii) we were neither aware of any employee complaints filed against us nor involved in any labour disputes with our employees with respect to social insurance and housing funds during the Track Record Period and up to the Latest Practicable Date; and (iv) we would make full payment within the stipulated deadline as required by relevant PRC authorities once we receive the notifications from the relevant PRC authorities requiring us to pay the shortfalls. We expect to fully terminate our engagement of third-party human resources agencies and contribute to social insurance and housing provident funds for our employees by ourselves starting from April 2026, and pay in full for social insurance premium and housing provident funds for all our employees in compliance with applicable laws and regulations starting from September 2026.

We cannot guarantee you that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us. In addition, as the laws and policies related to social insurance and housing provident fund may continue to evolve, we cannot assure you that our employment policies and practices will always be regarded as fully complying with the relevant laws and regulations in China, and we may face labour disputes or government investigations. Compliance with relevant laws and regulations may increase our operating expenses, especially our staff costs, and may have a material and adverse impact on our financial position and results of operations.

Expiration of, or changes to, certain government grants and preferential tax treatments available to us could adversely affect our financial condition and results of operations.

During the Track Record Period, certain subsidiaries were entitled to preferential income tax rates under applicable regulations. For example, during the Track Record Period, certain entities within our Group enjoyed a preferential EIT rate of 15 percent as they qualified as “high and new technology enterprises”. Preferential tax treatments and other incentives granted by PRC authorities are subject to review and renewal, and may be adjusted or revoked in the future. We cannot assure you that preferential tax treatments and other incentives currently available to our PRC subsidiaries will remain valid or be renewed. There is no assurance that local tax authorities will not change their position and discontinue any current tax treatments. Discontinuation of any current tax treatment could materially increase our tax burden and adversely affect our net income.

In addition, we recorded government grants of RMB0.2 million and RMB94,000 in 2023 and 2024, and RMB85,000 and RMB0.1 million in the nine months ended 2024 and 2025, respectively. We cannot assure you that we will continue to receive or benefit from such grants in the future. If we do not qualify to receive government grants, our financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

We may be subject to filing procedures and other requirements of PRC authorities for future capital raising activities and significant events.

On 6 July 2021, relevant PRC authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions strengthened the administration and supervision of overseas [REDACTED] by PRC based companies and proposed the implementation of effective measures, including the development of regulatory systems to manage risks and incidents involving PRC based companies [REDACTED] overseas.

If it is determined that we are subject to any filing or other authorisation or requirements by PRC authorities in connection with future financing activities or other significant events, and we do not complete such filing or meet such requirements on a timely basis or at all, we may be subject to sanctions by PRC regulators. Any uncertainty or adverse publicity relating to such filings or requirements could materially and adversely affect our reputation, business, financial condition and results of operations.

Non compliance by our PRC resident Shareholders or beneficial owners with PRC foreign exchange rules may materially affect our business, financial condition, results of operations and prospects.

The convertibility of Renminbi into foreign currencies and, in some cases, the remittance of funds out of China are subject to PRC foreign exchange regulations. Under current PRC rules, payments relating to current account items such as profit distributions and trade and service related foreign exchange transactions may be made in foreign currencies without prior SAFE approval, subject to procedural compliance. However, approval or registration with competent authorities is required when Renminbi is converted into foreign currency and remitted out of China for capital account purposes, such as repayment of foreign currency loans.

The PRC government may regulate cross border capital account transactions. We receive substantially all revenue in Renminbi, and if we do not satisfy foreign exchange requirements, our ability to pay dividends in foreign currencies to our Shareholders, including holders of our Shares, may be constrained. PRC rules governing offshore investment by PRC residents impose procedural requirements on PRC subsidiaries for increasing registered capital or distributing profits and may expose us or our PRC resident beneficial owners to liability and penalties.

RISK FACTORS

Pursuant to the Circular on Relevant Issues Concerning Foreign Exchange Administration for Financing and Round-trip Investments by Domestic Residents through Offshore Special Purpose Vehicles (《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (“**SAFE Circular 75**”), which became effective on 1 November 2005, a PRC resident must register with the local SAFE branch before establishing or controlling an offshore special purpose vehicle. SAFE issued the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Roundtrip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (“**SAFE Circular 37**”), effective from 4 July 2014, which replaced the SAFE Circular 75. SAFE Circular 37 requires PRC residents, including PRC individuals and PRC corporate entities and foreign individuals with habitual residence in China due to economic interests, to register with SAFE or its local branches in connection with direct or indirect offshore investment activities. SAFE Circular 37 also requires amendments to registrations where there are changes to the basic information of the offshore special purpose vehicle, such as changes to its name or term, or significant changes regarding PRC individual shareholders, including increases or decreases in capital contributions, share transfers or exchanges, or mergers or divisions. SAFE Circular 37 applies to our Shareholders who are PRC residents.

If our Shareholders that are PRC residents do not complete the required registration or do not update prior registrations, our PRC subsidiaries may be prohibited from distributing profits or remitting proceeds from capital reduction, share transfer or liquidation to us, and we may also be prohibited from making additional capital contributions to our PRC subsidiaries. In February 2015, SAFE issued the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (“**Notice 13**”), effective from June 2015, as further amended on 30 December 2019. Under Notice 13, applications for foreign exchange registrations for inbound direct investment and outbound direct investment, including those under SAFE Circular 37, are handled by qualified banks under SAFE supervision.

As of the Latest Practicable Date, to the best of our knowledge, our Shareholders had complied with all material respects with SAFE Circular 37. However, we may not be aware of all PRC residents who hold direct or indirect interests in our Company, and we cannot assure compliance by such residents with our requests to make or obtain registrations or to continue to comply with SAFE Circular 37 or related rules. We also cannot assure that all PRC resident Shareholders and beneficial owners will make, obtain or update the required registrations or comply with other requirements in a timely manner. Even if they attempt to do so, there is no assurance that they will succeed due to factors beyond our or their control. Failure or inability by relevant Shareholders to comply may result in fines and legal sanctions, including restrictions on our cross border investment activities. Non compliance could also result in liability under PRC law for circumvention of foreign exchange restrictions. Consequently, our operations and our ability to distribute profits could be materially and adversely affected.

RISK FACTORS

Fluctuations in the value of the Renminbi and other currencies may materially and adversely affect your [REDACTED].

During the Track Record Period, substantially all of our revenue and expenses were denominated in Renminbi, while the [REDACTED] from the [REDACTED] will be denominated in Hong Kong dollars. Movements in the exchange rate between Renminbi and Hong Kong dollars will affect the Renminbi purchasing power of the [REDACTED] from the [REDACTED]. Exchange rate fluctuations may also lead to foreign exchange losses and affect the relative value of any dividends we pay.

Renminbi exchange rates are influenced by factors including political and economic developments and the PRC foreign exchange regime and policy. As the foreign exchange market develops and interest rate liberalisation and Renminbi internationalisation progress, the PRC government may introduce further changes to the exchange rate system. We cannot assure that the Renminbi will not appreciate or depreciate significantly against other currencies in the future. It is difficult to predict how market forces or government policies may affect the Renminbi exchange rate going forward.

As of the Latest Practicable Date, fluctuations in the value of the Renminbi and other currencies did not have a material adverse impact on our business, financial condition or results of operations. We have not entered into hedging transactions to reduce foreign exchange exposure. The availability and effectiveness of hedging strategies may be limited, and we may be unable to hedge our exposure successfully or at all.

The M&A Rules and certain other PRC regulations impose procedures on some acquisitions of Chinese companies by foreign investors, which could make growth through acquisitions more difficult.

Several PRC laws and regulations, including the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) promulgated by MOFCOM on 22 June 2009, the Anti monopoly Law (《中華人民共和國反壟斷法》) promulgated by the Standing Committee of the National People’s Congress of the PRC on 30 August 2007 and effective from 1 August 2008, and the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) promulgated by MOFCOM on 25 August 2011, establish requirements that may lengthen the timeline for merger and acquisition transactions by foreign investors in China. These include requirements in some cases to notify MOFCOM in advance of any change of control transaction where a foreign investor obtains control of a PRC domestic enterprise and to obtain MOFCOM approval in cases where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain transactions to undergo merger control review or security review. Moreover, the Anti monopoly Law requires that concentrations that meet specified turnover thresholds be cleared by the relevant authorities before completion. On 7 February 2021, the Anti monopoly Commission of the State Council issued the Anti Monopoly Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》), which specify that certain activities of internet platforms may be deemed monopolistic and that concentrations involving variable interest entities are also subject to anti monopoly scrutiny. Under the Anti monopoly Law as amended on 24 June 2022 and effective from 1 August 2022, business operators shall not abuse data, algorithms, technology, capital advantages or platform rules to exclude or limit competition. The law also requires strengthened review of concentrations in sectors such as finance, media, science and technology and increases penalties for violations.

RISK FACTORS

We may pursue growth by acquiring complementary businesses. Compliance with the foregoing regulations and other applicable rules may be time consuming, and any required approvals, including those from MOFCOM or its local counterparts and other authorities, may delay or prevent completion of such transactions. It is unclear whether our business would be considered to raise concerns relating to national defence and security or national security. MOFCOM or other authorities may in the future issue interpretations that bring our business within the scope of security review, in which case our future acquisitions in China may be closely scrutinised or prohibited. As a result, our ability to expand our business or maintain or increase our market share through acquisitions could be materially and adversely affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares, and their liquidity and [REDACTED] may be volatile.

Prior to the completion of the [REDACTED], there has been no [REDACTED] for our H Shares. The [REDACTED] for our H Shares is the result of negotiations between us and the [REDACTED] (for itself and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] for our H Shares following the [REDACTED]. We have applied for [REDACTED] of, and permission to [REDACTED], our H Shares on the Stock Exchange. However, there is no assurance that an active and liquid [REDACTED] for our H Shares will develop or be sustained after the completion of the [REDACTED]. There is also no guarantee that the [REDACTED] of our H Shares will not decline following the completion of the [REDACTED]. Furthermore, the [REDACTED] and [REDACTED] volume of our H Shares may be highly volatile. Factors including but not limited to our financial condition, actual or anticipated fluctuations in our operating performance, announcements of competitive developments, acquisitions or strategic alliances in our industry and general political, financial, social and economic conditions may have a material adverse effect on the [REDACTED] and [REDACTED] of our H Shares.

Holders of our H Shares are subject to the risk that the [REDACTED] of our H Shares could fall during the period before [REDACTED] of our H Shares begins.

The price of our H Shares sold to the [REDACTED] under the [REDACTED] will be determined on the [REDACTED]. However, our H shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be several business days after the [REDACTED]. As a result, [REDACTED] of our H shares may not be able to sell or otherwise [REDACTED] in our H Shares during that period. Accordingly, holders of our H Shares may be subject to the risk that our H Share [REDACTED] could fall during the period before [REDACTED] of our H share begins as a result of adverse market conditions or other unfavourable developments which arise between the date of sale and the date [REDACTED] begins.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The [REDACTED] of our H Shares could be significantly influenced by the sale or the expectation of the sale of substantial volumes of our H Shares in the [REDACTED]. Such sales, or the perception that they might occur, have the potential to cause a material decrease in the [REDACTED] of our H Shares. This is particularly relevant when considering the potential [REDACTED] of new H Shares or securities that are convertible into or exchangeable for H Shares.

RISK FACTORS

In addition to the direct impact on [REDACTED], the issuance of new H Shares or share-linked securities could result in dilution of existing shareholders’ holdings, especially if the newly issued securities carry rights or privileges which take priority over those conferred by the H Shares. As a result of such dilution, and the potential for new securities to carry preferential rights, can further contribute to a decline in the [REDACTED] of our H Shares.

You will incur immediate and substantial dilution and may experience further dilution in the future.

The [REDACTED] of our H Shares is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of our [REDACTED] in the [REDACTED] will experience an immediate dilution. Holders of our Shares may experience further dilution of their interest if we issue additional Shares in the future at a price lower than the net tangible asset value to raise additional capital.

We may need additional capital, and the sale or [REDACTED] of additional H Shares or other equity securities could result in additional dilution to our Shareholders.

We may require additional capital to finance our continued growth or other future developments. If we fail to raise additional funds, the [REDACTED] of our H Shares could decline as a result of future sales or [REDACTED] of additional equity securities in the [REDACTED], or the perception that such sales or [REDACTED] may occur. Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future [REDACTED], could also materially and adversely affect the prevailing [REDACTED] of our H Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate.

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

Research reports published by securities or industry analysts about our business may influence the [REDACTED] of our H shares. If one or more analysts who cover us downgrade their evaluations of our H Shares, or if they issue reports with negative outlooks or misinformation regarding our operations, it could result in a material decline in the [REDACTED] of our H Shares. If one or more of these analysts cease coverage for us or fail to publish regular reports on us, we could lose visibility in the financial markets, which, in turn, could adversely affect the [REDACTED] or [REDACTED] of our H shares.

Our Single Largest Group of Shareholders have significant influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Prior to and immediately upon the completion of our [REDACTED], without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], our Single Largest Group of Shareholders will remain having substantial control over the Company.

RISK FACTORS

Our Single Largest Group of Shareholders will possess a majority of the voting power at general meetings, estimated to be approximately [REDACTED]% not accounting for any additional shares that may be issued if the [REDACTED] is exercised. This level of control enables them to significantly influence 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.

The interests of our Single Largest Group of Shareholders may not always coincide with those of our other Shareholders. While they can exercise their voting rights in alignment with their preferences, this may not always benefit the Company or its minority Shareholders. Such conflicts of interests could potentially lead to decisions that are detrimental to the value of the Company or for our other Shareholders.

We may not declare dividends on our H Shares in the future.

There is no assurance as to when and in what form dividends will be paid on our H Shares following the [REDACTED]. Declaring dividends on our H shares is subject to the discretion of the Board of Directors and is contingent upon a comprehensive assessment of our financial condition, operational results, and capital requirements, among other considerations, and will subject to our Shareholders’ approval. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Certain facts, forecast and statistics contained in this document are derived from publicly available official government sources and they may not be reliable.

This document includes certain facts, forecasts, and statistics that have been derived from publicly available official government publications and databases which are generally believed by us to be reliable. While these government sources are typically considered trustworthy and are publicly accessible, we cannot assure you the accuracy and reliability of such sources.

The information extracted from these official government sources has not undergone independent verification by our Company, nor by any of the involved parties in this [REDACTED], including but not limited to, the Joint Sponsors, [REDACTED], the [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], the [REDACTED], [REDACTED], any of their respective directors, advisors, or any other persons or parties associated with the [REDACTED]. In all cases, [REDACTED] are advised to exercise discretion when considering the weight and significance they attribute to such official facts, forecasts, and statistics presented in this document.

RISK FACTORS

Our management has substantial discretion regarding how to use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

While we have outlined our intended use of the [REDACTED] in the section headed “Future Plans and [REDACTED]” in this document, [REDACTED] should understand that the actual usage of such [REDACTED] is subject to the discretion of our management. This means that the [REDACTED] of the [REDACTED] may be used in ways with which you may not necessarily agree with or that may not yield a favourable return. By [REDACTED] in our H Shares, you are entrusting your funds to our management, upon whose judgement you must depend, for the specific use we will make of the [REDACTED] from this [REDACTED].

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

[REDACTED] should read the entire document carefully and we strongly caution you not rely on any information contained in press articles and/or other media regarding us, our business, our industry and the [REDACTED] prior to the publication of this document, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorised the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of any information such press articles or other media coverage, nor the fairness or appropriateness of any estimates, views or opinions expressed by the press or other media regarding the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of such information. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them and you should not rely on such information.

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

This document contains forward-looking statements relating to us and our operations and strategies made based on our current beliefs, assumptions and information currently available to us.

When used in this document, the words “anticipate,” “believe,” “estimate”, “plan,” “could,” “potential,” “continue,” “expect,” “intend,” “may,” “seek,” “will,” “would,” “should” , “going forward” and any similar terms, as they relate to us or our business, are intended to identify these forward-looking statements. Such statements are necessary estimates that reflects the current views of our Directors, Supervisors and management and subject to risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this document. Whether the actual results of such statements will conform to our predictions is beyond our actual control. As a result, [REDACTED] should not regard these forward-looking statements as a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement. We do not intend to update these forward looking statements in addition to our ongoing disclosure obligations pursuant to the Listing Rules or other requirements of the Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation of the [REDACTED], we have applied for the following waivers from strict compliance with certain provisions of the Listing Rules.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong, which normally means that at least two 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, having regard to, among other considerations, the listing applicant’s arrangements for maintaining regular communication with the Stock Exchange.

We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, business operations and assets are primarily based in the PRC. Our executive Directors are expected to continue to be, based in the PRC to better attend to the management and operations of our business. Therefore, we consider that it is in our best interests for them to be based in places where we operate. We also consider that it would not be beneficial to, or appropriate for us to arrange two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of our existing two executive Directors or appointment of additional executive Directors. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

- (a) we have appointed Mr. Wang, our executive Director and chairman of the Board, and Mr. So Wing Chun (蘇永俊), our joint company secretary as the authorised representatives (jointly “**Authorised Representatives**” and each an “**Authorised Representative**”) for the purpose of Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange and ensure that we will comply with the Listing Rules at all times. The Authorised Representatives will be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange. Each of the Authorised Representatives has been duly authorised to communicate on behalf of us with the Stock Exchange;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, each of the Authorised Representatives will have all necessary means to contact all our Directors (including our independent non-executive Directors) promptly at all times. We will also inform the Stock Exchange promptly in respect of any changes of the Authorised Representatives. We have provided the Stock Exchange with the contact details (i.e. mobile phone number, office phone number and email address (as applicable)) of our Directors to facilitate communication with the Stock Exchange;

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (c) we have appointed Maxa Capital Limited as our compliance adviser (“**Compliance Adviser**”) upon the [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Adviser, who will provide us with professional advice on continuing obligations under the Listing Rules and act as the additional channel of communication with the Stock Exchange when the Authorised Representatives are not available, will have access at all times to our Authorised Representatives, our Directors and our senior management;
- (d) meetings between the Stock Exchange and our Directors can be arranged through the Authorised Representatives or the Compliance Adviser or directly with our Directors within a reasonable period of time; and
- (e) each of our Directors (including the independent no-executive Directors) who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that we must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint an individual, 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:

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

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), Companies Ordinance (Cap. 622 of the Laws of Hong Kong), Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (d) professional qualifications in other jurisdictions.

Pursuant to the paragraph 11 of Chapter 3.10 of the Guide, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the “acceptable qualification” (as defined under the paragraph 9 of Chapter 3.10 of the Guide) nor “relevant experience” (as defined under the paragraph 9 of Chapter 3.10 of the Guide) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Furthermore, pursuant to the paragraph 11 of Chapter 3.10 of the Guide, such waiver, if granted, will be for a fixed period of time (“**Waiver Period**”) and on the following conditions:

- (a) 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
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We consider that while it is important for our company secretary to be familiar with the relevant securities regulation in Hong Kong, they also need to have experience relevant to our operations, nexus to our Board and close working relationship with the our management team in order to perform the function of a company secretary and to take necessary actions in the most effective and efficient manner. In light the aforesaid, our Directors are of the view that it is for our benefit to appoint a person who has been a member of the senior management for a period of time and is familiar with our business and affairs as company secretary.

We have appointed our executive Director, Mr. Jiang Bingsi (江炳思) (“**Mr. Jiang**”) as one of our joint company secretaries. Mr. Jiang presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Mr. So Wing Chun (蘇永俊) (“**Mr. So**”), a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Mr. Jiang for an initial period of three years from the [REDACTED] to enable Mr. Jiang 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 Rules 3.28 and 8.17 of the Listing Rules. See “Directors and Senior Management” for the biographical details of our joint company secretaries.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In light of the above, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Jiang may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Mr. Jiang must be assisted by Mr. So, who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver shall be valid for a period of three years from the [REDACTED] and will be revoked immediately if and when Mr. So ceases to provide such assistance to Mr. Jiang as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

The following arrangements have been, or will be, put in place to assist Mr. Jiang in acquiring the qualifications and experience as our company secretary:

- (a) Mr. Jiang will comply with the annual professional training requirement during each financial year as required under Rule 3.29 of the Listing Rules;
- (b) The said Mr. So, a joint company secretary who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, will communicate regularly with Mr. Jiang on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs; and he will work closely with, and provide assistance to Mr. Jiang to discharge his duties and responsibilities as a company secretary of our Company, including organising our Board meetings and Shareholders’ general meetings;
- (c) Mr. Jiang will also be assisted by our Compliance Adviser and legal advisers as to the laws of Hong Kong on matters in relation to our continuing compliance obligations under the Listing Rules and the applicable laws and regulations;
- (d) Prior to the expiration of the initial three-year period, the qualifications of Mr. Jiang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange before the expiration of the three-year period to enable it to assess whether Mr. Jiang, having benefited from the assistance of the said Mr. So for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary; and
- (e) We have appointed Maxa Capital Limited as our Compliance Adviser pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange (for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the [REDACTED], or until the engagement is terminated, whichever is earlier) and provide professional guidance and advice to our Company as to the compliance with the Listing Rules and all other applicable laws and regulations.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Mr. Wang (王小東先生)	Room 901, Unit 1, Building 11 Zhonghai Fenglian Villa Haidian District Beijing China	Chinese

Mr. Jiang Bingsi (江炳思先生)	Room 1105, Unit 1, 11th Floor Building 8, Community 88, Sanluju Road Fengtai District Beijing China	Chinese

Mr. Yang Xiaoshuai (楊小帥先生)	Room 2, 3rd Floor Unit 2, Building 18 Qixing Green Garden Sanjiaolu Village, Heping Township Xujiapeng Street Wuchang District Wuhan Hubei province China	Chinese

Non-executive Directors

Mr. Xiang Renpeng (向人鵬先生)	Room 2601, Unit 2, Building 8 No. 360, Jinsong Fifth Road Shibei District Qingdao Shandong Province China	Chinese

Mr. Li Peixin (李培信先生)	18-3-402 Beida Jincheng Xincheng Street Kuiwen District Weifang Shandong Province China	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. Zhao Kebai (趙克白先生)	Room 103, Building 3 Community 33 Zhongguancun South Street Haidian District Beijing China	Chinese
Mr. Zhou Zhe (周喆先生)	Longwan Garden No. 53 Changting Street Jiangning District Nanjing Jiangsu Province China	Chinese
Independent Non-executive Directors		
Ms. Wang Xiaolei (王曉蕾女士)	Room 202 No. 19, Lane 950, Chundong Road Minhang District Shanghai China	Chinese
Ms. Lin Qin (林勤女士)	Room 702 No. 449, Xiahe Road Siming District Xiamen Fujian Province China	Chinese
Mr. Tso Siu Lun (曹肇倫先生)	Unit D, 4/F, Block 1 Hiu Fung Court 18 Old Peak Road Mid-Levels Hong Kong	Chinese (Hong Kong)
Dr. Yang Xiuqing (楊秀清博士)	Room 1807 Building 11, Taiyangyuan Haidian District Beijing China	Chinese

See “Directors and Senior Management”.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

**China Securities (International) Corporate
Finance Company Limited**

18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Orient Capital (Hong Kong) Limited

28/F – 29/F
100 Queen’s Road Central
Central
Hong Kong

[REDACTED]

Reporting Accountant and Independent Auditor

Deloitte Touche Tohmatsu

Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisers to our Company

as to Hong Kong and U.S. laws:

Ashurst Hong Kong
43/F, Jardine House
1 Connaught Place
Central
Hong Kong

as to PRC laws:

Jingtian & Gongcheng
34/F, Tower 3
China Central Place
77 Jianguo Road
Chaoyang District
Beijing
China

Legal Advisers to the Joint Sponsors [REDACTED]

as to Hong Kong laws:

King & Wood Mallesons
13/F, Gloucester Tower
The Landmark
15 Queen’s Road Central
Hong Kong

as to PRC laws:

King & Wood Mallesons
18/F, East Tower
World Financial Centre
No. 1 Dongsanhuan Zhonglu
Chaoyang District
Beijing
China

Industry Consultant

Frost & Sullivan

Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
Room 2504, Wheelock Square
1717 West Nanjing Road
Jing’an District
Shanghai
China

[REDACTED]

[REDACTED]

Compliance Advisor

Maxa Capital Limited

Unit 2602, 26/F Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

CORPORATE INFORMATION

Registered Office in the PRC

101, 2–6 Floor, Building 7
East Wing, 10 Northwest Wangdong Road
Haidian District
Beijing
China

**Headquarters and Principal Place
of Business in the PRC**

6 Floor, Building 7
East Wing, 10 Northwest Wangdong Road
Haidian District
Beijing
China

**Principal Place of Business in
Hong Kong**

Unit 1919, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Company’s Website

<http://www.tdhx.com/>
*(The information contained in this website does not
form part of this document)*

Joint Company Secretaries

Mr. Jiang Bingsi (江炳思先生)
Room 1105, Unit 1, 11th Floor
Building 8, Community 88, Sanluju Road
Fengtai District
Beijing
China

Mr. So Wing Chun (蘇永俊先生)
*Chartered Secretary, a Chartered Governance
Professional and an Associate of both The Hong Kong
Chartered Governance Institute and The Chartered
Governance Institute in the United Kingdom*
Room 1919, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

CORPORATE INFORMATION

**Authorised Representatives
(under the Listing Rules)**

Mr. Wang (王小東先生)
Room 901, Unit 1, Building 11
Zhonghai Fenglian Villa
Haidian District
Beijing City
China

Mr. So Wing Chun (蘇永俊先生)
Room 1919, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

[REDACTED]

[REDACTED]

Audit Committee

Ms. Lin Qin (林勤女士) (*Chairperson*)
Mr. Tso Siu Lun (曹肇倫先生)
Ms. Wang Xiaolei (王曉蕾女士)

Nomination Committee

Mr. Wang (王小東先生) (*Chairperson*)
Dr. Yang Xiuqing (楊秀清博士)
Mr. Tso Siu Lun (曹肇倫先生)

Remuneration Committee

Ms. Wang Xiaolei (王曉蕾女士) (*Chairperson*)
Mr. Jiang Bingsi and (江炳思先生)
Dr. Yang Xiuqing (楊秀清博士)

Principal Banks

**Industrial and Commercial Bank of China,
Beijing Municipal Branch, Zhongguancun Branch**
No. 2, Information Road
Shangdi, Haidian District
Beijing
China

**China Merchants Bank Corporation Limited,
Beijing Tsinghua Garden Science and
Technology Finance Branch**
G Floor, Block B
Tsinghua Science Park Technology Building
No. 1 Zhongguancun East Road
Haidian District
Beijing
China

CORPORATE INFORMATION

**Agricultural Bank of China, Business Department
of Dongqu Branch**

No. 11

Ding Xueyuan Road, Haidian District

Beijing, beside China University of Mining
and Technology

China

**Shanghai Pudong Development Bank Co., Ltd,
Beijing Xizhimen Branch**

F1 Floor, Jinmao Plaza

No. 18, Xizhimenwai Street

Xicheng District

Beijing

China

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED].

No independent verification has been carried out on the official government publications and such information and statistics by our Company, the Joint Sponsors, [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other parties, excluding Frost & Sullivan, involved in the [REDACTED] or their respective directors, officers, employees, advisers, or agents, and no representation is given as to the accuracy or completeness of such information and statistics.

CHINA INDUSTRIAL CYBERSECURITY MARKET

Definition of Industrial Cybersecurity

Industrial Cybersecurity, also known as ICS cybersecurity, refers to a comprehensive security protection system specially designed by applying systematic risk management methods, technical control approaches and layered defense measures. Its core objective is to protect all relevant IT and OT assets throughout the industrial production process, including networks, systems, data, applications and devices, from attacks, ensure the reliability, integrity, confidentiality and availability of the industrial production environment, and effectively guard against security threats such as cyberattacks, sabotage and unauthorised access. Industrial control systems serve as the core of critical information infrastructure such as energy and power, underpinning national livelihood and the secure, stable operation of critical infrastructure. Industrial cybersecurity thus possesses unique characteristics and strategic significance that distinguish it from traditional information security. It has been integrated into the national strategic security framework and stands as a crucial cornerstone for realising the goals of a cyber-strong and manufacturing-strong nation.

The scope of industrial cybersecurity protection is extensive, mainly covering the cybersecurity of industrial control systems as well as the security protection required for network-related devices and scenarios involved in other industrial production activities. Now a complete product and service system covering the site to management has been formed. Industrial cybersecurity products can be categorised into four major types based on their primary functions:

- ***Protection and Isolation Products:***

They form the foundational defense framework in industrial environments, including industrial firewalls and industrial network gateways deployed at the IT/OT boundary or between internal OT zones. These products implement strict access control and protocol filtering, and can detect abnormal commands, illegal operations or known vulnerability attacks in real time through in-depth parsing of industrial protocols.

INDUSTRY OVERVIEW

- ***Detection and Assessment Products:***

These products provide comprehensive coverage external intrusions and internal vulnerabilities by analysing abnormal network traffic, actively scanning systems, or identifying system weaknesses, thereby delivering a holistic security assessment of the target environment. Typical products in this category include network intrusion detection, vulnerability scanners, configuration compliance checkers and others.

- ***Monitoring and Auditing Products***

These products primarily includes network traffic auditing platforms, log auditing systems, and database auditing systems. By continuously monitoring the operational status and communication behaviors of critical networks and devices, these tools promptly identify suspicious access attempts, anomalous activities, and potential risks. They transform fragmented alerts and logs into intelligible, actionable incident leads, enabling proactive threat identification, rapid response, and closed-loop post-incident analysis.

- ***Management Platforms Products:***

The core is the industrial security situation awareness platform, which aggregates security data from operational sites and integrates industrial threat intelligence with asset discovery capabilities. It delivers centralised management, unified log analysis, consolidated threat alerting, and other functions, providing enterprises with visualised, centralised security operations capabilities.

Development of China Industrial Cybersecurity Industry

The development of China industrial cybersecurity industry has experienced three different stages:

Initial Stage (before 2010): During this period, Chinese industrial enterprises had a preliminary understanding of cybersecurity and generally adopted a physical isolation deployment model, the air gap defence. Security investment mainly focused on ensuring system reliability and physical security, with the belief that systems would not be subject to cyberattacks as long as they were not connected to external networks. Therefore, there were almost no localised professional security products specifically targeting industrial protocols and industrial network environments in the market. Security needs were basically scattered and passive, and the industry developed slowly.

Awareness and Exploration Stage (2010–2015): The Stuxnet incident completely shattered the notion, that physical isolation equals security, and triggered a profound awareness of industrial cybersecurity risks in China’s industrial sector. The government and industry began to research and formulate industrial cybersecurity standards and specifications suitable for national conditions. For example, the national-level classified protection system began to extend to the field of industrial network systems, guiding enterprises in preliminary risk assessment and boundary protection exploration. Security vendors started attempting to integrate traditional IT security technologies with industrial protocols, launching solutions with initial traffic monitoring and boundary protection functions. Market demand was first driven by critical infrastructure industries such as power, oil and petrochemicals.

INDUSTRY OVERVIEW

Rapid Development Stage (2016–Present): This stage is an explosive period for the industry, driven by strong national strategies, laws and regulations. The promulgation of the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》) and the Regulation on Protecting the Security of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) elevated industrial cybersecurity to a national strategic height, making compliance the primary market driver. Notably, the full implementation of Cybersecurity Level Protection System 2.0 incorporated industrial control systems into mandatory compliance, greatly accelerating security product deployment. Meanwhile, amid the in-depth integration of emerging technologies like industrial internet and intelligent manufacturing with industry, expanded attack surfaces and practical threats have prompted enterprises to build systematic, in-depth defense capabilities, fueling rapid market growth.

Industry chain of China Industrial Cybersecurity

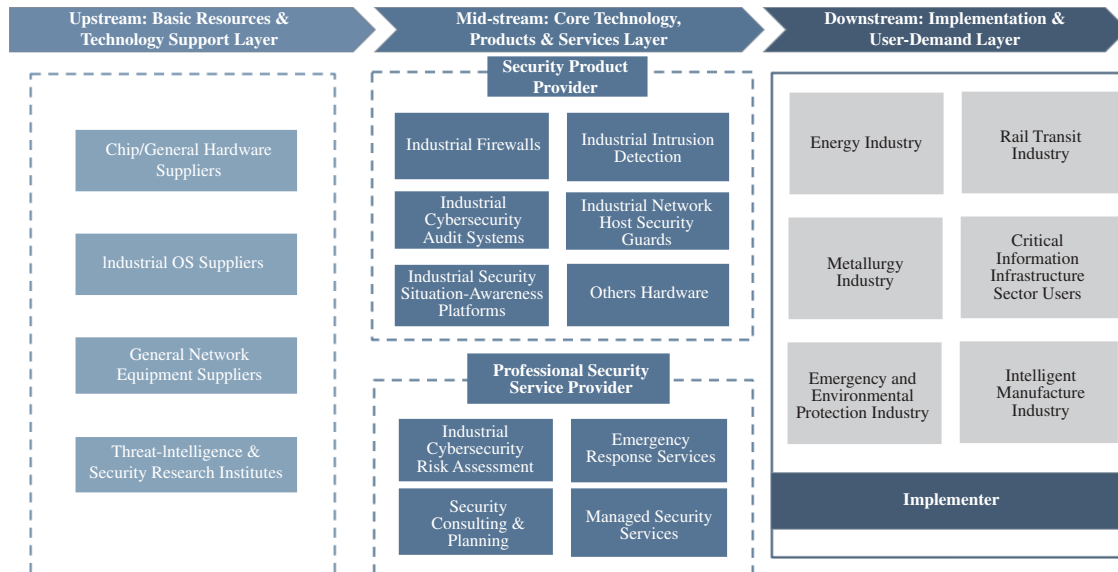
China’s Industrial Cybersecurity industry chain operates as a strongly policy-driven ecosystem. The upstream sector provides foundational support such as chips and threat intelligence; the midstream sector delivers core products and services; while the downstream sector is primarily driven by critical infrastructure as the main demand source, with system integrators enabling customised implementation of solutions. The overall trend demonstrates a shift toward compliance-oriented, operationalized, and autonomous controllable development.

The upstream of the industry chain serves as the foundational support and technological origin. It primarily consists of vendors providing core underlying technologies, general-purpose hardware, and critical enabling services. This includes suppliers of chips, general networking equipment, and operating systems, both hardware and software, where particular emphasis is placed on indigenous controllability and domestic localisation capabilities.

The midstream represents the core value-creation layer of the industry chain. It comprises security product manufacturers and solution providers that deliver two primary types of capabilities: security products and professional services. In terms of products, these vendors offer specialised security products tailored to industrial network environments, such as industrial firewalls, industrial intrusion detection, industrial network security audit systems, and industrial host security products. Regarding services, they provide industrial cybersecurity risk assessments, classified protection compliance evaluations, emergency response, managed security operations, and workforce training.

INDUSTRY OVERVIEW

The downstream encompasses the end users of industrial cybersecurity solutions, as well as the entities responsible for implementing security measures. Downstream customers are primarily concentrated in critical information infrastructure sectors and a broad range of intelligent manufacturing enterprises. These include industries with extremely high requirements for system stability and operational continuity, such as electric power (generation, transmission, and distribution), oil and petrochemicals, rail transit, metallurgy, water conservancy, and nuclear industries.



Source: Frost & Sullivan

China Industrial Cybersecurity Market

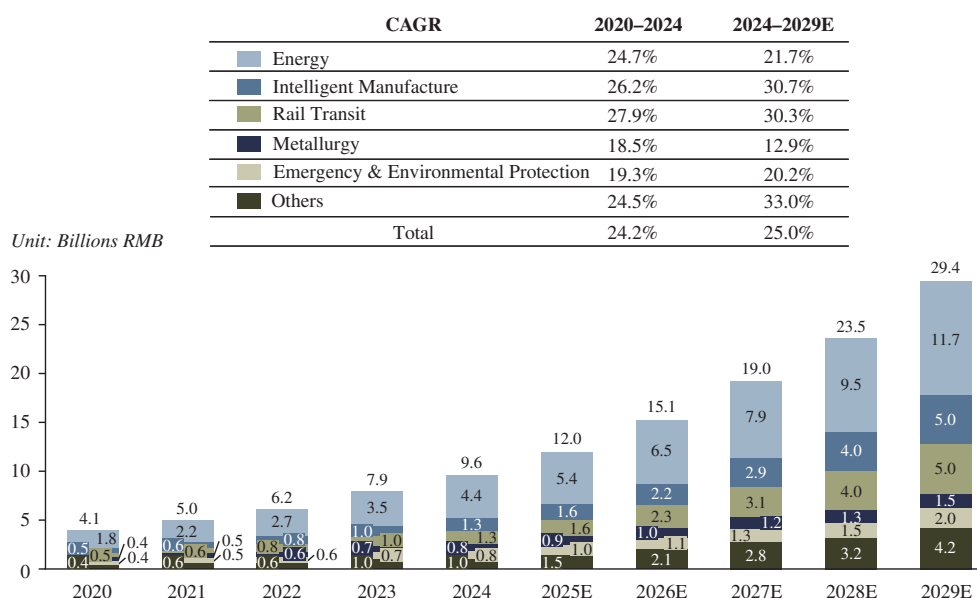
The overall scale of China’s industrial cybersecurity market has maintained steady growth. In 2020, the market size stood at RMB4.1 billion. By 2024, it had surged to RMB9.6 billion, representing a CAGR of 24.2% from 2020 to 2024. Looking ahead, the market is projected to reach RMB29.4 billion by 2029, with an estimated CAGR of 25.0% from 2024 to 2029.

In terms of segment markets, the market size of the energy field industrial cybersecurity reached RMB1.8 billion in 2020 and expanded to RMB4.4 billion in 2024, registering a CAGR of 24.7% from 2020 to 2024. It is projected to expand to RMB11.7 billion by 2029, with a CAGR of 21.7% from 2024 to 2029, indicating steady market expansion.

INDUSTRY OVERVIEW

The market size of the intelligent manufacturing field industrial cybersecurity reached RMB0.4 billion in 2020, which climbed to RMB1.3 billion in 2024, representing a CAGR of 26.2% from 2020 to 2024. Driven by its emerging sector vitality, the market is forecasted to grow at a CAGR of 30.7% from 2024 to 2029 and reach RMB5.0 billion by 2029. The market size of the industrial cybersecurity in rail transit field reached RMB1.3 billion in 2024. It is anticipated to reach RMB5.0 billion by 2029, with a projected CAGR of 30.3% from 2024 to 2029, sustaining a sound growth momentum.

China Industrial Cybersecurity Market Size, 2020–2029E



Source: Frost & Sullivan, Expert Review

Drivers of China Industrial Cybersecurity Market

- Driven By Major Cybersecurity Incidents**

Over the years, numerous security incidents in the industrial sector worldwide, such as the worm attack on a U.S. nuclear power plant, the cyberattack on another American nuclear facility, the Stuxnet incident at an Iranian nuclear plant, the blackout in Ukraine triggered by malicious code, and the global outbreak of the WannaCry ransomware, have resulted in significant economic losses and security threats. These events starkly exposed the Network Security vulnerabilities of industrial systems, particularly in national critical infrastructure, which underpins vital aspects of national stability. The occurrence of such incidents threatens social well-being and national security.

INDUSTRY OVERVIEW

- ***Rising Volume and Severity of Attacks***

Data from the CNVD shows that from 2021 to 2024, the number of Industrial Cybersecurity vulnerabilities in China increased year by year, and the proportion of high-risk vulnerabilities rose year-on-year in 2024. Ransomware, APTs and other attack incidents targeting critical industries such as energy and manufacturing have occurred frequently, leading to production interruptions, economic losses and safety risks, which have forced enterprises to increase security investment.

- ***Industrial Cybersecurity as the Core of Public Welfare***

The normal operation of modern society is highly dependent on the stable operation of critical infrastructure such as electricity, water supply, transportation and medical care. The scheduling, monitoring and automated operations of these systems are all precisely controlled by ICS. Once these systems are subjected to cyberattacks or suffer security failures, the consequences can range from service interruptions and inconvenience in daily life to large-scale power outages, water supply cuts, traffic paralysis and even threats to lives, directly impacting the basic living order of the public and social stability. Therefore, ensuring the security of industrial network systems is equivalent to safeguarding the lifeline of urban operation, and serves as the cornerstone for maintaining public security and ensuring the continuity of people’s daily lives.

- ***Heightened Industrial Cybersecurity Awareness Among Enterprises***

In recent years, along with the trends of industrial automation and intelligence, enterprises have gradually launched informatisation transformation. As the complexity of industrial network systems continues to increase and the level of device networking rises, ransomware and APT threats targeting the industrial sector have become normalised, prompting a gradual improvement in enterprises’ awareness of industrial cybersecurity. Enterprises have begun to regard security as a critical investment for ensuring business continuity, and have gradually deployed and improved their industrial cybersecurity systems.

- ***Inherent vulnerabilities of Industrial network systems***

The demand in the industrial cybersecurity market also directly derives from the inherent endogenous vulnerabilities of industrial network systems themselves. At present, a large number of in-service industrial network systems are encumbered with heavy historical liabilities: they still operate on outdated operating systems, employ vulnerable protocols that did not account for security at the time of their design, and their core principle of “stability above all else” renders many traditional IT security measures inapplicable. This inherent deficiency directly dictates that security protection needs must focus on remedying these vulnerabilities to ensure production continuity and physical safety.

INDUSTRY OVERVIEW

- ***New Technology Integration***

With its characteristics of low latency and high bandwidth, 5G networks have accelerated the extensive interconnection of industrial devices, boosting production efficiency while significantly expanding the network attack surface. AI technologies are widely applied in the optimisation of industrial control processes and fault prediction, yet they also introduce new types of security risks such as model hijacking and data poisoning. Meanwhile, the introduction of new technologies has broken the closed nature of traditional industrial network systems, exposing previously isolated systems to a more complex network environment, and traditional static protection mechanisms are difficult to cope with the APTs in the context of intelligence and automation.

- ***Policies and Regulations as a Driving Force for Compliance***

The development of industrial cybersecurity is primarily driven by national mandatory compliance requirements. Through legislation, the state has directly elevated industrial cybersecurity from traditional advisory guidance to enterprises’ legal obligation. The regulatory framework centred on the Net Security Law of the People’s Republic of China, Network Security Level Protection 2.0 and the Regulation for Safe Protection of Critical Information Infrastructure has imposed mandatory requirements on operators of critical information infrastructure to plan, construct, and implement security measures in synchronisation with industrial systems. This mechanism has effectively eliminated enterprises’ hesitant attitude, creating a sustained and irreversible rigid market demand. In addition, detailed guidelines and assessment requirements issued by industry competent authorities have further promoted the standardisation and implementation of security investment.

Trends of China’s Industrial Cybersecurity Market

- ***Technology Integration Drives Security Systems Toward Intelligence and Proactivity***

Emerging technologies such as AI, 5G, cloud computing, industrial internet of things (IIoT), and blockchain are undergoing deep integration with industrial cybersecurity. Artificial intelligence is widely applied in threat detection, abnormal behaviour analysis, and automated response, enabling a shift from static defence to a model of dynamic perception, intelligent analysis and proactive response. Meanwhile, 5G technology has fostered new security protection architectures based on IIoT. In the future, industrial security protection will realise a fundamental transformation from passive defence to proactive and intelligent defence. This will drive the evolution of security architectures toward “cloud-edge-end” collaboration, real-time perception, and adaptive protection, facilitating the construction of a more intelligent, resilient, and trusted industrial security assurance system.

Furthermore, as industrial systems become increasingly complex, data visualisation technology has emerged as a core capability within industrial cybersecurity operation. It intuitively presents network topology and risk dynamics in a graphical and dynamic manner, significantly enhancing security operation efficiency and decision-making capabilities.

INDUSTRY OVERVIEW

- ***Data Assetisation and Industrial Cybersecurity Upgrade***

Data has become the most valuable strategic resource for industrial enterprises, covering key content such as production process parameters, equipment operating status, supply chain information, and customer data. The importance of data assets is reflected not only in their supporting role in production optimisation, intelligent decision-making, and business model innovation, but also in making them the primary target of cyber attackers.

In the future, industrial cybersecurity solutions will focus more on enabling customers to achieve the discoverability, manageability, protectability, and traceability of data assets. By deeply integrating data security technologies with industrial scenario requirements, these solutions will help enterprises consolidate security bottom lines while unlocking data value.

- ***Enterprises are more proactive in choosing industrial cybersecurity protection***

The industry penetration of downstream customers is accelerating across the board, marking that the market will shift from a phase of point-based breakthroughs to a stage of full coverage. The market share of industrial cybersecurity in various scenarios, where security investment was insufficient in the past, is poised to experience rapid growth. This growth stems from enterprises’ growing recognition that only security solutions deeply integrated with their own business scenarios and process flows can operate effectively, thus generating substantial demand for customised and professional security products and solutions. Enterprises will take a more proactive approach to the construction of industrial cybersecurity protection.

- ***Increasing Market Concentration***

As the market’s requirements for the professionalism, completeness, and certification of security solutions have increased significantly, the barriers to market entry have been raised substantially. This has enabled leading vendors with full product lines, systematic solution capabilities, and authoritative industry certifications to continuously expand their advantages. China’s industrial cybersecurity market is accelerating its concentration toward leading players, and the industry competition landscape will gradually shift from early-stage decentralised competition to ecological aggregation.

INDUSTRY OVERVIEW

- ***Initiation of Internationalisation Process***

With the in-depth implementation of the Belt and Road Initiative and the acceleration of global digital transformation, the internationalisation process of China’s industrial cybersecurity industry has been officially launched. Chinese enterprises are gradually expanding beyond the domestic market; in the initial stage, they take regions with geographical proximity and close industrial cooperation such as Central Asia and ASEAN as entry points, and participate in the construction of local critical infrastructure including energy, transportation, and manufacturing by exporting mature security solutions. In the future, they will further expand into emerging markets such as the middle east and south america to meet their growing demand for industrial cybersecurity protection. Chinese vendors will leverage the practical experience and technological innovations accumulated in IT/OT integration and industrial internet scenarios to develop products that meet international market requirements.

- ***Integration of IoTs and Industrial Cybersecurity***

With the large-scale deployment of industrial IoT devices in various industrial scenarios, the traditional OT environment and IT systems are accelerating their integration. A large number of heterogeneous terminals are being connected to industrial networks, significantly expanding the attack surface and continuously increasing the demand for industrial cybersecurity applications. Industrial networks are gradually embedding the unique lightweight security mechanisms of IoT into their overall protection architecture, and achieving visual monitoring, behaviour analysis, and risk response for a vast number of IoT devices through a unified security management platform.

Competitive Landscape of China Industrial Cybersecurity Market

The overall competitive landscape of China industrial cybersecurity market is highly fragmented with low market concentration. This is because the industrial cybersecurity field covers an extremely wide range of industries and scenarios, and there are significant differences in process flows, protocol standards, and compliance requirements across various industries.

Currently, market competition is shifting toward ecological aggregation and service-oriented transformation. Competition among vendors is no longer limited to the performance comparison of individual products; instead, it focuses on the capability to deliver industry-specific in-depth solutions, i.e., the ability to deeply integrate security products with the business processes of specific industries, and the capacity to provide security operation services, such as cloud-based or on-premises 24/7 managed security and emergency response services.

INDUSTRY OVERVIEW

There are primarily three types of industrial cybersecurity vendors in China: (1) traditional security vendors entering the industrial cybersecurity field; (2) specialised industrial cybersecurity vendors; and (3) industrial automation vendors penetrating into security services.

	Traditional Security Vendors	Specialised Industrial Cybersecurity Vendors	Industrial Automation Vendors
Core Background	Long-standing expertise in IT cybersecurity. Possess mature, general-purpose security product portfolios. Maintain a large and diverse customer base.	Specialise in securing Industrial Control Systems. Possess deep knowledge of industrial protocols. Understand industrial specific compliance and regulatory requirements.	Primarily focus on industrial automation.
Technical Advantages	Standard IT security technologies	Support a wide range of complex industrial communication protocols. Detect and respond to emerging threats effectively.	Deeply embedded in production and control environments.
Solution Capabilities	Primarily offer traditional network and endpoint security products.	Build solutions based on deep industry-specific know-how. Deliver end-to-end architectures.	Lack comprehensive, standalone security protection capabilities.
Key Challenges	Limited familiarity with OT system	Room for improvement in terms of large-scale expansion.	Lack deep cybersecurity specialisation.

Source: Frost & Sullivan

INDUSTRY OVERVIEW

In the Chinese industrial cybersecurity market, the top five companies have a total market share of 30.4%, which is relatively scattered. Among them, the company ranked first in the 2024 Chinese industrial cybersecurity market with a market share of 6.7%. It is also the only specialised industrial cybersecurity vendors among the top three.

The Ranking of China Industrial Cybersecurity Companies, By Revenue, 2024

Ranking	Brands	Revenue	Market Share
		RMB in million	%
1	The Company	643.9	6.7%
2	Company A ¹	634.3	6.6%
3	Company B ²	602.1	6.2%
4	Company C ³	544.5	5.6%
5	Company D ⁴	501.4	5.2%

Source: Frost & Sullivan, Expert Interview

Entry Barriers

- Technology Barriers*

New entrants to the industrial cybersecurity industry cannot address complex industrial environments merely by relying on traditional IT security methods; instead, they must deeply integrate security capabilities with production operations. This requires vendors to not only master in-depth parsing technologies for industrial protocols such as IEC61850, Modbus and DNP3, enabling the identification of abnormal commands based on business logic, but also design protection concepts centred on ensuring production continuity. They need to implement lightweight, highly available embedded deployments to prevent security measures from compromising control real-time performance. Particularly when interfacing with mainstream control systems, vendors must accurately match the systems’ architectural characteristics and operational habits to ensure policy coordination and stable operation.

¹ Company A is a listed company on the Shanghai Stock Exchange, founded in 2014, headquartered in Beijing, China, mainly engaging in providing cybersecurity products and services.

² Company B is a listed company on the Shenzhen Stock Exchange, founded in 1996, headquartered in Beijing, China, mainly engaging in network security technologies and managed security services.

³ Company C is a private company founded in 2014, headquartered in Beijing, China, mainly engaging in industrial control system cybersecurity.

⁴ Company D is a listed company on the Shenzhen Stock Exchange, founded in 1995, headquartered in Beijing, China, mainly engaging in comprehensive network security solutions.

INDUSTRY OVERVIEW

- ***User Trust Barriers***

The zero-fault tolerance nature of industrial systems means that customers have extremely low tolerance for new suppliers. When selecting cybersecurity vendors, industrial enterprises prioritise the reliability, stability of security products and the vendors’ hands-on experience over pricing. New security products must undergo prolonged on-site operation and validation before gaining customer acceptance. Therefore, established vendors with a wealth of successful industry cases and a 24/7 on-site emergency response service system inherently possess a strong competitive moat. For vendors, their accumulated experience and customer base are intangible assets that are hard to replicate, which reduces customers’ trust costs and ensures business continuity.

- ***Ecological Barriers***

The successful delivery of industrial cybersecurity solutions is no longer a victory for a single product but a reflection of resource integration capabilities. Leading vendors need to establish technical compatibility cooperation with mainstream industrial automation giants to ensure their products can be seamlessly integrated into complex industrial network devices. Meanwhile, vendors must build stable channel partnerships with large-scale system integrators, leveraging the latter’s engineering implementation capabilities and industry coverage to deliver solutions efficiently. In addition, active participation in the formulation of national and industry security standards can influence market norms and technical routes, further constituting insurmountable ecological and regulatory barriers.

- ***Industry Experience Barriers***

In the field of industrial cybersecurity, profound experience accumulation and unique industry know-how form core entry barriers that are difficult to replicate. Enterprises must engage in long-term in-depth cultivation of specific industrial scenarios, and thoroughly understand the process flows, control logic, equipment characteristics and operational habits of different industries to accurately identify potential risk points and design secure and usable protection strategies. This profound understanding of OT environments is often gradually accumulated through years of project practice, close collaboration with client organisations, and a large number of real-world attack and defense drills. Moreover, the low-frequency and high-risk characteristics of industrial cybersecurity incidents make experience reuse and case accumulation particularly crucial. New entrants, lacking practical scenario validation and fault handling experience, are prone to causing system interruptions or performance degradation during deployment, resulting in the loss of customer trust.

- ***Certification Barriers***

Even more challenging are industry-specific certifications. For example, to enter core sectors such as power, nuclear industry, and rail transit, vendors must obtain professional product certifications and network access permits issued by industry competent authorities. These certifications involve lengthy cycles and extremely stringent review standards, which not only test enterprises’ product performance and security compliance but also indirectly verify the capital strength and risk resistance capabilities of new entrants. Only professional vendors with years of industry experience can sustain continuous resource investment to maintain these high-barrier qualifications.

INDUSTRY OVERVIEW

China Energy Field Industrial Cybersecurity Market

Industrial Cybersecurity in the energy field specifically refers to a professional security system that protects core operational systems from cyberattacks, internal threats, and equipment failures throughout the production, transmission, distribution, and consumption links of energy and public utilities such as power, petroleum and petrochemicals, and natural gas. Its core objectives are to ensure the high availability of energy supply and public services, as well as the integrity of data and instructions.

Given that the energy industry is directly related to national economy, people’s livelihoods, and national security, its requirements for system stability are the highest among all industrial fields. Therefore, industrial cybersecurity solutions for the energy field must feature the characteristics of zero tolerance and high reliability.

- ***Power Grid***

The power industry is a sector with the highest maturity and largest investment in industrial cybersecurity construction in China. Its application scenarios cover the entire process of power industry, transmission, transformation, distribution, and dispatching control.

In dispatching and control centres, the security focus lies in protecting the power secondary system and WAMS to prevent malicious commands from affecting the balance and stability of the power grid. The deployment of industrial network firewalls, network gateways, and security audit systems is standard configuration. In power plants, the core is to protect the DCS to ensure the integrity of unit operation instructions and avoid physical damage or environmental accidents caused by attacks.

With the advancement of smart grids, a large number of distributed power sources and intelligent terminals have been connected, making the security of distribution automation and AMI a new priority. This requires extending security protection to on-site RTU and terminal devices to address new types of IT/OT integration risks.

- ***Petroleum and Petrochemicals***

The application scenarios of industrial cybersecurity in the petroleum and petrochemical industry are mainly concentrated in process industrial links such as exploration and exploitation, pipeline transportation, oil refining, and chemical engineering.

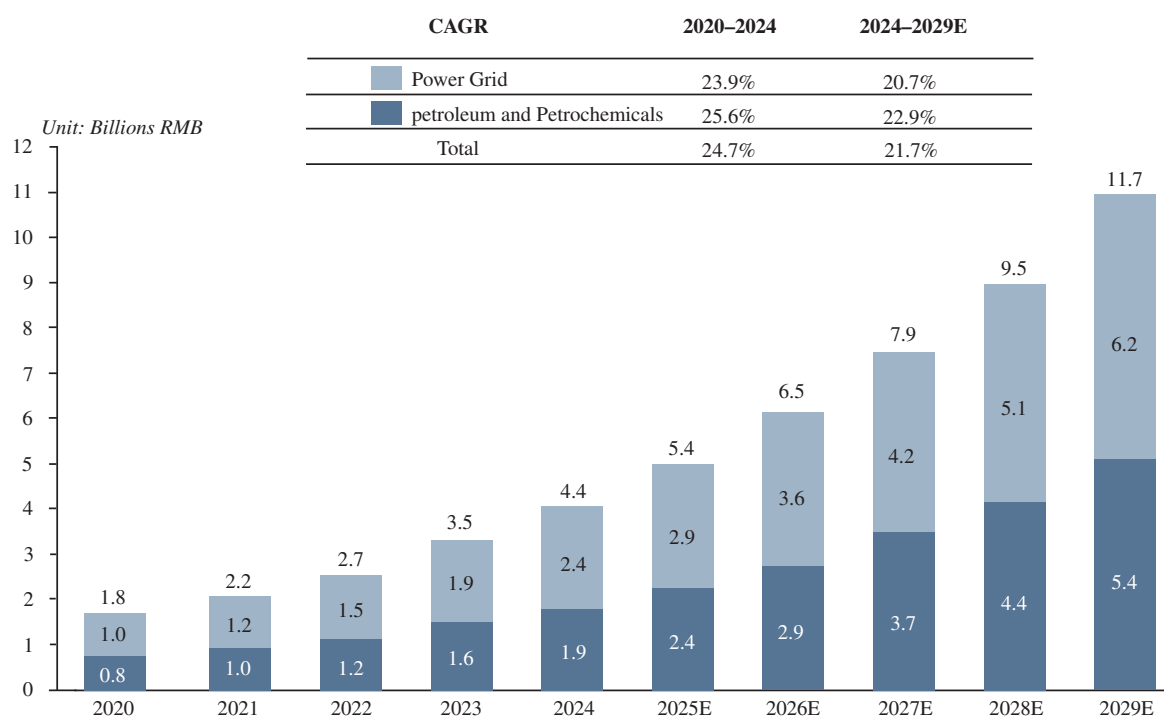
The SCADA system for long-distance pipelines is a key application in this field. The security focus lies in protecting the communication security of RTU and the reliability of control commands, preventing third parties from maliciously tampering with data traffic or triggering safety accidents. In integrated refining and chemical plants, a large number of DCS control high-temperature and high-pressure chemical reaction processes. Security protection must focus on boundary isolation between systems and host hardening to prevent production interruptions, leaks, or explosions caused by network viruses or unauthorised operations.

INDUSTRY OVERVIEW

China Energy Field Industrial Cybersecurity Market

The industrial cybersecurity market in China’s energy sector, encompassing the two sub-sectors of power grid and petroleum and petrochemical, has maintained continuous expansion. Overall, it stood at RMB1.8 billion in 2020 and surged to RMB4.4 billion in 2024, representing a CAGR of 24.7% from 2020 to 2024, and is projected to reach RMB11.7 billion by 2029, with a CAGR of 21.7% from 2024 to 2029. Specifically, the power grid sector recorded a market size of RMB1.0 billion in 2020 and RMB2.4 billion in 2024, and is forecasted to reach RMB6.2 billion by 2029 with a CAGR of 20.7% from 2024 to 2029, while the petroleum and petrochemical sector has demonstrated more outstanding growth performance, with its market size growing from RMB0.8 billion in 2020 to RMB1.9 billion in 2024 with a CAGR of 25.6% from 2020 to 2024 and expected to reach RMB5.4 billion by 2029, representing a CAGR of 22.9% from 2024 to 2029.

China Energy Field Industrial Cybersecurity Market Size, 2020–2029E



Source: Frost & Sullivan, Expert Review

Trends of China Energy Field Industrial Cybersecurity Market

- Centralisation of Security Architecture**

Energy enterprises are accelerating the construction of integrated security operation platforms to achieve centralised management of security systems. Traditionally decentralised industrial cybersecurity products will uniformly aggregate data and events to a central industrial security situation awareness platform, enabling asset visualisation, centralised threat early warning, and unified command and dispatch. The realisation of this trend is highly dependent on the in-depth integration of AI intelligent defense technologies.

INDUSTRY OVERVIEW

- ***AI-Powered Security Operations***

AI-enabled security operation and maintenance is set to become a core growth driver in the future. By conducting Anomaly Behaviour Analysis (ABA) on massive volumes of industrial network traffic and operation logs, AI technologies can rapidly identify Advanced Persistent Threat (APT) attacks and internal operational risks targeting energy systems. This elevates security response from the traditional “post-incident remediation” model to a predictive security operation and maintenance level featuring “in-incident blocking and pre-incident early warning”. Such centralisation and intelligence have greatly improved the efficiency of energy enterprises’ security teams and their threat handling capabilities.

- ***Operationalized Capability Building***

Under the national requirement for critical infrastructure to be combat-ready, daring to respond, and operational on a regular basis, the construction of practical defense capabilities has become an inevitable trend in energy industrial cybersecurity. This mandates that enterprises shift their security protection from static compliance checks to dynamic confrontation and continuous operations. Energy enterprises will increase investment in industrial cybersecurity ranges and attack-defense drills to verify the effectiveness of existing security systems. This practical-oriented trend drives the deepening of security operations: enterprises not only need to purchase products but also require professional MSSP services to deliver continuous threat intelligence analysis, vulnerability management, and emergency response. The maturity of security operations has emerged as a key indicator for measuring the security protection level of energy enterprises.

- ***Accelerating Industry Penetration***

With the acceleration of industry penetration and market maturation, the replicability of industry-specific security solutions in the energy sector has increased significantly. For instance, standardised security architectures for substations or oil pipelines can be rapidly deployed to similar facilities. This productized and modular replication greatly improves the delivery efficiency of solutions, thereby enhancing vendors’ cost control capabilities. For energy enterprises, this means that while meeting increasingly stringent compliance requirements, they can optimise the cost-effectiveness of security investments by procuring standardised, highly integrated solutions. The market will favour vendors that not only possess technological leadership but also demonstrate high efficiency and low total cost of ownership in project implementation and long-term operations.

Competitive Landscape of China Energy Field Industrial Cybersecurity Market

The China energy field industrial cybersecurity market is the segment with the highest barriers to entry and the strongest professionalism within the overall industrial cybersecurity market. Its competitive landscape is characterised by two core traits: strong qualification dependence and professional hierarchical competition. Given that the security of energy is crucial to national security and people’s livelihoods, the market has extremely high entry thresholds. At present, the focus of competition has shifted from the initial comparison of product performance to the contest of comprehensive capabilities in systematisation, practical combat, and ecologicalisation.

INDUSTRY OVERVIEW

According to revenue in 2024, the company ranked first in the industry with a market share of 8.4%, making it the leading enterprise in the industrial cybersecurity market for the energy sector.

The Ranking of China Energy Field Industrial Cybersecurity Companies, By Revenue, 2024

Ranking	Brands	Revenue	Market Share
		RMB in Million	%
1	The Company	368.9	8.4%
2	Company C	317.4	7.3%
3	Company D	269.8	6.2%

Source: Frost & Sullivan, Expert review

China Intelligent Manufacturing Industrial Cybersecurity Market

Industrial cybersecurity in the intelligent manufacture field refers to an integrated and proactive protection system established to safeguard the entire smart production process of smart manufacturing systems from internal and external threats in an environment of deep cyber-physical integration. Its objectives not only include the traditional availability but also emphasise the confidentiality of data and the integrity of the system, so as to ensure uninterrupted production, no data leakage, and no decision-making errors.

- Smart Factory Segment*

As the core unit of smart manufacturing, the industrial cybersecurity of smart factories is directly related to the continuity and stability of production operations. In a highly integrated factory environment, various production equipment, control systems, and information systems are deeply integrated, forming the “digital nerve centre” of the factory. This system faces multiple security challenges: it is necessary to prevent penetration risks from the enterprise information network and ensure the safe operation of key equipment such as production line controllers and industrial robots.

In practical protection, smart factories establish a security system with divided zones and areas, deploy corresponding protection measures between different levels, and form an in-depth defense architecture. At the same time, with the help of a unified security management platform, real-time monitoring and intelligent analysis of the overall network security status are realised to ensure the rapid response and handling of security incidents.

INDUSTRY OVERVIEW

Trends of China Intelligent Manufacture Industrial Cybersecurity Market

- Deepening of Security Concept towards Inherent Integration*

From the initial phase of smart factory construction, security architecture has been incorporated into the overall planning and co-designed and co-implemented alongside production processes. Security capabilities no longer exist as external add-ons but are embedded as core modules within industrial internet platforms, MES, and underlying controllers, achieving comprehensive coverage from the device layer up to the platform layer.

- Expansion of Protected Objects towards Core Data*

As industrial data becomes a key production factor, the focus of protection extends from the traditional availability of equipment to the full-lifecycle security of data. Enterprises are building a security protection system covering all links of data collection, transmission, storage, and use, and adopting technical means such as encrypted transmission, access control, and data desensitisation to ensure the security of sensitive information such as core process parameters, product quality data, and equipment operation status. Especially in key links such as R&D design and production processes, enterprises are establishing a sound data leakage prevention system through technologies such as data lineage tracking and operation behaviour analysis.

Competitive Landscape of the China Intelligent Manufacture Industrial Cybersecurity Market

The intelligent manufacturing sector, as the second-largest sub-segment of China industrial cybersecurity market, has experienced sustained demand growth in recent years, driven by the accelerated digital and intelligent transformation of the manufacturing industry. According to revenue in 2024, this segment has developed a competitive landscape dominated by specialised industrial cybersecurity vendors, with traditional cybersecurity companies actively expanding their presence. The Company ranks second in this market with a 6.4% share and is among the few specialised vendors focused exclusively on industrial cybersecurity that have achieved scalable growth.

The Ranking of China Intelligent Manufacture Industrial Cybersecurity Companies, By Revenue, 2024

Ranking	Brands	Revenue	Market Share
		RMB in million	%
1	Company C	94.4	7.2%
2	The Company	85.1	6.4%
3	Company A	61.5	4.7%

Source: Frost & Sullivan, Expert review

INDUSTRY OVERVIEW

China Rail Transit Industrial Cybersecurity Market

The industrial cybersecurity market in China rail transit sector mainly refers to the market composed of technologies, products, and services involved in ensuring the safe and stable operation of rail transit control systems, it primarily encompasses two parts: urban rail transit and national trunk railways (conventional railways and high-speed railways). The national trunk railway industrial cybersecurity market is a specialised segment that has grown rapidly alongside the development of railway informatisation and intelligence, achieving deployable, collaborative, and traceable system-level protection without disrupting the control loop of the railway information system and compromising traffic safety.

As the “brain and neural centre” of rail transit operations, the industrial cybersecurity of rail transit control systems is primarily tasked with guaranteeing the reliability, confidentiality, and integrity of various systems for train operation control, dispatching and command, and operation management. It aims to prevent operational disruptions, safety accidents, or data leaks caused by cyberattacks, system failures, or operational errors.

- ***Train Operation Control Security***

As the “traffic control brain” of rail transit, the TOCS ensures the safe operation of trains through the collaborative work of control centres, ground equipment, and on-board devices. This system must guarantee the accurate transmission of control commands, prevent signal interference and tampering, and maintain the real-time reliability of key data such as train positioning and speed. In practical protection, security mechanisms such as signal encryption and device authentication are adopted, combined with the principle of redundancy design, to ensure that the system can still maintain a safe state in the event of a fault.

- ***Integrated Monitoring System Security***

As the “operation hub” of rail transit, the IMS integrates multiple subsystems such as power supply, environment, and equipment, and is responsible for the centralised monitoring and management of all-line equipment. This system must ensure the integrity and availability of monitoring data and guarantee rapid response in emergency situations. By establishing a zoned protection architecture, implementing identity authentication and access control, and improving the security audit mechanism, it provides a reliable guarantee for the normal operation of rail transit.

INDUSTRY OVERVIEW

Trends of the China Rail Transit Industrial Cybersecurity Market

- *Continuous Improvement of Compliance Requirements and Standard Systems*

Market development will continue to be driven by both policies and compliance. For example, documents such as the Technical Standard for Urban Rail Transit Integrated Supervision System (《城市轨道交通綜合監控系統工程技術規範》) have clearly stipulated that systems shall be designed, constructed, and accepted in accordance with the Level-3 cybersecurity classified protection standard. With the state’s strengthened protection of critical information infrastructure, the relevant standard systems, laws, and regulations will become increasingly stringent and improved, providing sustained impetus for the market.

- *Accelerated construction of localisation*

Influenced by geopolitics and supply chain security, the domestic substitution of software and hardware in key control systems for rail transit is accelerating. In newly constructed lines, the proportion of domestic products such as operating systems, security chips, industrial control firewalls, and secure PLCs is continuously increasing.

OVERVIEW OF CHINA ENERGY DIGITAL-INTELLIGENT INTEGRATED SOLUTIONS MARKET

Energy Digital-Intelligent Integrated Solutions Market

Energy digitalisation and intelligence is a pivotal strategy for the energy industry to address energy transition, improve system efficiency, safeguard energy security, and advance sustainable development. By deeply integrating emerging information technologies, it systematically restructures the infrastructure construction, production methods, management mechanisms, and value chains of the traditional energy industry, realising the coordinated leap of digitalisation and intelligence.

Among them, intelligence is based on digitalisation and networking; through AI capabilities, it can conduct real-time induction, identification, and analysis of multi-source heterogeneous data and independently resolve problems. Its perception, cognition, and problem-solving capabilities can be applied to multiple scenarios, promoting the leap of productivity and driving the high-end, intelligent, and green transformation of the industry. Currently, intelligent control products focused on the energy production side, featuring core capabilities such as real-time condition awareness, risk early warning, and process optimisation, have become a critical enabler in the industry’s digital transformation.

In recent years, with the in-depth advancement of the “dual carbon” goals and the accelerated construction of new power systems, the energy industry is undergoing an unprecedented technological revolution. Meanwhile, backup power solutions, along with their integrated intelligent management systems, designed for industrial scenarios, special environments, and green transition requirements are experiencing sustained growth in market demand, driven by their strong alignment with industry priorities such as power reliability, low-carbon operations, and energy efficiency. Digital and intelligent transformation has become the core engine driving industrial upgrading.

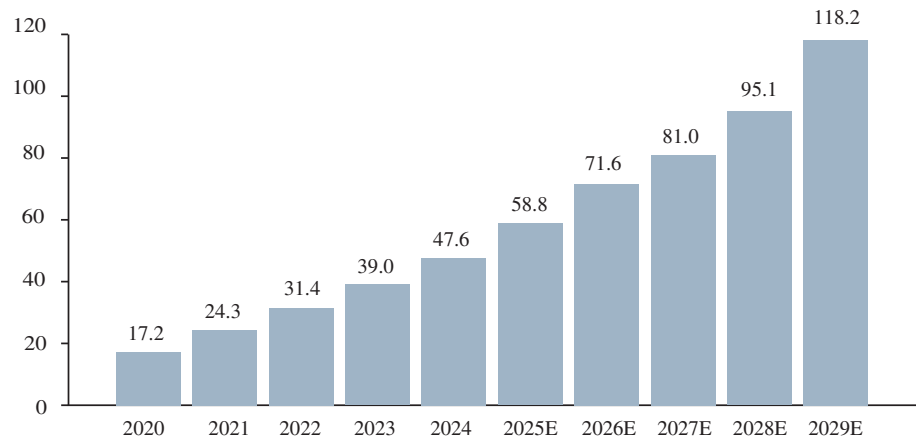
INDUSTRY OVERVIEW

The market size of China energy digital-intelligent integrated solutions has steadily risen from RMB17.2 billion in 2020 to RMB47.6 billion in 2024 with a CAGR of 17.4% from 2020 to 2024, and is expected to reach RMB118.2 billion by 2029 with a CAGR of 22.9% from 2024 to 2029, demonstrating strong growth momentum. This trend not only reflects the dual drivers of policy guidance and market demand but also underscores energy companies’ urgent pursuit of cost reduction, operational efficiency, green and low-carbon transformation, and intelligent operations.

China Energy Digital and Intelligent Integrated Solution Market Size, 2020–2029E

	CAGR	2020–2024	2024–2029E
■ Energy Digital-Intelligent Integrated Solution		17.4%	22.9%

Unit: Billions RMB



Source: Frost & Sullivan, Expert Review

Drivers of the Energy Digital-Intelligent Integrated Solution Market

- Demand for Energy Transition and Sustainable Development*

Under the global climate governance framework, the transformation of the energy system toward cleanliness and low-carbonisation has become a consensus. The high-emission and low-efficiency model of the traditional energy industry cannot meet sustainable development goals. However, energy digitalisation and intelligence can digitally reconstruct the entire chain of energy production, transmission, and consumption, break down coordination barriers across multiple links, and provide core technical support for energy transition. It helps achieve the dual goals of total carbon emission control and energy efficiency improvement, which constitutes the core underlying logic driving the release of market demand.

INDUSTRY OVERVIEW

- ***Practical Need for Energy Security Assurance***

Traditional energy systems have shortcomings such as lagging supply-demand response, rigid resource allocation, and insufficient risk resistance capacity. Faced with challenges like uneven distribution of energy resources, frequent extreme weather, and fluctuations in the energy supply-demand pattern, the resilience and security of the energy system urgently need to be enhanced. Energy digitalisation and intelligence can rely on emerging information technologies to realise real-time monitoring, accurate prediction, and intelligent scheduling of energy assets, strengthen the risk early warning and emergency response capabilities of the energy system, and ensure the stability and reliability of energy supply. Meanwhile, at the national level, improving the safe, reliable, flexible, and efficient operation capacity of the energy system has been clearly identified as a core goal, further consolidating the central position of energy digitalisation and intelligence in safeguarding energy security.

- ***Strategic Guidance of Special Policies***

The state has issued special policies to promote the deep integration of artificial intelligence and the energy industry, clarifying phased development goals for 2027 and 2030, and defining the development path for energy digitalisation and intelligence from the top-level design perspective. The Implementation Opinions on Promoting High-Quality Development of ‘AI +’ Energy (《推進「人工智能+」能源高質量發展的實施意見》) proposes expanding deeply integrated application scenarios of artificial intelligence in the energy sector, enhancing the technological capabilities of innovative AI applications in energy, and strengthening the in-depth deployment of AI across industries such as power, coal, and oil and gas, thereby providing robust support for the development of a new-type energy system. At the same time, multi-dimensional financial support is provided through central fiscal funds, national science and technology special projects, and multi-level capital markets. These policies not only force traditional energy enterprises to accelerate digital and intelligent transformation but also remove institutional and financial obstacles for technological R&D and scenario implementation, serving as the core policy driver for the large-scale development of the market.

- ***Promotion by Technological Innovation***

The maturity and coordinated development of technologies such as AI, big data, the IOT, and digital twins have laid a solid technical foundation for energy digitalisation and intelligence. On one hand, breakthroughs in artificial intelligence technologies including professional large models, multi-agent collaboration, and interpretable algorithms can break data silos in the traditional energy industry and realise the integration and in-depth mining of multi-source heterogeneous data. On the other hand, the construction of a collaborative mechanism between computing power and electric power and the tackling of technologies such as integrated computing-storage-network have addressed bottlenecks like fragmented computing power and high energy consumption in energy digitalisation and intelligence. Meanwhile, technologies such as privacy computing and dynamic encryption ensure data security, endowing the energy system with autonomous perception and cognitive decision-making capabilities, and promoting the transformation of energy production and management from experience-driven to data-driven and intelligence-driven. The feasibility and maturity of these technologies have laid the foundation for market expansion.

INDUSTRY OVERVIEW

- ***Demand for Cost Reduction, Efficiency Improvement and new quality productive forces Cultivation***

The traditional energy industry is faced with the predicament of high operating costs and low management efficiency. There is room for optimisation in both equipment operation and maintenance and resource exploration on the energy production side, as well as energy use management and load regulation on the consumption side. Energy digitalisation and intelligence can reduce the full-life-cycle operation and maintenance costs of energy and improve energy utilisation efficiency through intelligent process reengineering and resource allocation.

Trends of the Energy Digital-Intelligent Integrated Solution Market

- ***In-depth Technological Integration and Integrated, Specialised Scenario Application***

Future energy digitalisation and intelligence will be characterised by deep integration of multiple technologies. Artificial intelligence will no longer function as a standalone application but will be deeply fused with domain-specific expertise in the energy sector, forming a specialised application matrix. Technological applications will expand from isolated, single-use scenarios to integrated, comprehensive scenarios, covering traditional energy domains such as intelligent power grid planning and dispatching, precise forecasting of renewable energy output, minimally-staffed or fully unmanned coal mining operations, and intelligent oil and gas exploration, while also extending into emerging areas like virtual power plants, green hydrogen production, zero-carbon industrial parks, and controllable nuclear fusion.

- ***Green, Integrated Development of Computing Power and Electric Power Synergy***

The industry will build a green, efficient computing power energy consumption model, focusing on key technologies like unified scheduling of multi-source heterogeneous computing power and integrated computing-storage-network convergence to realise intensive resource utilisation. Efforts will be made to increase green electricity proportion in computing centres, explore high-efficiency energy utilisation technologies to address high energy consumption of AI computing, forming a mutually supportive and optimised pattern of computing power and electric power.

- ***Collaborative Industrial Ecosystem and Platform-based Innovation System***

Energy digitalisation and intelligence will drive the formation of a multi-stakeholder collaborative industrial ecosystem. Policies encourage the construction of energy AI R&D platforms and cross-disciplinary innovation alliances, deepening industry-university-research-application cooperation. A sound financial support and talent training ecosystem will be established to cultivate interdisciplinary talents, forming a closed-loop innovation system of “technology R&D – scenario application – standard formulation – talent supply” and expanding new business models such as data value-added services.

INDUSTRY OVERVIEW

- ***Comprehensive Security Protection System and Standard System***

With the improvement of digitalisation and intelligence, cybersecurity and data security risks escalate. The industry will build a comprehensive security protection system covering technology, management and systems, strengthen technical measures and improve security standards and emergency mechanisms. Policies require accelerating the formulation of technical standards (energy data governance, computing power integration and scenario design), establishing AI application evaluation systems and testing platforms, and encouraging international standard-setting to promote standardised development.

- ***High-end Value Chain and Cutting-edge Technology Application***

Energy digitalisation and intelligence will drive the energy industry value chain to extend to high-end links. Enterprises’ core competitiveness will shift to data value mining and intelligent services. Artificial intelligence technologies in the energy sector are enabling cross-domain, cross-industry, and cross-business-scenario empowerment, fully unlocking the data-value potential of the energy industry and accelerating its digital and intelligent transformation. Through digital-intelligent technologies such as intelligent sensing, intelligent diagnostics, intelligent control, and intelligent inspection, these advancements enhance energy enterprises’ safety management capabilities and adaptability to external environments, while providing technical support for smart production management platforms and operational decision-making.

- ***Highly Reliable and Green New Energy Architecture***

As energy digitalisation and intelligence accelerate, intelligent backup power systems are evolving toward greater intelligence, modularity, and sustainability. These systems not only extend service life and ensure safety under extreme conditions through predictive maintenance, remote monitoring, and energy efficiency optimisation, but also significantly enhance power supply reliability and operational efficiency by offering customised high-standard industrial power and energy storage solutions tailored to specialised scenarios. Particularly in critical sectors such as data centres, telecommunications base stations, high-end manufacturing, and essential infrastructure, they provide robust energy assurance for the stable operation of industrial automation equipment, edge computing nodes, and entire digital systems.

SOURCES OF INFORMATION

Our Company has commissioned Frost & Sullivan, an independent market research company, to analyse the industrial cybersecurity market and compile a report. The information disclosed in this document regarding Frost & Sullivan is extracted from the Frost & Sullivan Report. We have agreed to pay Frost & Sullivan a fee of RMB350,000 for the preparation of the Frost & Sullivan Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

The Frost & Sullivan Report is based on both primary and secondary research obtained from various sources. Primary research includes interviews with key industry participants in the industrial cybersecurity market and other experts relevant to our business. Secondary research includes a review of company reports, independent research reports, and data from Frost & Sullivan’s proprietary research database as well as government databases.

INDUSTRY OVERVIEW

In compiling and preparing this report, Frost & Sullivan has made the following assumptions:

- During the forecast period, the social, economic, and political environments of the PRC, and other major global markets will remain stable, ensuring the continued and steady development of the industry;
- Government policies on the industrial cybersecurity market will not undergo significant changes.

Frost & Sullivan believes that the fundamental assumptions used in preparing this report, including those for future projections, are factual, accurate, and not misleading. Frost & Sullivan has conducted an independent analysis of the data; however, the accuracy of its review conclusions largely depends on the accuracy of information collected.

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

Regulations on Company Establishment and Foreign Investment

The establishment, operation and management of corporate entities in China are governed by the PRC Company Law, which was promulgated by the SCNPC in December 1993 and further amended in December 1999, August 2004, October 2005, December 2013, October 2018 and December 2023, respectively. The PRC Company Law is also applicable to foreign-invested joint stock limited companies.

Investment activities in the PRC by foreign investors are governed by the Provisions on Guiding Foreign Investment Direction (《指導外商投資方向規定》), which was promulgated by the State Council on 11 February 2002 and came into effect on 1 April 2002, the Special Administrative Measures for the Access of Foreign Investment (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), which was promulgated by the MOFCOM and the NDRC on 6 September 2024 and came into effect on 1 November 2024, and the Catalogue of Encouraged Industries for Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Encouraged Catalogue**”), which was promulgated by the MOFCOM and the NDRC on 26 October 2022 and came into effect on 1 January 2023. The Provisions on Guiding Foreign Investment Direction divides foreign investment projects into four categories, namely “encouraged”, “permitted”, “restricted” and “prohibited” categories. The Encouraged Catalogue lists the foreign investment projects of the encouraged category, while the Negative List sets out the foreign investment projects of the restricted and prohibited categories, and foreign investment projects which fall beyond the encouraged, restricted and prohibited categories belong to the permitted category. The Negative List sets out the restrictive measures in a unified manner, such as the requirements on shareholding percentages and corporate governance, for the access of foreign investments, and the industries that are prohibited from receiving foreign investment. The Negative List covers 11 industries, and any field not falling under the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”) was promulgated by the National People’s Congress of the PRC (the “NPC”) on 15 March 2019 and came into effect on 1 January 2020. The Law on Wholly Foreign-owned Enterprises of the PRC (《中華人民共和國外資企業法》), the Law on Sino-foreign Equity Joint Ventures of the PRC (《中華人民共和國中外合資經營企業法》) and the Law on Sino-foreign Cooperative Joint Ventures of the PRC (《中華人民共和國中外合作經營企業法》) were repealed upon the Foreign Investment Law coming into effect. The investment activities of foreign natural persons, enterprises or other organisations (collectively, the “**Foreign Investors**”) directly or indirectly within the territory of China shall comply with and be governed by the Foreign Investment Law. Such activities include establishments by Foreign Investors of foreign invested enterprises in China alone or jointly with other investors; acquisitions by Foreign Investors of shares, equity, property shares, or other similar interests of Chinese domestic enterprises; investments by Foreign Investors in new projects in China alone or jointly with other investors; and other forms of investment prescribed by laws, administrative regulations or the State Council.

REGULATORY OVERVIEW

While strengthening investment promotion and protection, the Foreign Investment Law further regulates foreign investment management and proposes the establishment of a foreign investment information reporting system that replaces the original foreign investment enterprise approval and filing system of the MOFCOM. The foreign investment information reporting is subject to the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》) jointly developed and promulgated by the MOFCOM and the SAMR on 30 December 2019 and came into effect on 1 January 2020. Since 1 January 2020, for foreign investors carrying out investment activities directly or indirectly within the territory of China, the foreign investors or foreign-invested enterprises shall submit investment information to the relevant commerce administrative authorities in accordance with the Measures on Reporting of Foreign Investment Information.

The Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and MOFCOM on 19 December 2020 and came into effect on 18 January 2021 set forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, the scopes of review and procedures to review, among others.

Regulations on Principal Businesses of the Company

Cybersecurity

The SCNPC promulgated the National Security Law of the People’s Republic of China (《中華人民共和國國家安全法》) on 1 July 2015. This law clearly defines national security tasks across 11 domains, including political security, territorial security, military security, cultural security and technological security.

The Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”) promulgated by the SCNPC on 7 November 2016 (came into effect on 1 June 2017, amended on 28 October 2025 and implemented on 1 January 2026) is primarily enacted to safeguard cybersecurity, uphold cyberspace sovereignty and national security, protect public interests, safeguard the lawful rights and interests of citizens, legal persons, and other organisations, and promote the healthy development of economic and social informatisation. According to the provisions of the Cybersecurity Law, critical network equipment and specialised cybersecurity products shall only be sold or provided after being certified as safe by qualified institutions or passing safety inspections in accordance with the mandatory requirements of relevant national standards.

To strengthen the management of communication network security, enhance the capability of communication network security protection, and ensure the security and smooth operation of communication networks, the Ministry of Industry and Information Technology (the “**MIIT**”) promulgated the Measures for the Administration of Communication Network Security Protection (《通信網絡安全防護管理辦法》) on 21 January 2010 (came into effect on 1 March 2010).

On 9 August 2017, the MIIT promulgated the Measures for Monitoring and Handling Cybersecurity Threats on the Public Internet (《公共互聯網網絡安全威脅監測與處置辦法》) (came into effect on 1 January 2018) to strengthen and standardise the monitoring and handling of cybersecurity threats on the public internet. These measures aim to eliminate security risks, prevent malicious attacks, and uphold network order and public interests.

REGULATORY OVERVIEW

Production safety

The Production Safety Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on 29 June 2002 and latest amended on 10 June 2021 and came into effect on 1 September 2021, is the basic law for governing production safety. It provides that, any entity whose production safety conditions do not meet the requirements may not engage in production and business operation activities. The production and operation entities shall educate and train employees regarding production safety so as to ensure that the employees have the necessary knowledge of production safety, are familiar with the relevant regulations and rules for safe production and the rules for safe operation, master the skills of safe operation in their own positions, understand the emergency measures, and are aware of their own rights and duties in terms of production safety. Employees who fail the education and training programmes on production safety may not commence working in their positions. Safety facilities of newly built, renovated or expanded project(s) (the “**construction project(s)**”) shall be designed, constructed and put into operation simultaneously with the main body of the project. Investment in safety facilities shall be included in the budget of the construction project.

Qualification of enterprises in construction industry

The MOHURD promulgated the Qualification Standards of Enterprises in Construction Industry (《建築業企業資質標準》) on 6 November 2014 (effective from 1 January 2015), which stipulate that enterprises with general contracting qualifications may engage in general contracting, project management and other businesses within the permitted scope of their qualifications. They may either independently conduct all specialised works under their general contracting scope or legally subcontract such works; and enterprises with labour contracting qualifications may undertake various types of construction labour operations.

Laws and Regulations on Foreign Exchange and Taxation

Foreign Exchange

On 29 January 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the People’s Republic of China (《中華人民共和國外匯管理條例》), which came into effect on 1 April 1996 and was amended on 14 January 1997 and 5 August 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the foreign exchange control department of the State Council.

REGULATORY OVERVIEW

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE on 26 December 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 state administration of foreign exchange 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 document and other disclosure documents.

Taxation

Enterprise income tax

The Enterprise Income Tax Law of the People’s Republic of China (the “**Enterprise Income Tax Law**”) promulgated by the National People’s Congress of the PRC on 16 March 2007, came into force from 1 January 2008, and amended on 24 February 2017 and 28 December 2018, respectively, and the Implementation Regulations for the Enterprise Income Tax Law of the People’s Republic of China (the “**Implementation Regulations**”) promulgated by the State Council on 6 December 2007, came into force from 1 January 2008 and latest amended on 6 December 2024, are the main legal basis of China governing the enterprise income tax. According to the Enterprise Income Tax Law and the Implementation Regulations, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises refer to enterprises that are established in the PRC according to law, or that are established in accordance with the law of the foreign country (region) but whose de facto management bodies are located in the PRC. Non-resident enterprises refer to enterprises that are established in accordance with the law of the foreign country (region) and have institutions or premises in the PRC, or have no institutions or premises in the PRC but have income earned in the PRC. Resident enterprises and non-resident enterprises that have institutions or premises in the PRC shall be subject to the enterprise income tax at the unified rate of 25% on their income earned from and outside the PRC, and on their income earned in the PRC but have actual connection to its institution or premises.

REGULATORY OVERVIEW

VAT

The main legal basis of China governing the VAT are the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated on 13 December 1993 by the State Council, came into effect on 1 January 1994, and amended on 10 November 2008, 6 February 2016 and 19 November 2017, and 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》) promulgated on 25 December 1993 by the MOF, came into effect on the same day and amended on 15 December 2008 and 28 October 2011. Any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, sale of services, intangible assets, real estates and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the Regulations. General taxpayers engaged in taxable sales activities are subject to tax rates of 17%, 11%, 6% and 0%, respectively. The Notice on Adjusting VAT Rates (《關於調整增值稅稅率的通知》) jointly issued by the MOF and the SAT on 4 April 2018 (effective from 1 May 2018) adjusted the tax rates for taxable sales activities originally applicable to general taxpayers at 17% and 11% to 16% and 10%, respectively. The Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) jointly issued by the MOF, the SAT and the General Administration of Customs on 20 March 2019 (effective from 1 April 2019) further adjusted the tax rates for taxable sales activities originally applicable to general taxpayers at 16% and 10% to 13% and 9%, respectively.

Regulations on Information Security and Data Privacy

Data security and export

The SCNPC promulgated the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》) on 10 June 2021 (effective from 1 September 2021), for the establishment of a data classification and grading protection system to conduct classified and hierarchical protection of data. Entities engaged in data processing activities shall, in accordance with laws and regulations, establish a sound full-process data security management system, organise data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

According to the Measures for Security Assessment of Data Export (《數據出境安全評估辦法》) promulgated by the Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室) (the “CAC”) on 7 July 2022 and became effective on 1 September 2022, a data processor that provides data overseas under any of the following circumstances shall apply to the national cyberspace administration for the security assessment of the outbound data transfer through local provincial cyberspace administration: (i) a data processor provides important data abroad; (ii) the critical information infrastructure operator or the data processor that has processed the personal information of more than one million individuals provides personal information abroad; (iii) the data processor that has provided the personal information of over 100,000 individuals or the sensitive personal information of over 10,000 individuals cumulatively since 1 January of the previous year provides personal information abroad; and (iv) any other circumstance where an application for the security assessment of outbound data transfer is required by the national cyberspace administration.

REGULATORY OVERVIEW

According to the Measures for Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) promulgated by the CAC on 22 February 2023 and became effective on 1 June 2023, personal information processors transferring personal information overseas through standard contracts shall simultaneously meet the following conditions: (i) not being an operator of critical information infrastructure; (ii) processing personal information of less than one million individuals; (iii) cumulatively provided personal information of less than 100,000 individuals to overseas recipients since 1 January of the previous year; and (iv) cumulatively provided the sensitive personal information of less than 10,000 individuals since 1 January of the previous year.

According to the Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》) promulgated and implemented by the CAC on 22 March 2024, a data processor other than operator of critical information infrastructure are exempt from declaring for security assessment for outbound data transfer, signing a standard contract with overseas recipient or passing the personal protection certification, if such data processor accumulatively transfers overseas the personal information (excluding sensitive personal information) of not less than 100,000 individuals but less than 1 million individuals or the sensitive personal information of less than 10,000 individuals since 1 January of the current year.

Personal information protection

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) promulgated by the NPC on 28 May 2020 and became effective on 1 January 2021, the personal information of natural persons is protected by law. Any organisation or individual seeking to obtain others’ personal information must do so in accordance with the law and ensure the security of the information. They must not illegally collect, use, process, or transmit other person’s personal information, and must not illegally buy, sell, provide, or disclose the information. 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》) promulgated by the SCNPC on 20 August 2021 and implemented on 1 November 2021, further emphasises the obligations and responsibilities of processors for the protection of personal information, and requests higher level of protective measures on the processing of sensitive personal information.

According to the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》) promulgated by the SCNPC on 7 November 2016, became effective on 1 June 2017, amended on 28 October 2025 and implemented on 1 January 2026, network operators must follow the principles of legality, legitimacy and necessity when collecting and using personal information, and publicly disclose the rules for collection and use, clearly state the purpose, method and scope of collecting and using information, and obtain the consent of the person whose data is being collected. Network operators shall not collect personal information unrelated to the services they provide. Network operators are not allowed to leak, tamper with, or damage the personal information they collect; they are not allowed to provide personal information to others without the consent of the person whose data is being collected. However, this does not apply to cases where a specific individual cannot be identified and the identity cannot be recovered after processing. Network operators should take technical measures and other necessary measures to ensure the security of the personal information they collect and prevent leakage, damage and loss of information. This law was amended on 28 October 2025, and became effective on 1 January 2026.

REGULATORY OVERVIEW

Regulations on Self-Owned Real Properties

According to the Civil Code, the creation, alteration, alienation, or extinguishment of the property right of a real property shall become effective upon registration in accordance with law. The certificate of ownership of real property shall be an evidence of the right holder’s entitlement in the real property.

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on 25 June 1986, last amended on 26 August 2019 and became effective on 1 January 2020, China implements socialist public ownership of land, that is, ownership by the whole individuals or collective ownership by the working masses. The State formulates an overall land utilisation plan to stipulate land use, classifying land into agricultural land, construction land, or unused land. Entities or individuals using land must use the land strictly in accordance with the purposes of land use determined in the overall land utilisation plan.

Regulations on Lease of Real Property

According to the Civil Code, a lease contract generally shall contain clauses specifying the name, quantity and purpose of use of the leased object, the term of the lease, rent, the schedule and method of its payment, the maintenance and repair of the leased object, etc. The lessee of a lease may, with the consent of the lessor, sublease the leased object to a third party. The failure of the parties to go through the formalities for registration and filing of the lease contract in accordance with the provisions of laws and administrative regulations shall not affect the validity of the contract.

According to the Administrative Measures for Leasing of Commodity Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) (the “MOHURD”) on 1 December 2010 and became effective on 1 February 2011, a commodity housing lease contract should be registered and filed with the competent construction (real estate) departments of the municipalities directly under the central government, cities and counties where the house is located within 30 days after the execution of the lease contract. Those who fail to comply with the aforementioned filing regulations may be ordered by the competent authority to correct within a time limit. If the entity does not correct within the specified period, it may be subject to a fine ranging from RMB1,000 to RMB10,000.

REGULATORY OVERVIEW

Laws and Regulations in Relation to Intellectual Property

Patent

Patents in the PRC are mainly protected by the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**” (promulgated by the SCNPC on 12 March 1984, latest amended on 17 October 2020 and became effective on 1 June 2021) and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) (the “**Implementation Rules of the Patent Law**”, promulgated by the State Council on 15 June 2001, latest amended on 11 December 2023 and became effective on 20 January 2024). The Patent Law and the Implementation Rules of the Patent Law provide for three types of patents, namely “invention,” “utility model” and “design.” “Invention” refers to any new technical solution relating to a product, a process or improvement thereof; “utility model” refers to any new technical solution relating to the shape, structure, or their combination, of a product, which is suitable for practical use; and “design” refers to any new design of the shape, pattern, colour or the combination of any two of them, of a product, which creates an aesthetic feeling and is suitable for industrial application. The duration of a patent right for “invention” is twenty (20) years; the duration of a patent right for “utility model” is ten (10) years; and the duration of a patent right for “design” is fifteen (15) years, all of which are from the date of application.

Trademarks

Registered trademarks in the PRC are mainly protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was promulgated by the SCNPC on 23 August 1982, latest amended on 23 April 2019 and became effective on 1 November 2019), and the Implementation Rules of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on 3 August 2002, latest amended on 29 April 2014 and became effective on 1 May 2014. The Trademark Office is responsible for the registration and administration of trademarks throughout China and grants a term of ten (10) years to registered trademarks. When it is necessary to continue using the registered trademark upon expiration of period of validity, a trademark registrant shall make an application for renewal within twelve (12) months before the expiration in accordance with the requirements. If such an application cannot be filed within that period, an extension period of six months may be granted. The period of validity for each renewal of registration shall be ten (10) years as of the next day of the previous period of validity. If the formalities for renewal have not been handled upon expiration of period of validity, the registered trademarks will be deregistered.

Copyright

Copyright in the PRC is primarily protected by the Copyright Law of the PRC (《中華人民共和國著作權法》), which was promulgated by the SCNPC on 7 September 1990, last amended on 11 November 2020 and became effective on 1 June 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on 2 August 2002, last amended on 30 January 2013 and became effective on 1 March 2013. These laws and regulations provide provisions on the classification of works and the obtaining and protection of copyright.

REGULATORY OVERVIEW

Domain names

Domain names are regulated under the Administrative Measures on the Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on 24 August 2017 and became effective on 1 November 2017. The MIIT is the main regulatory authority responsible for the administration of the PRC internet domain names. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and the applicants become domain name holders upon successful registration.

Trade secrets

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the SCNPC on 2 September 1993, last amended on 27 June 2025 and became effective on 15 October 2025, the term “trade secrets” refers to technical and business information that is unknown to the public, has business interests, and is maintained as a secret by its legal owners or holders. Under the Anti-Unfair Competition Law of the PRC, business persons are prohibited from infringing others’ trade secrets by: (i) obtaining the trade secrets from the legal owners or holders by theft, bribery, fraud, coercion or other illicit means; (ii) disclosing, using or allowing others to use the trade secrets obtained from the legal owners or holders by any means as specified in the item (i) above; (iii) disclosing, using or allowing others to use the trade secrets in their possession in violation of contractual agreements or the requirements of the legal owners or holders for keeping the trade secrets confidential; (iv) instigating, inducing or assisting others to obtain, disclose, use or allow others to use the trade secrets of the legal owners or holders in violation of confidentiality obligation or the requirements of the legal owners or holders for keeping the trade secrets confidential. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, discloses, uses or allows others to use the trade secrets, the third party may be deemed to have committed a misappropriation of the others’ trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and impose fine on the infringing parties.

Regulations in Relation to Labour, Social Insurance and Housing Provident Funds

According to the Labour Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on 5 July 1994 and last amended and came into effect on 29 December 2018, the Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on 29 June 2007, amended on 28 December 2012 and came into effect on 1 July 2013, and the Implementing Regulations of the Labour Contracts Law of the PRC (《中華人民共和國勞動合同法實施條例》), which was promulgated by the State Council and came into effect on 18 September 2008, labour contracts in written form shall be executed to establish labour relationships between employers and employees. In addition, wages shall not be lower than local minimum wages. The employers must establish a system for labour safety and sanitation, strictly comply with national rules and standards, provide education regarding labour safety and sanitation to its employees, provide employees with labour safety and sanitation conditions and necessary protection materials in compliance with national rules, and carry out regular health examinations for employees engaged in work involving occupational hazards.

REGULATORY OVERVIEW

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on 28 October 2010 and last amended and came into effect on 29 December 2018, and the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》), which was promulgated by the State Council on 22 January 1999 and last amended and came into effect on 24 March 2019, and the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council on 3 April 1999 and last amended and came into effect on 24 March 2019, 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, and to housing provident funds. Any employer who fails to make the required contributions may be fined and ordered to compensate for the deficit within a stipulated time limit.

According to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》) promulgated on 20 July 2018 and came into effect on 1 January 2019, all the social insurance premiums, including the premiums of the basic pension insurance, basic medical insurance, unemployment insurance, work injury insurance and maternity insurance, shall be collected by the tax authorities.

The Notice of General Office of the State Council on Promulgation of the Comprehensive Plan for the Reduction of Social Insurance Premium Rate (《國務院辦公廳關於印發降低社會保險費率綜合方案的通知》), which was promulgated on 1 April 2019 and came into effect on 1 May 2019, requires steady advancement of the reform of the system of social insurance premiums collection: in principle, the basic pension insurance for enterprise employees and other insurance types for enterprise employees shall be collected temporarily according to the existing collection system to maintain the stability of the payment method. The Notice also clearly emphasises that the historical unpaid arrears of the enterprise shall be properly treated. In the process of reformation of the collection system, it is not allowed to conduct self-collection of historical unpaid arrears from enterprises, neither is it allowed to adopt any measure of increasing the actual payment burden of small and micro enterprises to prevent adverse impacts on in the production and operation of the enterprises.

REGULATORY OVERVIEW

The core contents of the Interpretation (II) of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labour 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）》) issued on 31 July 2025 (which came into effect on 1 September 2025) include: firstly, strengthening the stability of labour contracts and clarifying the specific circumstances of consecutively entering into two fixed-term labour contracts; secondly, balancing the rights and interests of both parties, reasonably defining the liability for compensation for breach of contract of the employees, and requiring the court to determine the amount of compensation by comprehensively considering factors such as actual losses, the degree of fault and the performance period already fulfilled; thirdly, for new business forms and complex employment situations, establishing the “penetrating identification” rule, and clearly stipulating that if a contractor or a person under affiliation subcontracts the business to an unqualified entity or allows affiliation, they shall bear direct responsibility for the labour remuneration and work-related injury insurance benefits, etc. of the workers; in cases of mixed employment, the court will make a comprehensive judgement on the ownership of the labour relationship based on the employment management behaviour, remuneration payment, social security contribution and other factors; fourthly, strengthening the bottom line of social insurance, and clearly stipulating that the agreement between employers and employees not to pay social insurance is invalid; if an employee terminates the labour contract on this ground and claims economic compensation, the court shall support it; after the employer makes up for the social insurance contributions, it can demand that the employee return the social insurance compensation already paid.

Regulations in Relation to Overseas Securities Offering and Listing by Domestic Companies

According to 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 Measures for Overseas Listing**”) promulgated by the China Securities Regulatory Commission (the “**CSRC**”) on 17 February 2023 and became effective on 31 March 2023, where a domestic company seeks overseas securities issuance and listing, the issuer shall file with the CSRC in accordance with the Trial Measures for Overseas Listing. If an issuer procures an overseas initial public offering or listing, it shall file with the CSRC within three (3) business days after submitting application documents for overseas securities issuance and listing.

REGULATORY OVERVIEW

According to the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly promulgated by the CSRC and other departments on 24 February 2023 and became effective on 31 March 2023, in the overseas offering and listing activities of domestic enterprises, domestic enterprises as well as securities companies and securities service institutions that provide corresponding services shall strictly comply with the applicable laws and regulations of the People’s Republic of China and satisfy the requirements of these Provisions, enhance the legal awareness of safeguarding state secrets and strengthening archives administration, establish and improve the confidentiality and archives work system, and take necessary measures to fulfil the confidentiality and archives administration obligations, and shall not divulge state secrets or work secrets of state organs, or harm the interests of the state or the public. A domestic enterprise that, either directly or through its overseas listed entity, provides or publicly discloses to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, any documents and materials that involve state secrets or work secrets of state organs, shall obtain approval from the competent department with the power of examination and approval according to the law, and report to the administrative department of confidentiality at the same level for filing. A domestic enterprise that, either directly or through its overseas listed entity, provides or publicly discloses to relevant securities companies, securities service institutions, overseas regulators, and other entities and individuals, other documents and materials whose divulgence will have adverse impact on national security or public interest, shall strictly undergo the relevant procedures in accordance with the relevant regulations of the state.

Full Circulation of H Shares

On 14 November 2019, the CSRC issued the Guidelines for the “Full Circulation” Programme for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) (the “**Guidelines for the Full Circulation**”), which was amended and re-implemented on August 10, 2023. In particular, “full circulation” means listing and circulating on the Hong Kong Stock Exchange (the “**Hong Kong Stock Exchange**”) of the domestic unlisted shares held by an domestic joint-stock company (the “**H-share listed company**”), including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders.

REGULATORY OVERVIEW

In accordance with the Guidelines for the Full Circulation, subject to the satisfaction of the requirements of relevant laws and regulations as well as policies on state-owned asset management, foreign investment and industry supervision, shareholders of unlisted domestic shares may, through independent consultation, determine the quantity and proportion of shares to be applied for circulation and entrust the corresponding H-share listed company to initiate the application for “full circulation”. When the H-share listed company applies for “full circulation”, it is required to submit an application to the SFC in accordance with the administrative licensing procedure of “approval for overseas public offering and listing of Shares (including issuance of additional shares) by a joint stock company”. H-share listed companies may either submit a separate application for “full circulation” or submit it together when applying for overseas refinancing; domestic joint-stock companies that have not yet been listed overseas may, when applying for an [REDACTED] overseas, simultaneously initiate an application for “full circulation”. After the application for “full circulation” is approved by the SFC, the H-share listed company shall submit a report on the relevant situation to the CSRC within 15 days after the completion of transfer registration of the shares involved in the application with China Securities Depository and Clearing Corporation Limited (the “CSDC”). Unlisted domestic shares that have been listed and circulated on the Hong Kong Stock Exchange shall not be transferred back to the domestic market for circulation.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a reputable comprehensive industrial cybersecurity and energy digital-intelligence solutions provider in China. Leveraging our industry-specific technological and regulatory knowhow, we provide customisable solutions that meet the diverse and evolving needs of enterprise users across various sectors. This protects enterprise users’ information technology and operational technology assets throughout the industrial production process, including networks, systems, data, applications and devices, from attacks, and effectively guards against security threats such as cyberattacks, sabotage and unauthorised access. We employ AI-driven technologies to enhance security capabilities for enterprise users under different industrial scenarios. In addition to providing comprehensive industrial cybersecurity solutions, we also provide digital-intelligence solutions to enterprise users in the energy sector, featuring core capabilities such as real-time condition awareness, risk early warning, and process optimisation.

Our Company was founded in August 2007 by Mr. Wang, Ms. Liang Shuxia (梁淑霞) (“**Ms. Liang**”) and Ms. Cui Liping (崔麗萍) (“**Ms. Cui**”), under the PRC Company Law. Our Company was converted to a joint stock company with limited liability in October 2025. Mr. Wang is the Chairman and an executive Director.

We have witnessed steady business growth and have also attracted numerous [REDACTED] Investors which include certain reputable institutional investors, signifying their confidence in us and our future prospects. See “– [REDACTED] Investments”.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following table summarises our key corporate and business development milestones.

Year	Milestone
2007	Our Company was established in the PRC.
2014	We launched our first generation of industrial control system security product.
2017	Our Company was first awarded the 2017 China Cybersecurity and Information Industry “Jin Zhi Award” (金智獎).
2018	We were honoured with the 2018 China Automation Field Annual Outstanding Industrial Security Service Provider Award (2018中國自動化領域年度優質工業安全服務商).
2019	We were selected for the first batch of “Industrial Information Security Emergency Service Support Units (工業信息安全應急服務支援單位)” by the Ministry of Industry and Information Technology.
2021	We were selected as National “Little Giant” Enterprise (Specialised, Refined, Distinctive, and Innovative) (專精特新小巨人企業) by the Ministry of Industry and Information Technology.
2022	We were awarded IEC 62443 Certification for Industrial Cybersecurity.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
2023	We achieved International CMMI Level 5 Certification.
2024	We entered into equity transfer agreements for the acquisition of 38% equity interests of Beijing BKC in July.
2025	We completed the overall conversion into a joint stock company and were renamed Beijing Tiandihexing Technology Co., Ltd.
2025	We entered into equity transfer agreements for the acquisition of 51% equity interests of Haibo Electric in October and further entered into equity transfer agreements for the acquisition of 13% equity interests of Beijing BKC in November.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities are our major subsidiaries which are material to our operation:

Name of subsidiary	Place of incorporation	Date of incorporation	Shareholding Controlled by Our Company	Principal Business Activities
Beijing BKC ⁽¹⁾	PRC	25 September 2002	51% ⁽²⁾	Construction of intelligent management and control systems for power industry equipment, providing R&D, sales, and technical services for products related to equipment reliability management, system optimisation, and safety control.
Haibo Electric	PRC	18 December 2014	51% ⁽³⁾	Research, development, production, sales and technical services of power automation equipment, complete sets of power supply equipment, large-capacity lithium battery packs, computer measurement and control systems, and building intelligent equipment

Note:

- (1) Beijing BKC has been listed on the National Equities Exchange and Quotations (the “NEEQ”) since May 2013 (NEEQ: 430215).
- (2) The remaining equity interests of Beijing BKC is owned as to 17.76% by Mr. He Lirong (何立榮) (“**Mr. He**”), 10.93% by Beijing Qingxin Environmental Technology Co., Ltd. (北京清新環境技術股份有限公司) (“**Beijing Qingxin**”) (a company ultimately beneficially controlled by Sichuan Provincial Government State-owned Assets Supervision and Administration Commission), 20.31% by other Independent Third Parties (each of them own less than 5% equity interests of Beijing BKC). Except for Mr. He and Beijing Qingxin who are substantial shareholders of Beijing BKC, each of other shareholders of Beijing BKC and their ultimate beneficial owners are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (3) The remaining equity interests of Haibo Electric is owned as to 29.70% by Yantai Haibo Intelligent Technology Co., Ltd. (煙台海博智能科技有限公司) (“**Haibo Intelligent**”) (Haibo Intelligent is owned as to 71.67% by Ms. Liu Hongmei (劉紅梅) (“**Ms. Liu**”), 15.50% by Mr. Cao Shibin (曹詩兵) (“**Mr. Cao**”) and 12.83% by Ms. Pang Jing (龐靜) (“**Ms. Pang**”), 11.64% by Yantai Junbo Investment Management Centre (Limited Partnership) (煙台君博投資管理中心(有限合夥)) (“**Junbo Investment**”) (Junbo Investment is owned as to 35.59% by Ms. Liu, 11.50% by Mr. Sun Jingtao (孫景濤), 4.87% by Ms. Pang and 48.04% by other 19 Independent Third Parties who are ordinary employees of Haibo Electric), 5.25% by Ms. Liu, 1.26% by Ms. Pang and 1.15% by Mr. Cao.

For shareholding changes of our subsidiaries during the two years immediately preceding the date of this document, see “Statutory and General Information – A. Further Information about the Company and Our Subsidiaries – 3. Changes in Share Capital of Our Subsidiaries” set out in Appendix IV to this document. Save as disclosed thereunder, there were no shareholding changes in our subsidiaries during the Track Record Period and up to the Latest Practicable Date.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Acquisition of Beijing BKC

In order to expand the business of our Group from core industrial cybersecurity services into the broader industrial digitalisation areas, particularly in the energy sector, on 19 July 2024, the Company respectively entered into equity transfer agreements (the “**Equity Transfer Agreements**”) with 10 individuals (the “**Sellers**”) who are Independent Third Parties except for being shareholders of Beijing BKC. Pursuant to the Equity Transfer Agreements, the Company agreed to acquire and the Sellers agreed to transfer approximately 38% of the equity interests of Beijing BKC for a total consideration of RMB87,390,455 which was settled on 29 August 2024. As we could control the composition of the board of Beijing BKC pursuant to the arrangement among our Company and relevant shareholders of Beijing BKC, Beijing BKC was consolidated in our financial statement since 1 October 2024. The consideration was determined after arm’s length negotiations among the parties with reference to the share price of Beijing BKC listed on the NEEQ and its expected synergistic effect with the business of our Group. On 7 November 2025, the Company further entered into equity transfer agreements (the “**Second Equity Transfer Agreements**”) with 12 shareholders of Beijing BKC who are Independent Third Parties except for being shareholders of Beijing BKC. Pursuant to the Second Equity Transfer Agreements, the Company agreed to further acquire approximately 13% of the equity interests of Beijing BKC in total for a consideration of RMB29,909,545 which was settled on 26 December 2025. Upon completion of the aforesaid transfers, Beijing BKC is held as to 51% by the Company and is a subsidiary of the Company.

Beijing BKC is principally engaged in construction of intelligent management and control systems for power industry equipment, providing R&D, sales, and technical services for products related to equipment reliability management, system optimisation, and safety control. The acquisition of Beijing BKC is driven by the strong complementary between businesses of our Company and Beijing BKC, which will enable our Group to provide energy digital-intelligence solutions. The significance lies in creating a comprehensive ecosystem for industrial production safety, enabling more efficient, secure and intelligent operations across critical infrastructure, ultimately boosting the market competitiveness and long-term growth for our Group.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Acquisition of Haibo Electric

In order to expand our service capacity to provide industrial power system solutions, on 29 October 2025 the Company respectively entered into equity transfer agreements (the “**Haibo Electric Equity Transfer Agreements**”) with Mr. Yue Gongyou (岳公友) (“**Mr. Yue**”), Junbo Investment, Mr. Cao and Ms. Pang who are Independent Third Parties except for being shareholders of Haibo Electric. Pursuant to the Haibo Electric Equity Transfer Agreements, the Company agreed to acquire and Mr. Yue, Junbo Investment, Mr. Cao and Ms. Pang agreed to transfer 51% of the equity interests of Haibo Electric in total for a total consideration of RMB51,000,000 which was settled on 18 December 2025. The consideration was determined after arm’s length negotiations among the parties.

Haibo Electric is principally engaged in research, development, production, sales and technical services of power automation equipment, complete sets of power supply equipment, large-capacity lithium battery packs, computer measurement and control systems, and building intelligent equipment. The acquisition of Haibo Electric would enable us to gain Haibo Electric’s established expertise in lithium battery packs, computer measurement and control systems, and building intelligent equipment to provide backup energy storage power solutions which are designed to provide highly reliable, safe, and environmentally responsible power security for a diverse range of applications, including data centres, mines, vessels, and other critical infrastructure.

The acquisitions of Beijing BKC and Haibo Electric also align with the continuous growth of the energy digital-intelligent integrated solutions in China, the market of size of which has steadily risen from RMB17.2 billion in 2020 to RMB47.6 billion in 2024, with a CAGR of 17.4% during the years, according to Frost & Sullivan.

Before the respective acquisitions, Beijing BKC and Haibo Electric are not related to each other. None of the applicable percentage ratios as defined under the Listing Rules in respect of each acquisition of Beijing BKC or Haibo Electric reaches 25% or above which would require disclosure pursuant to Rule 4.05A of the Listing Rules. Save as disclosed above, we have not conducted any acquisitions, disposals or mergers since our inception that we consider to be material to us.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment of Our Company

Our Company was established as a limited liability company on 14 August 2007 under the name Beijing Tiandihexing Technology Limited (北京天地和興科技有限公司) with an initial registered capital of RMB5.0 million, fully paid in cash by three founders, namely Ms. Liang with RMB1,700,000, Ms. Cui with RMB1,650,000 and Mr. Wang RMB1,650,000. Ms. Liang and Ms. Cui were retired ordinary employees and were friends of Mr. Wang.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On 23 October 2011, (i) Ms. Liang transferred RMB1,700,000 of registered capital to Mr. Wang at a consideration of RMB1,700,000; and (ii) Ms. Cui transferred RMB250,000 of registered capital at a consideration of RMB250,000 and RMB1,400,000 of registered capital at a consideration of RMB1,400,000 to Mr. Wang Peng and Mr. Wang, respectively as Mr. Wang had confidence in the long-term growth prospects of industrial cybersecurity while the acquisition of registered capital from Ms. Liang and Ms. Cui would allow Mr. Wang to gain greater control over our Company’s strategic direction and future development. The corresponding industrial and commercial registration completed on 24 October 2011. Details of the Shareholders immediately following the equity transfers are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	4,750,000	95.00
Mr. Wang Peng ⁽¹⁾	250,000	5.00
Total	5,000,000	100.00

Notes:

- (1) Mr. Wang Peng was a schoolmate of Mr. Wang. To the best of the Company’s knowledge, Mr. Wang Peng is an Independent Third Party as of the Latest Practicable Date.

First Round of Capital Increase in March 2013

On 26 March 2013, our Shareholders approved an increase of registered capital from RMB5,000,000 to RMB10,000,000 which was subscribed by Mr. Wang at a consideration of RMB5,000,000 and fully paid in cash on 28 March 2013. The corresponding industrial and commercial registration was completed on 27 March 2013. Details of the Shareholders immediately following the capital increase are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	9,750,000	97.50
Mr. Wang Peng	250,000	2.50
Total	10,000,000	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Angel Round Financing

On 15 November 2016, our Shareholders approved: (i) equity transfers whereby Mr. Wang and Mr. Wang Peng transferred RMB1,133,800 and RMB250,000 of registered capital at a consideration of RMB1,133,800 and RMB250,000 respectively to Tianjin Xingyuan, an employee shareholding platform to hold the Shares for the benefits of the employees of our Group; and (ii) a capital increase to RMB10,965,016, of which Beijing Yilianchangyuan Equity Investment Centre (Limited Partnership) (北京易聯昌元股權投資中心(有限合夥)) (“**Beijing Yilian**”) subscribed RMB526,316 of registered capital at a consideration of RMB5,000,000 (the consideration of RMB2,500,000 for registered capital of RMB263,158 remained unpaid by Beijing Yilian which was subsequently transferred to Mr. Wang. Please see “– Series B Financing” below) and Tianjin Meigu Enterprise Management Consulting Partnership (Limited Partnership) (天津美固企業管理諮詢合夥企業(有限合夥)) (“**Tianjin Meigu**”) subscribed RMB438,700 of registered capital at a consideration of RMB3,000,000. The industrial and commercial registration for the change was completed on 22 November 2016. Details of Shareholders immediately following the aforesaid angel round financing are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	8,616,200	78.58
Tianjin Xingyuan ⁽¹⁾	1,383,800	12.62
Beijing Yilian ⁽²⁾	526,316	4.80
Tianjin Meigu ⁽²⁾	438,700	4.00
Total	10,965,016	100.00

Notes:

(1) See “– Employee Incentive Platforms”

(2) To the best of the Company’s knowledge, each of Beijing Yilian and Tianjin Meigu was an Independent Third Party at the time of the above capital increase. For details and background of Beijing Yilian and Tianjin Meigu, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series A Financing

On 20 May 2017, Mr. Wang transferred RMB594,194 of registered capital to Tianjin Meigu at a consideration of RMB1,300,000. On the same date, our Shareholders approved a capital increase from RMB10,965,016 to RMB12,900,000, where Zhejiang Rushan Huixin Venture Capital Partnership (Limited Partnership) (浙江如山匯鑫創業投資合夥企業(有限合夥)) (“**Rushan Huixin**”) subscribed for RMB515,996 of registered capital at a consideration of RMB6,000,000, Zhejiang Zhoushan Rushan Huiying Venture Capital Partnership (Limited Partnership) (浙江舟山如山匯盈創業投資合夥企業(有限合夥)) (“**Rushan Huiying**”) subscribed for RMB515,996 of registered capital at a consideration of RMB6,000,000, Mr. Yue Jianming (岳建明) subscribed for RMB644,994 of registered capital at a consideration of RMB7,500,000, Mr. Xu Hui (徐輝) subscribed for RMB232,198 of registered capital at a consideration of RMB2,700,000 and Mr. Wang Yong (王涌) subscribed for RMB25,800 of registered capital at a consideration of RMB300,000. The industrial and commercial registration was completed on 7 June 2017. Details of the Shareholders immediately following the Series A Financing are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	8,022,006	62.19
Tianjin Xingyuan	1,383,800	10.73
Beijing Yilian	526,316	4.08
Tianjin Meigu	1,032,894	8.01
Rushan Huixin ⁽¹⁾	515,996	4.00
Rushan Huiying ⁽¹⁾	515,996	4.00
Mr. Yue Jianming ⁽¹⁾	644,994	5.00
Mr. Xu Hui ⁽¹⁾	232,198	1.80
Mr. Wang Yong ⁽¹⁾	25,800	0.20
Total	12,900,000	100.00

Note:

- (1) To the best of the Company’s knowledge, each of the Series A Investors was an Independent Third Party at the time of the above capital increase. For details and background of Series A Investors, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series B Financing

On 18 July 2018, our Shareholders approved: (i) Beijing Yilian transferred the unpaid registered capital of RMB263,158 to Mr. Wang at nil consideration (Mr. Wang assumed and paid the RMB263,158 of the registered capital to our Company) which was subsequently transferred by Mr. Wang to Shanghai Internet of Things Phase II Venture Capital Fund Partnership (Limited Partnership) (上海物聯網二期創業投資基金合夥企業(有限合夥)) (“**Shanghai Wulianwang**”) at a consideration of RMB4,000,000; and (ii) the capital increase from RMB12,900,000 to RMB14,660,925, where Shanghai Wulianwang subscribed for RMB659,742 of registered capital at a consideration of RMB18,000,000, Shenzhen Huiyue Growth Investment Fund Enterprise (Limited Partnership) (深圳市慧悅成長投資基金企業(有限合夥)) (“**Shenzhen Huiyue**”) subscribed for RMB638,551 of registered capital at a consideration of RMB16,610,000, Shenzhen Tianhui Growth Investment Fund Enterprise (Limited Partnership) (深圳市天慧成長投資基金企業(有限合夥)) (“**Shenzhen Tianhui**”) subscribed for RMB182,608 of registered capital at a consideration of RMB4,750,000 and Hangzhou Qinding Investment Management Partnership (Limited Partnership) (杭州勤鼎投資管理合夥企業(有限合夥)) (“**Hangzhou Qinding**”) subscribed for RMB280,024 of registered capital at a consideration of RMB7,200,000. The industrial and commercial registration was completed on 17 September 2018. Details of the Shareholders immediately following the Series B Financing are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	8,022,006	54.72
Tianjin Xingyuan	1,383,800	9.44
Beijing Yilian	263,158	1.80
Tianjin Meigu	1,032,894	7.05
Rushan Huixin	515,996	3.52
Rushan Huiying	515,996	3.52
Mr. Yue Jianming	644,994	4.40
Mr. Xu Hui	232,198	1.58
Mr. Wang Yong	25,800	0.18
Shanghai Wulianwang ⁽¹⁾	922,900	6.30
Shenzhen Huiyue ⁽¹⁾	638,551	4.36
Shenzhen Tianhui ⁽¹⁾	182,608	1.25
Hangzhou Qinding ⁽¹⁾	280,024	1.91
Total	14,660,925	100.0

Note:

- (1) To the best of the Company’s knowledge, each of the Series B Investors was an Independent Third Party at the time of the above capital increase. For details and background of Series B Investors, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series C Financing and Capitalisation of Capital Reserves in September 2020 and October 2020

On 19 March 2019, Mr Wang entered into an agreement to transfer RMB1,134,758 of registered capital to Tianjin Xingyuan at a consideration of RMB1,134,758. On 8 November 2019, our Shareholders approved: (i) Mr. Wang transferred RMB60,756 of registered capital to Nanjing Jucheng Qiushi Equity Investment Partnership (Limited Partnership) (南京俱成秋實股權投資合夥企業(有限合夥))) (“**Jucheng Qiushi**”) at a consideration of RMB1,890,000, RMB160,756 of registered capital to Guangzhou Huangpu Intelligent Manufacturing Industry Investment Fund Partnership (Limited Partnership) (廣州黃埔智造產業投資基金合夥企業(有限合夥)) (“**Guangzhou Huangpu**”) at a consideration of RMB5,000,000, RMB58,354 of registered capital to Jiangsu Provincial Modern Service Industry Development Venture Capital Fund (Limited Partnership) (江蘇省現代服務業發展創業投資基金(有限合夥)) (“**Jiangsu Xiandai Fuwu**”) at a consideration of RMB1,815,000 and RMB63,514 of registered capital to Shenzhen Songhe at a consideration of RMB1,980,000; (ii) Mr. Xu Hui transferred RMB232,198 of registered capital to Shenzhen Songhe; (iii) Mr. Wang Yong transferred RMB25,800 of registered capital to Shenzhen Songhe; (iv) Beijing Yilian transferred RMB263,158 of registered capital to Jiangsu Xiandai Fuwu; and (v) Shanghai Wulianwang transferred RMB100,000 of registered capital to Jucheng Qiushi.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On the same date, our Shareholders approved a capital increase from RMB14,660,925 to RMB16,975,809, where (i) Jiangsu Xiandai Fuwu subscribed RMB771,628 of registered capital at a consideration of RMB30,000,000; (ii) Guangzhou Huangpu subscribed RMB385,814 of registered capital at a consideration of RMB15,000,000; (iii) Shenzhen Songhe subscribed for RMB771,628 of registered capital at a consideration of RMB30,000,000; and (iv) Jucheng Qiushi subscribed RMB385,814 of registered capital at a consideration of RMB15,000,000. The industrial and commercial registration was completed on 25 December 2019. Details of the Shareholders immediately following the Series C Financing are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	6,543,868	38.55
Tianjin Xingyuan	2,518,558	14.84
Tianjin Meigu	1,032,894	6.08
Rushan Huixin	515,996	3.04
Rushan Huiying	515,996	3.04
Mr. Yue Jianming	644,994	3.80
Shanghai Wulianwang	822,900	4.85
Shenzhen Huiyue	638,551	3.76
Shenzhen Tianhui	182,608	1.08
Hangzhou Qinding	280,024	1.65
Guangzhou Huangpu ⁽¹⁾	546,570	3.22
Jiangsu Xiandai Fuwu ⁽¹⁾	1,093,140	6.44
Jucheng Qiushi ⁽¹⁾	546,570	3.22
Shenzhen Songhe ⁽¹⁾	1,093,140	6.44
Total	16,975,809	100.00

Note:

- (1) To the best of the Company’s knowledge, each of the Series C Investors was an Independent Third Party at the time of the above capital increase. For details and background of Series C Investors, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On 1 September and 9 October 2020, our Shareholders successively approved the capitalisation of capital reserves by RMB13,024,191 and RMB20,000,000, with all Shareholders participating pro rata, which increase our registered capital from RMB16,975,809 to RMB50,000,000. The industrial and commercial registration was completed on 9 October 2020. Details of the Shareholders immediately following the change of capital increase are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	19,274,097	38.55
Tianjin Xingyuan	7,418,080	14.84
Tianjin Meigu	3,042,253	6.08
Rushan Huixin	1,519,798	3.04
Rushan Huiying	1,519,798	3.04
Mr. Yue Jianming	1,899,745	3.80
Shanghai Wulianwang	2,423,743	4.85
Shenzhen Huiyue	1,880,767	3.76
Shenzhen Tianhui	537,848	1.08
Hangzhou Qinding	824,773	1.65
Guangzhou Huangpu	1,609,850	3.22
Jiangsu Xiandai Fuwu	3,219,699	6.44
Jucheng Qiushi	1,609,850	3.22
Shenzhen Songhe	3,219,699	6.44
Total	50,000,000	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On 26 April 2021, our Shareholders approved: (i) Guangzhou Huangpu transferred RMB536,617 of registered capital to Zhuhai Yunhe Huisen Phase I Investment Centre (Limited Partnership) (珠海雲合匯森一期投資中心(有限合夥)) (“**Zhuhai Yunhe**”); and (ii) a capital increase from RMB50,000,000 to RMB52,631,579 where Tianjin Xinghui subscribed RMB2,631,579 of registered capital at a consideration of RMB2,631,579 which remained unpaid by Tianjin Xinghui and is subsequently paid by Tianjin Xinghui on 30 May 2025. See “– Series E Financing” below. Tianjin Xinghui is an employee shareholding platform to hold the Shares for the benefits of the employees of our Group. See “– Employee Incentive Platforms”. Details of the Shareholders immediately following the said change are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	19,274,097	36.62
Tianjin Xingyuan	7,418,080	14.09
Tianjin Meigu	3,042,253	5.78
Rushan Huixin	1,519,798	2.89
Rushan Huiying	1,519,798	2.89
Mr. Yue Jianming	1,899,745	3.61
Shanghai Wulianwang	2,423,743	4.61
Shenzhen Huiyue	1,880,767	3.57
Shenzhen Tianhui	537,848	1.02
Hangzhou Qinding	824,773	1.57
Guangzhou Huangpu ⁽¹⁾	1,073,233	2.04
Jiangsu Xiandai Fuwu ⁽¹⁾	3,219,699	6.12
Jucheng Qiushi ⁽¹⁾	1,609,850	3.06
Shenzhen Songhe ⁽¹⁾	3,219,699	6.12
Zhuhai Yunhe ⁽¹⁾	536,617	1.02
Tianjin Xinghui ⁽²⁾	2,631,579	5.00
Total	52,631,579	100.00

Note:

(1) To the best of the Company’s knowledge, each of the Series C Investors was an Independent Third Party at the time of the above capital increase. For details and background of Series C Investors, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

(2) See “– Employee Incentive Platforms”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series D Financing

In July 2021, our Shareholders entered into agreements for the following equity transfers: (i) Tianjin Meigu transferred RMB698,758 of registered capital to Qingdao Shangqi Huizhu Strategic Emerging Industries Investment Fund Partnership (Limited Partnership) (青島尚頤匯鑄戰新產業投資基金合夥企業(有限合夥)) (“**Qingdao Shangqi**”); (ii) Mr. Wang transferred RMB1,282,895 of registered capital to Shanghai Zhongdiantou Ronghe New Energy Investment Management Center (Limited Partnership) (上海中電投融和新能源投資管理中心(有限合夥)) (“**Shanghai Zhongdiantou**”) at a consideration of RMB23,400,000 and RMB87,719 of registered capital to Jiaxing Ronghe Haichuan Equity Investment Partnership (Limited Partnership) (嘉興融和海川股權投資合夥企業(有限合夥)) (“**Jiaxing Ronghe**”) at a consideration of RMB1,600,000; (iii) Tianjin Meigu transferred 822,368 of registered capital to Chongqing Fuling District Songhe Zhixun Private Equity Investment Fund Partnership (Limited Partnership) (重慶市涪陵區松禾智訊私募股權投資基金合夥企業(有限合夥)) (“**Chongqing Songhe**”); and (iv) Mr. Wang transferred RMB123,610 of registered capital to Qingdao Shangqi at a consideration of RMB2,255,000.

On 26 September 2021, our Shareholders approved a capital increase from RMB52,631,579 to RMB56,798,246, where (i) Shanghai Zhongdiantou subscribed RMB1,026,316 of registered capital at a consideration of RMB23,400,000; (ii) Jiaxing Ronghe subscribed RMB70,175 of registered capital at a consideration of RMB1,600,000; (iii) Chongqing Songhe subscribed RMB1,535,088 of registered capital at a consideration of RMB35,000,000; and (iv) Qingdao Shangqi subscribed RMB1,535,088 of registered capital at a consideration of RMB35,000,000. The registration was completed on the same date.

On 1 December 2021, our Shareholders approved the following equity transfers: (i) Zhuhai Yunhe transferred RMB386,997 of registered capital to Beijing Guoke Dingzhi Equity Investment Centre (Limited Partnership) (北京國科鼎智股權投資中心(有限合夥)) (“**Beijing Guoke**”) and RMB149,620 of registered capital to Shanghai Zhongye Zhiyuan Venture Capital Partnership (Limited Partnership) (上海中葉至源創業投資合夥企業(有限合夥)) (“**Shanghai Zhongye**”); (ii) Shanghai Wulianwang transferred RMB481,612 of registered capital to Fosun (Chongqing) Private Equity Investment Fund Partnership (Limited Partnership) (複星(重慶)私募股權投資基金合夥企業(有限合夥)) (“**Fosun Chongqing**”), RMB481,612 of registered capital to Nanjing Nangang Transformation and Upgrading Industrial Investment Partnership (Limited Partnership) (南京南鋼轉型升級產業投資合夥企業(有限合夥)) (“**Nanjing Nangang**”), RMB6,818 of registered capital to Mr. Li Peng (李鵬) and RMB3,916 of registered capital to Ms. Yang Anqi (楊安琪); and (iii) Mr. Yue Jianming transferred RMB257,998 of registered capital to Suzhou Guofa Science and Technology Innovation Investment Enterprise (Limited Partnership) (蘇州國發科技創新投資企業(有限合夥)) (“**Guofa Kechuang**”), RMB128,999 of registered capital to Suzhou Guofa Port and Shipping Logistics Industry Investment and Development Partnership (Limited Partnership) (蘇州國發港航物流產業投資開發合夥企業(有限合夥)) (“**Guofa Logistics**”), RMB747,000 of registered capital to CETC Core Technology R&D Equity Investment Fund (Beijing) Partnership (Limited Partnership) (中電科核心技術研發股權投資基金(北京)合夥企業(有限合夥)) (“**CETC Fund**”), RMB3,000 of registered capital to Yangzhou Qianyi Investment Partnership (Limited Partnership) (揚州乾益投資合夥企業(有限合夥)) (“**Yangzhou Qianyi**”), RMB251,770 of registered capital to Hangzhou Yinxingyuan Equity Investment Partnership (Limited Partnership) (杭州銀杏源股權投資合夥企業(有限合夥)) (“**Hangzhou Yinxing**”) and RMB159,978 of registered capital to Shanghai Zhongye Zhiyuan Venture Capital Partnership (Limited Partnership) (上海中葉至源創業投資合夥企業(有限合夥)) (“**Shanghai Zhongye**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On 1 February 2022, our Shareholders approved a capital increase from RMB56,798,246 to RMB63,624,689, where (i) Beijing Guoke subscribed RMB986,842 of registered capital at a consideration of RMB22,500,000; (ii) Shanghai Zhongye subscribed RMB789,474 of registered capital at a consideration of RMB18,000,000; (iii) Fosun Chongqing subscribed RMB650,439 of registered capital at a consideration of RMB14,830,000; (iv) Nanjing Nangang subscribed RMB650,439 of registered capital at a consideration of RMB14,830,000; (v) Mr. Li Peng subscribed RMB9,211 of registered capital at a consideration of RMB210,000; (vi) Ms. Yang Anqi subscribed RMB 5,702 of registered capital at a consideration of RMB130,000; (vii) Guofa Kechuang subscribed RMB657,895 of registered capital at a consideration of RMB15,000,000; (viii) Guofa Logistics subscribed RMB328,947 of registered capital at a consideration of RMB7,500,000; (ix) CETC Fund subscribed RMB 1,572,632 of registered capital at a consideration of RMB35,856,000; (x) Yangzhou Qianyi subscribed RMB6,315 of registered capital at a consideration of RMB144,000; (xi) Hangzhou Yinxing subscribed RMB307,018 of registered capital at a consideration of RMB7,000,000; (xii) Beijing Zhongrong Yuanchang Investment Guarantee Co., Ltd. (北京中融元昌投資擔保有限公司) (“**Beijing Zhongrong**”) subscribed RMB391,604 of registered capital at a consideration of RMB10,000,000; (xiii) Gongqingcheng Huahe Equity Investment Partnership (Limited Partnership) (共青城華赫股權投資合夥企業(有限合夥)) (“**Gongqingcheng Huahe**”) subscribed RMB274,123 of registered capital at a consideration of RMB7,000,000; and (xiv) Gongqingcheng Taibupingfan Investment Partnership (Limited Partnership) (共青城欽不平凡投資合夥企業(有限合夥)) (“**Taibupingfan**”) subscribed RMB195,802 of registered capital at a consideration of RMB5,000,000. The registration was completed on 20 October 2022.

On 23 November 2022, our Shareholders approved: (i) Mr. Yue Jianming transferring RMB351,000 of registered capital to Hubei Yangtze River Zhongxin Technology Mobile Communication Technology Industry Investment Fund Partnership (Limited Partnership) (湖北長江中信科移動通信技術產業投資基金合夥企業(有限合夥)) (“**Hubei Changjiang**”); and (ii) Mr. Wang transferring RMB674,188 of registered capital to Hubei Changjiang. On the same date, our Shareholders further approved a capital increase from RMB63,624,689 to RMB65,676,694 where (i) Longyan Xinda Equity Investment Centre (Limited Partnership) (龍岩鑫達股權投資中心(有限合夥)) (“**Longyan Xinda**”) subscribed RMB877,193 of registered capital at a consideration of RMB20,000,000; and (ii) Hubei Changjiang subscribed RMB1,174,812 of registered capital at a consideration of RMB30,000,000. The registration was completed on 13 January 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Details of the Shareholders immediately following the Series D Financing are set out below:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	17,105,685	26.05
Tianjin Xingyuan	7,418,080	11.29
Tianjin Meigu	1,521,127	2.32
Rushan Huixin	1,519,798	2.31
Rushan Huiying	1,519,798	2.31
Shanghai Wulianwang	1,449,785	2.21
Shenzhen Huiyue	1,880,767	2.86
Shenzhen Tianhui	537,848	0.82
Hangzhou Qinding	824,773	1.26
Guangzhou Huangpu	1,073,233	1.63
Jiangsu Xiandai Fuwu	3,219,699	4.90
Jucheng Qiushi	1,609,850	2.45
Shenzhen Songhe	3,219,699	4.90
Tianjin Xinghui	2,631,579	4.01
Shanghai Zhongdiantou	2,309,211	3.52
Jiaxing Ronghe	157,894	0.24
Chongqing Songhe	2,357,456	3.59
Qingdao Shangqi	2,357,456	3.59
Beijing Guoke ⁽¹⁾	1,373,839	2.09
Shanghai Zhongye ⁽¹⁾	1,099,072	1.67
Fosun Chongqing ⁽¹⁾	1,132,051	1.72
Nanjing Nangang ⁽¹⁾	1,132,051	1.72
Mr. Li Peng ⁽¹⁾	16,029	0.02
Ms. Yang Anqi ⁽¹⁾	9,618	0.01
Guofa Kechuang ⁽¹⁾	915,893	1.39
Guofa Logistics ⁽¹⁾	457,946	0.70
CETC Fund ⁽¹⁾	2,319,632	3.53
Yangzhou Qianyi ⁽¹⁾	9,315	0.01
Hangzhou Yinxing ⁽¹⁾	558,788	0.85
Beijing Zhongrong ⁽¹⁾	391,604	0.60
Gongqingcheng Huahe ⁽¹⁾	274,123	0.42
Taibupingfan ⁽¹⁾	195,802	0.30
Longyan Xinda ⁽¹⁾	877,193	1.34
Hubei Changjiang ⁽¹⁾	2,200,000	3.35
Total	65,676,694	100.00

Note:

- (1) To the best of the Company’s knowledge, each of the Series D Investors was an Independent Third Party at the time of the above capital increase. For details and background of Series D Investors, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series E Financing

On 1 February 2023, our Shareholders approved equity transfer pursuant to which Hangzhou Qinding transferred RMB824,773 of registered capital to Zhejiang Chunxiao Digital Publishing Equity Investment Fund Partnership (Limited Partnership) (浙江春曉數字出版股權投資基金合夥企業(有限合夥)) (“**Zhejiang Chunxiao**”) at a consideration of RMB20,000,000. The registration was completed on 15 March 2023.

On 1 August 2023, our Shareholders approved equity transfers as follows: (i) Rushan Huiying transferred RMB750,028 of registered capital and Rushan Huixin transferred RMB563,506 of registered capital to Lianjin Chuangxin Industry Private Equity Investment Fund (Shenzhen) Partnership (Limited Partnership) (聯金創新產業私募股權投資基金(深圳)合夥企業(有限合夥)) (“**Lianjin Chuangxin**”); (ii) Rushan Huixin transferred RMB186,522 of registered capital to Jingdezhen Fengchao Lingxuan New Energy Industry Investment Centre (Limited Partnership) (景德鎮蜂巢鈴軒新能源產業投資中心(有限合夥)) (“**Jingdezhen Fengchao**”); (iii) Shenzhen Huiyue transferred RMB928,143 of registered capital to Jingdezhen Fengchao; (iv) Shenzhen Tianhui transferred RMB198,869 of registered capital to Jingdezhen Fengchao and RMB66,491 of registered capital to Shanghai Wangsu Weishi Venture Capital Partnership (Limited Partnership) (上海網宿唯實創業投資合夥企業(有限合夥)) (“**Shanghai Wangsu**”); (v) Ms. Yang Anqi transferred RMB9,618 of registered capital to Shanghai Wangsu; and (vi) Guangzhou Huangpu transferred RMB288,397 of registered capital to Shanghai Wangsu, RMB456,453 of registered capital to Hubei Wangsu Zhizhen Equity Investment Fund Partnership (Limited Partnership) (湖北網宿致真股權投資基金合夥企業(有限合夥)) (“**Hubei Wangsu**”) and RMB328,383 of registered capital to Xiamen Xinhelan Venture Capital Partnership (Limited Partnership) (廈門信合藍創業投資合夥企業(有限合夥)) (“**Xiamen Xinhelan**”).

On the same date, our Shareholders approved a capital increase from RMB65,676,694 to RMB68,697,821, where (i) Lianjin Chuangxin subscribed RMB1,050,827 of registered capital at a consideration of RMB40,000,000; (ii) Jingdezhen Fengchao subscribed RMB1,050,827 of registered capital at a consideration of RMB40,000,000; (iii) Shanghai Wangsu subscribed RMB291,604 of registered capital at a consideration of RMB11,100,000; (iv) Hubei Wangsu subscribed RMB365,162 of registered capital at a consideration of RMB13,900,000; and (v) Xiamen Xinhelan subscribed RMB262,707 of registered capital at a consideration of RMB10,000,000. The registration was completed on 1 December 2023.

On 1 January 2024, our Shareholders approved equity transfers as follows: (i) Rushan Huiying transferred RMB769,770 of registered capital to Beijing Jingguoguan; (ii) Rushan Huixin transferred RMB769,770 of registered capital to Beijing Jingguoguan; (iii) Shanghai Wulianwang transferred RMB1,449,785 of registered capital to Beijing Jingguoguan; (iv) Shenzhen Huiyue transferred RMB952,624 of registered capital to Beijing Jingguoguan; (v) Shenzhen Tianhui transferred RMB162,844 of registered capital to Beijing Jingguoguan and RMB109,644 of registered capital to Beijing Zhongguancun Science City Technology Growth Investment Partnership (Limited Partnership) (北京中關村科學城科技成長投資合夥企業(有限合夥)) (“**Zhongguancun Science City**”); (vi) CETC Fund transferred RMB492,575 of registered capital to Shenzhen Songhe and RMB118,218 of registered capital to Ms. Zhao Zihan (趙籽涵); (vii) Jucheng Qiushi transferred RMB804,925 of registered capital to Zhongguancun Science City; and (viii) Jiangsu Xiandai Fuwu transferred RMB398,965 of registered capital to Zhongguancun Science City.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On the same date, our Shareholders further approved a capital increase from RMB68,697,821 to RMB73,426,543 where (i) Beijing Jingguoguan subscribed RMB3,283,835 of registered capital at a consideration of RMB125,000,000; (ii) Zhongguancun Science City subscribed RMB1,050,827 of registered capital at a consideration of RMB40,000,000; and (iii) Shenzhen Songhe subscribed RMB394,060 of registered capital at a consideration of RMB15,000,000 (RMB170,760 of registered capital remained unpaid by Shenzhen Songhe). The registration was completed on 16 January 2024.

On 18 March 2024, our Shareholders approved a capital increase from RMB73,426,543 to RMB76,447,671 where (i) Beijing Information Industry Development Investment Fund (北京信息產業發展投資基金(有限合夥)) (“**Beijing Information**”) subscribed RMB2,627,068 of registered capital at a consideration of RMB100,000,000; and (ii) China Nuclear (Zhejiang) Emerging Industries Equity Investment Fund (Limited Partnership) (中核(浙江)新興產業股權投資基金(有限合夥)) (“**CNNC Zhejiang**”) subscribed RMB394,060 of registered capital at a consideration of RMB15,000,000. The registration was completed on 23 April 2024.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On 31 July 2025, our Shareholders approved an equity transfer pursuant to which Shenzhen Songhe transferred RMB170,760 of registered capital (being the unpaid portion subscribed by Shenzhen Songhe) to Mr. Tong Jianmin (佟建民) for nil consideration while Mr. Tong Jianmin agreed to assume the responsibility of paying the Company RMB6,500,000 as the corresponding capital contribution. On 30 May 2025, Tianjin Xinghui has paid the Company RMB2,631,579 for its subscribed registered capital. The registration was completed on 13 August 2025. Upon completion of the Series E Financing, our shareholding structure is set out as follows:

Name of Shareholder	Registered share capital (RMB)	Approximate percentage of equity holding (%)
Mr. Wang	17,105,685	22.38
Tianjin Xingyuan	7,418,080	9.70
Tianjin Meigu	1,521,127	1.99
Jiangsu Xiandai Fuwu	2,820,734	3.69
Jucheng Qiushi	804,925	1.05
Shenzhen Songhe	3,935,574	5.15
Tianjin Xinghui	2,631,579	3.44
Shanghai Zhongdiantou	2,309,211	3.02
Jiaxing Ronghe	157,894	0.21
Chongqing Songhe	2,357,456	3.08
Qingdao Shangqi	2,357,456	3.08
Beijing Guoke	1,373,839	1.80
Shanghai Zhongye	1,099,072	1.44
Fosun Chongqing	1,132,051	1.48
Nanjing Nangang	1,132,051	1.48
Mr. Li Peng	16,029	0.02
Guofa Kechuang	915,893	1.20
Guofa Logistics	457,946	0.60
CETC Fund	1,708,839	2.24
Yangzhou Qianyi	9,315	0.01
Hangzhou Yinxing	558,788	0.73
Beijing Zhongrong	391,604	0.51
Gongqingcheng Huahe	274,123	0.36
Taibupingfan	195,802	0.26
Longyan Xinda	877,193	1.15
Hubei Changjiang	2,200,000	2.88
Zhejiang Chunxiao ⁽¹⁾	824,773	1.08
Lianjin Chuangxin ⁽¹⁾	2,364,361	3.09
Jingdezhen Fengchao ⁽¹⁾	2,364,361	3.09
Shanghai Wangsu ⁽¹⁾	656,110	0.86
Hubei Wangsu ⁽¹⁾	821,615	1.07
Xiamen Xinhelan ⁽¹⁾	591,090	0.77
Beijing Jingguoguan ⁽¹⁾	7,388,628	9.66
Zhongguancun Science City ⁽¹⁾	2,364,361	3.09
Ms. Zhao Zihan ⁽¹⁾	118,218	0.15
Beijing Information ⁽¹⁾	2,627,068	3.44
CNNC Zhejiang ⁽¹⁾	394,060	0.52
Mr. Tong Jianmin ⁽¹⁾	170,760	0.22
Total	76,447,671	100.00

Note:

- (1) To the best of the Company’s knowledge, each of the Series E Investors was an Independent Third Party at the time of the above capital increase. For details and background of Series E Investors, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Overall conversion into a joint stock limited company in October 2025

On 17 October 2025, we completed an overall conversion from a limited liability company into a joint stock company with limited liability. All then existing Shareholders of the limited liability company became promoters of the joint stock company on a pro rata basis. The shareholding of the Company upon conversion were as follows.

Name of Shareholder	Shares	Approximate percentage of equity holding (%)
Mr. Wang	17,105,685	22.38
Tianjin Xingyuan	7,418,080	9.70
Tianjin Meigu	1,521,127	1.99
Jiangsu Xiandai Fuwu	2,820,734	3.69
Jucheng Qiushi	804,925	1.05
Shenzhen Songhe	3,935,574	5.15
Tianjin Xinghui	2,631,579	3.44
Shanghai Zhongdiantou	2,309,211	3.02
Jiaxing Ronghe	157,894	0.21
Chongqing Songhe	2,357,456	3.08
Qingdao Shangqi	2,357,456	3.08
Beijing Guoke	1,373,839	1.80
Shanghai Zhongye	1,099,072	1.44
Fosun Chongqing	1,132,051	1.48
Nanjing Nangang	1,132,051	1.48
Mr. Li Peng	16,029	0.02
Guofa Kechuang	915,893	1.20
Guofa Logistics	457,946	0.60
CETC Fund	1,708,839	2.24
Yangzhou Qianyi	9,315	0.01
Hangzhou Yinxing	558,788	0.73
Beijing Zhongrong	391,604	0.51
Gongqingcheng Huahe	274,123	0.36
Taibupingfan	195,802	0.26
Longyan Xinda	877,193	1.15
Hubei Changjiang	2,200,000	2.88
Zhejiang Chunxiao	824,773	1.08
Lianjin Chuangxin	2,364,361	3.09
Jingdezhen Fengchao	2,364,361	3.09
Shanghai Wangsu	656,110	0.86
Hubei Wangsu	821,615	1.07
Xiamen Xinhelan	591,090	0.77
Beijing Jingguoguan	7,388,628	9.66
Zhongguancun Science City	2,364,361	3.09
Ms. Zhao Zihan	118,218	0.15
Beijing Information	2,627,068	3.44
CNNC Zhejiang	394,060	0.52
Mr. Tong Jianmin	170,760	0.22
Total	76,447,671	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Series E+ Financing

On 24 December 2025, our Shareholders approved the issue of allotment of 1,337,834 Shares to Yantai Xingbo Gongchuang Investment Centre (Limited Partnership) (煙台興博共創投資中心(有限合夥)) (“**Yantai Xingbo**”) at a consideration of RMB51,000,000. The registration was completed on 25 December 2025. Upon completion of the Series E+ Financing, our shareholding structure is set out as follows:

Name of Shareholder	Shares	Approximate percentage of equity holding (%)
Mr. Wang	17,105,685	21.99
Tianjin Xingyuan	7,418,080	9.54
Tianjin Meigu	1,521,127	1.96
Jiangsu Xiandai Fuwu	2,820,734	3.63
Jucheng Qiushi	804,925	1.03
Shenzhen Songhe	3,935,574	5.06
Tianjin Xinghui	2,631,579	3.38
Shanghai Zhongdiantou	2,309,211	2.97
Jiaxing Ronghe	157,894	0.20
Chongqing Songhe	2,357,456	3.03
Qingdao Shangqi	2,357,456	3.03
Beijing Guoke	1,373,839	1.77
Shanghai Zhongye	1,099,072	1.41
Fosun Chongqing	1,132,051	1.46
Nanjing Nangang	1,132,051	1.46
Mr. Li Peng	16,029	0.02
Guofa Kechuang	915,893	1.18
Guofa Logistics	457,946	0.59
CETC Fund	1,708,839	2.20
Yangzhou Qianyi	9,315	0.01
Hangzhou Yinxing	558,788	0.72
Beijing Zhongrong	391,604	0.50
Gongqingcheng Huahe	274,123	0.35
Taibupingfan	195,802	0.25
Longyan Xinda	877,193	1.13
Hubei Changjiang	2,200,000	2.83
Zhejiang Chunxiao	824,773	1.06
Lianjin Chuangxin	2,364,361	3.04
Jingdezhen Fengchao	2,364,361	3.04
Shanghai Wangsu	656,110	0.84
Hubei Wangsu	821,615	1.06
Xiamen Xinhelan	591,090	0.76
Beijing Jingguoguan	7,388,628	9.50

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholder	Shares	Approximate percentage of equity holding (%)
Zhongguancun Science City	2,364,361	3.04
Ms. Zhao Zihan	118,218	0.15
Beijing Information	2,627,068	3.38
CNNC Zhejiang	394,060	0.51
Mr. Tong Jianmin	170,760	0.22
Yantai Xingbo	1,337,834	1.72
Total	77,785,505	100.00

Note:

- (1) To the best of the Company’s knowledge, Yantai Xingbo is an Independent Third Party. For details and background of Yantai Xingbo, see “– [REDACTED] Investments – Information about the [REDACTED] Investors.”

[REDACTED] INVESTMENTS

Principal Terms of the [REDACTED] Investments

As of the Latest Practicable Date, we have received the following [REDACTED] Investments. The following table summarises the key terms of the [REDACTED] Investments to our Company made by the [REDACTED] Investors:

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
Beijing Yilian	Subscription of new registered capital	18 February 2016	8 March 2016	775,322 ⁽³⁾	2,500,000 ⁽³⁾	3.23	[REDACTED]
Tianjin Meigu	Subscription of new registered capital	28 September 2016	5 January 2017	1,292,109	3,000,000	2.32	[REDACTED]
	Equity transfer from Mr. Wang	25 May 2017	17 July 2017	1,749,048	1,300,000	0.74	[REDACTED]
Rushan Huixin	Subscription of new registered capital	21 April 2017	27 April 2017	1,519,798	6,000,000	3.95	[REDACTED]
Rushan Huiying	Subscription of new registered capital	21 April 2017	27 April 2017	1,519,798	6,000,000	3.95	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
Mr. Yue Jianming	Subscription of new registered capital	21 April 2017	17 May 2017	1,899,745	7,500,000	3.95	[REDACTED]
Mr. Xu Hui	Subscription of new registered capital	21 April 2017	28 April 2017	684,001	2,700,000	3.95	[REDACTED]
Mr. Wang Yong	Subscription of new registered capital	21 April 2017	9 June 2017	76,001	300,000	3.95	[REDACTED]
Shanghai Wulianwang	Equity transfer from Mr. Wang	31 March 2018	19 July 2018	776,027	4,000,000	5.15	[REDACTED]
	Subscription of new registered capital	10 July 2018	27 July 2018	1,945,072	18,000,000	9.26	[REDACTED]
Shenzhen Huiyue	Subscription of new registered capital	10 July 2018	2 August 2018	1,880,767	16,610,000	8.84	[REDACTED]
Shenzhen Tianhui	Subscription of new registered capital	10 July 2018	6 August 2018	537,848	4,750,000	8.84	[REDACTED]
Hangzhou Qinding	Subscription of new registered capital	10 July 2018	21 May 2018	824,773	7,200,000	8.73	[REDACTED]
Jucheng Qiushi	Equity transfer from Mr. Wang	10 September 2019	15 October 2019	179,006	1,890,000	10.56	[REDACTED]
	Equity transfer from Shanghai Wulianwang	10 September 2019	— ⁽⁴⁾	294,622	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	10 September 2019	15 October 2019	1,137,004	15,000,000	13.20	[REDACTED]
Guangzhou Huangpu	Equity transfer from Mr. Wang	18 July 2019	30 October 2019	474,005	5,000,000	10.55	[REDACTED]
	Subscription of new registered capital	18 July 2019	29 July 2019	1,137,004	15,000,000	13.20	[REDACTED]
Jiangsu Xiandai Fuwu	Equity transfer from Mr. Wang	18 July 2019	24 July 2019	171,997	1,815,000	10.56	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
	Equity transfer from Beijing Yilian	18 July 2019	— ⁽⁴⁾	775,322	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	18 July 2019	24 July 2019	2,273,005	30,000,000	13.20	[REDACTED]
Shenzhen Songhe	Equity transfer from Mr. Wang	10 September 2019	13 November 2019	187,001	1,980,000	10.59	[REDACTED]
	Equity transfer from Mr. Xu Hui	10 September 2019	— ⁽⁴⁾	684,001	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Mr. Wang Yong	10 September 2019	— ⁽⁴⁾	76,001	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	10 September 2019	13 November 2019	2,273,005	30,000,000	13.20	[REDACTED]
	Equity transfer from CETC Fund	8 December 2023	— ⁽⁴⁾	492,575	— ⁽⁴⁾		
	Subscription of new registered capital	8 December 2023	1 February 2024	223,300 ⁽⁵⁾	8,500,000 ⁽⁵⁾	38.07	[REDACTED]
Shanghai Zhongdiantou	Subscription of new registered capital	23 July 2021	16 August 2021	1,026,316	23,400,000	22.80	[REDACTED]
	Equity transfer from Mr. Wang	23 July 2021	17 December 2021	1,282,895	23,400,000	18.24	[REDACTED]
Jiaxing Ronghe	Subscription of new registered capital	23 July 2021	22 December 2021	70,175	1,600,000	22.80	[REDACTED]
	Equity transfer from Mr. Wang	23 July 2021	22 December 2021	87,719	1,600,000	18.24	[REDACTED]
Chongqing Songhe	Subscription of new registered capital	23 July 2021	22 September 2021	1,535,088	35,000,000	22.80	[REDACTED]
	Equity transfer from Tianjin Meigu	23 July 2021	— ⁽⁴⁾	822,368	— ⁽⁴⁾		
Qingdao Shangqi	Subscription of new registered capital	23 July 2021	10 August 2021	1,535,088	35,000,000	22.80	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
	Equity transfer from Tianjin Meigu	23 July 2021	— ⁽⁴⁾	698,758	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Mr. Wang	23 July 2021	17 December 2021	123,610	2,255,000	18.24	[REDACTED]
Zhuhai Yunhe	Equity transfer from Guangzhou Huangpu	26 April 2021	— ⁽⁴⁾	536,617	— ⁽⁴⁾	—	[REDACTED]
Beijing Guoke	Equity transfer from Zhuhai Yunhe	25 November 2021	— ⁽⁴⁾	386,997	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	10 December 2021	986,842	22,500,000	22.80	[REDACTED]
Shanghai Zhongye	Equity transfer from Zhuhai Yunhe	25 November 2021	— ⁽⁴⁾	149,620	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Mr. Yue Jianming	25 November 2021	— ⁽⁴⁾	159,978	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	3 December 2021	789,474	18,000,000	22.80	[REDACTED]
Fosun Chongqing	Equity transfer from Shanghai Wulianwang	25 November 2021	— ⁽⁴⁾	481,612	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	20 December 2021	650,439	14,830,000	22.80	[REDACTED]
Nanjing Nangang	Equity transfer from Shanghai Wulianwang	25 November 2021	— ⁽⁴⁾	481,612	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	20 December 2021	650,439	14,830,000	22.80	[REDACTED]
Mr. Li Peng	Equity transfer from Shanghai Wulianwang	25 November 2021	— ⁽⁴⁾	6,818	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	16 December 2021	9,211	210,000	22.79	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
Ms. Yang Anqi	Equity transfer from Shanghai Wulianwang	25 November 2021	— ⁽⁴⁾	3,916	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	16 December 2021	5,702	130,000	22.80	[REDACTED]
Guofa Kechuang	Equity transfer from Mr. Yue Jianming	25 November 2021	— ⁽⁴⁾	257,998	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	8 December 2021	657,895	15,000,000	22.80	[REDACTED]
Guofa Logistics	Equity transfer from Mr. Yue Jianming	25 November 2021	— ⁽⁴⁾	128,999	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	25 November 2021	8 December 2021	328,947	7,500,000	22.80	[REDACTED]
CETC Fund	Equity transfer from Mr. Yue Jianming	26 April 2022	— ⁽⁴⁾	747,000	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	26 April 2022	9 May 2022	1,572,632	35,856,000	22.80	[REDACTED]
Yangzhou Qianyi	Equity transfer from Mr. Yue Jianming	26 April 2022	— ⁽⁴⁾	3,000	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	26 April 2022	9 May 2022	6,315	144,000	22.80	[REDACTED]
Hangzhou Yinxing	Equity transfer from Mr. Yue Jianming	26 April 2022	— ⁽⁴⁾	251,770	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	26 April 2022	12 May 2022	307,018	7,000,000	22.79	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
Beijing Zhongrong	Subscription of new registered capital	23 November 2022	29 September 2022	391,604	10,000,000	25.54	[REDACTED]
Gongqingcheng Huahe	Subscription of new registered capital	23 November 2022	14 September 2022	274,123	7,000,000	25.54	[REDACTED]
Taibupingfan	Subscription of new registered capital	23 November 2022	19 September 2022	195,802	5,000,000	25.54	[REDACTED]
Hubei Changjiang	Equity transfer from Mr. Yue Jianming	23 November 2022	— ⁽⁴⁾	351,000	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Mr. Wang	23 November 2022	19 January 2023	674,188	13,000,000	19.29	[REDACTED]
	Subscription of new registered capital	23 November 2022	23 November 2023	1,174,812	30,000,000	25.54	[REDACTED]
Longyan Xinda	Subscription of new registered capital	26 April 2022	30 December 2022	877,193	20,000,000	22.80	[REDACTED]
Zhejiang Chunxiao	Equity transfer from Hangzhou Qinding	1 February 2023	— ⁽⁴⁾	824,773	— ⁽⁴⁾	—	[REDACTED]
Lianjin Chuangxin	Equity transfer from Rushan Huiying	1 August 2023	— ⁽⁴⁾	750,028	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Rushan Huixin	1 August 2023	— ⁽⁴⁾	563,506	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	1 August 2023	8 September 2023	1,050,827	40,000,000	38.06	[REDACTED]
Jingdezhen Fengchao	Equity transfer from Rushan Huixin	1 August 2023	— ⁽⁴⁾	186,522	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Shenzhen Huiyue	1 August 2023	— ⁽⁴⁾	928,143	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Shenzhen Tianhui	1 August 2023	— ⁽⁴⁾	198,869	— ⁽⁴⁾	—	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
	Subscription of new registered capital	1 August 2023	6 September 2023	1,050,827	40,000,000	38.06	[REDACTED]
Shanghai Wangsu	Equity transfer from Shenzhen Tianhui	1 August 2023	— ⁽⁴⁾	66,491	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Yang Anqi	1 August 2023	— ⁽⁴⁾	9,618	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Guangzhou Huangpu	1 August 2023	— ⁽⁴⁾	288,397	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	1 August 2023	8 September 2023	291,604	11,100,000	38.06	[REDACTED]
Hubei Wangsu	Equity transfer from Guangzhou Huangpu	1 August 2023	— ⁽⁴⁾	456,453	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	1 August 2023	11 September 2023	365,162	13,900,000	38.08	[REDACTED]
Xiamen Xinhelan	Equity transfer from Guangzhou Huangpu	1 August 2023	— ⁽⁴⁾	328,383	— ⁽⁴⁾	—	[REDACTED]
	Subscription of new registered capital	1 August 2023	3 November 2023	262,707	10,000,000	38.07	[REDACTED]
Beijing Jingguoguan	Equity transfer from Rushan Huiying	1 January 2024	— ⁽⁴⁾	769,770	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Rushan Huixin	1 January 2024	— ⁽⁴⁾	769,770	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Shanghai Wulianwang	1 January 2024	— ⁽⁴⁾	1,449,785	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Shenzhen Huiyue	1 January 2024	— ⁽⁴⁾	952,624	— ⁽⁴⁾	—	[REDACTED]
	Equity transfer from Shenzhen Tianhui	1 January 2024	— ⁽⁴⁾	162,844	— ⁽⁴⁾	—	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of the [REDACTED] Investor	Investment Method	Date of agreement	Date of full settlement of consideration	Number of Shares subscribed/acquired ⁽¹⁾	Approximate amount of consideration (RMB)	Cost per Share (approximate) (RMB)	Discount to the [REDACTED] ⁽²⁾ (approximate)
	Subscription of new registered capital	8 December 2023	13 December 2023	3,283,835	125,000,000	38.07	[REDACTED]
Zhongguancun Science City	Equity transfer from Jucheng Qiushi	8 December 2023	– ⁽⁴⁾	804,925	– ⁽⁴⁾	–	[REDACTED]
	Equity transfer from Jiangsu Xiandai Fuwu	8 December 2023	– ⁽⁴⁾	398,965	– ⁽⁴⁾	–	[REDACTED]
	Equity transfer from Shenzhen Tianhui	8 December 2023	– ⁽⁴⁾	109,644	– ⁽⁴⁾	–	[REDACTED]
	Subscription of new registered capital	8 December 2023	5 January 2024	1,050,827	40,000,000	38.06	[REDACTED]
Ms. Zhao Zihan	Equity transfer from CETC Fund	8 December 2023	– ⁽⁴⁾	118,218	– ⁽⁴⁾	–	[REDACTED]
Beijing Information	Subscription of new registered capital	12 March 2024	20 March 2024	2,627,068	100,000,000	38.07	[REDACTED]
CNNC Zhejiang	Subscription of new registered capital	12 March 2024	27 March 2024	394,060	15,000,000	38.07	[REDACTED]
Mr. Tong Jianmin	Equity transfer of unpaid portion from Shenzhen Songhe (at nil consideration while Mr. Tong shall assume the responsibility of actual payment of the registered capital)	20 May 2025	4 August 2025	170,760	6,500,000 (capital contribution to company)	38.09	[REDACTED]
Yantai Xingbo	Subscription of new Shares	22 December 2025	22 December 2025	1,337,834	51,000,000	38.12	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- Basis of determining the consideration paid** : Saved as otherwise disclosed in “Corporate Development and Major Shareholding Changes” in this section, the consideration for each round of the [REDACTED] Investments was determined based on arm’s length negotiation amongst the respective parties after taking into consideration of (i) the timing of investments, (ii) the status and prospect of our business at the time of investment, (iii) the business resources, strategic cooperation opportunities and benefits that the [REDACTED] Investors could bring to our Company (iv) the then valuation of our Company.
- Lock-up period** : Under the applicable PRC laws, all existing Shareholders (including the [REDACTED] Investors) are subject to a lock-up period of 12 months following the [REDACTED].
- Use of proceeds from the [REDACTED] Investments** : We utilised the proceeds from the [REDACTED] Investments for the principal business of our Group, including financing R&D activities and development of products as well as supporting the working capital needs of our Group. As of the date of this document, the net proceeds from the [REDACTED] Investments had not been fully utilised.
- Strategic benefits the [REDACTED] Investments brought to our Company** : At the time of the [REDACTED] Investors’ investment, our Directors were of the view that our Company could benefit from (i) the additional capital provided by the [REDACTED] Investors and the [REDACTED] Investors’ knowledge and experience (ii) the [REDACTED] Investors’ commitment to our Group as their investments demonstrate their confidence in the operation of our Group and serve as an endorsement of our Group’s performance, strength and prospects.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Note:

- (1) The “Number of Shares subscribed/acquired” has been adjusted to reflect the relevant Shares held or assumed to be held by the relevant [REDACTED] Investors after the conversion of Company into a joint stock company. The following subscriptions or acquisitions including: (a) the subscription for RMB263,158 of registered capital by Beijing Yilian on 18 February 2016; (b) the subscription for RMB438,700 of registered capital by Tianjin Meigu on 28 September 2016; (c) the acquisition of RMB594,194 of registered capital from Mr. Wang by Tianjin Meigu on 25 May 2017; (d) the subscription of RMB515,996 of registered capital by each of Rushan Huixin and Rushan Huiying on 21 April 2017; (e) the subscription of RMB644,994 of registered capital by Mr. Yue Jianming on 21 April 2017; (f) the subscription of RMB232,198 of registered capital by Mr. Xu Hui on 21 April 2017; (g) the subscription of RMB25,800 of registered capital by Mr. Wang Yong on 21 April 2017; (h) the acquisition of RMB263,158 of registered capital from Mr. Wang by Shanghai Wulianwang on 18 July 2018; (i) the subscription of RMB659,742 of registered capital by Shanghai Wulianwang on 10 July 2018; (j) the subscription of RMB638,551 of registered capital by Shenzhen Huiyue on 10 July 2018; (k) the subscription of RMB182,608 of registered capital by Shenzhen Tianhui on 10 July 2018; (l) the subscription of RMB280,024 of registered capital by Hangzhou Qinding on 10 July 2018; (m) the acquisition of RMB60,756 of registered capital from Mr. Wang by Jucheng Qiushi on 10 September 2019; (n) the acquisition of RMB100,000 of registered capital from Shanghai Wulianwang by Jucheng Qiushi on 10 September 2019; (o) the subscription of RMB385,814 of registered capital by Jucheng Qiushi on 10 September 2019; (p) the acquisition of RMB160,756 of registered capital from Mr. Wang by Guangzhou Huangpu on 18 July 2019; (q) the subscription of RMB385,814 of registered capital by Guangzhou Huangpu on 18 July 2019; (r) the acquisition of RMB58,354 of registered capital from Mr. Wang by Jiangsu Xiandai Fuwu on 18 July 2019; (s) the acquisition of RMB263,158 of registered capital from Beijing Yilian by Jiangsu Xiandai Fuwu on 18 July 2019; (t) the subscription of RMB771,628 of registered capital by Jiangsu Xiandai Fuwu on 18 July 2019; (u) the acquisition of RMB63,514 of registered capital from Mr. Wang by Shenzhen Songhe on 10 September 2019; (v) the acquisition of RMB232,198 of registered capital from Mr. Xu Hui by Shenzhen Songhe on 10 September 2019; (w) the acquisition of RMB25,800 of registered capital from Mr. Wang Yong by Shenzhen Songhe on 10 September 2019; (x) the subscription of RMB771,628 of registered capital by Shenzhen Songhe on 10 September 2019 have been adjusted to reflect the effect of capitalisation of reserves. For details of capitalisation of reserves, please see “Corporate Development and Major Shareholding Changes – Series C Financing and Capitalisation of Capital Reserves in September 2020 and October 2020” in this section.
- (2) Calculated based on the currency translation of HK\$1.00 to RMB0.89775 and on the [REDACTED] of HK\$[REDACTED] per Share being the [REDACTED] of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED].
- (3) Beijing Yilian subscribed for registered capital of RMB526,316 at a consideration of RMB5,000,000 pursuant to the relevant agreement dated 18 February 2016 while registered capital of RMB263,158 remained unpaid by Beijing Yilian which was subsequently transferred to Mr. Wang. Please see “Corporate Development and Major Shareholding Changes - Angel Round Financing” and “Corporate Development and Major Shareholding Changes - Series B Financing” in this section.
- (4) Not applicable as the transfer is between [REDACTED] Investors who are Independent Third Parties where neither the Company nor its substantial shareholder is a party to the relevant transfer agreement.
- (5) Shenzhen Songhe subscribed for registered capital of RMB394,060 at a consideration of RMB15,000,000 pursuant to the relevant agreement dated 8 December 2023 while registered capital of RMB170,767 remained unpaid by Shenzhen Songhe which was subsequently transferred to Mr. Tong Jianmin. Please refer to “Corporate Development and Major Shareholding Changes - Series E Financing” in this section.
- (6) For shareholding of [REDACTED] Investors in our Company upon the [REDACTED], please refer to “– Full Circulation” in this section.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Information about the [REDACTED] Investors

Beijing Yilian

Beijing Yilian is a limited partnership established under the laws of the PRC on 14 January 2016 and is principally engaged in equity investment, whose executive partner (being the general partner) is Beijing Yilian Hongyuan Investment Management Centre (Limited Partnership) (北京易聯弘元投資管理中心 (有限合夥)), a limited partnership ultimately controlled by Hou Yudong (侯玉東). The largest limited partner holding 25% interest in Beijing Yilian is Inner Mongolia Yongxin Asset Management Co., Ltd. (內蒙古永鑫資產管理有限公司), a company owned as to 99% by Yang Xuhui (楊旭慧) and 1% by Li Zhongyi (李忠義). Each of Beijing Yilian and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Beijing Yilian in its ordinary course of operations through the Group’s business network.

Tianjin Meigu

Tianjin Meigu is a limited partnership established under the laws of the PRC on 21 September 2016, and is principally engaged in equity investment, whose executive partner (being the general partner) is Li Meng (李蒙). Tianjin Meigu is owned as to 70.18% by Zhu Daili (朱代麗) and 29.82% by Li Meng (李蒙). Each of Tianjin Meigu, Mr. Li Meng (李蒙) and Zhu Daili (朱代麗) is an Independent Third Party. Our Company became acquainted with Tianjin Meigu in its ordinary course of operations through the Group’s business network.

Rushan Huixin and Rushan Huiying

Rushan Huixin is a limited partnership established under the laws of the PRC on 11 May 2015, and is principally engaged in equity investment, whose executive partner (being the general partner) is Zhejiang Rushan Huijin Private Equity Fund Management Co., Ltd. (浙江如山匯金私募基金管理有限公司) (“**Rushan Huijin**”), a company wholly owned by Zijin Mining Group Capital Investment Co., Ltd. (紫金礦業集團資本投資有限公司) (“**Zijin Mining**”). The largest limited partner is Zijin Mining Investment (Shanghai) Co., Ltd. (紫金礦業投資(上海)有限公司) holding approximately 26.63% interests which is a company wholly owned by Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (stock code: 2899.HKEX and 601899.SSE).

Rushan Huiying is a limited partnership established under the laws of the PRC on 28 April 2016, and is principally engaged in equity investment, whose executive partner (being the general partner) is Rushan Huijin, a company wholly owned by Zijin Mining Group Capital Investment Co., Ltd. (紫金礦業集團資本投資有限公司). The largest limited partner is Anhui Jiangnan Chemical Co., Ltd. (安徽江南化工股份有限公司) holding approximately 30.20% interests, a company primarily beneficially owned by Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (stock code: 2899.HKEX and 601899.SSE).

Each of Rushan Huixin, Rushan Huiying and their ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Rushan Huixin and Rushan Huiying in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Mr. Yue Jianming

Mr. Yue Jianming was a limited partner of Zhuji Rushan Huian Venture Capital Partnership (Limited Partnership) (諸暨如山匯安創業投資合夥企業(有限合夥)) and is an Independent Third Party. Our Company became acquainted with Mr. Yue Jianming during the bringing in investment of Rushan Huixin and Rushan Huiying.

Mr. Xu Hui

Mr. Xu Hui was a limited partner of Rushan Huiying and interested in approximately 6.67% and is an Independent Third Party. Our Company became acquainted with Mr. Xu Hui during the bringing in investment of Rushan Huixin and Rushan Huiying.

Mr. Wang Yong

Mr. Wang Yong was a limited partner of Hangzhou Rushan Huiyou Venture Capital Partnership (Limited Partnership) (杭州如山匯優創業投資合夥企業(有限合夥)) and an Independent Third Party. Our Company became acquainted with Mr. Wang Yong during the bringing in investment of Rushan Huixin and Rushan Huiying.

Shanghai Wulianwang

Shanghai Wulianwang is a limited partnership established under the laws of the PRC on 14 January 2016, and is principally engaged in equity investment, whose executive partner (being the general partner) is Shanghai Shangchuangxin Micro Investment Management Co., Ltd. (上海上創新微投資管理有限公司) (“**Shanghai Shangchuangxin**”). Shanghai Shangchuangxin is owned as to 45% by Shanghai Ruipu Asset Management Co., Ltd. (上海睿樸資產管理有限公司) (“**Shanghai Ruipu**”), 35% by Shanghai Xinwei Technology Group Co., Ltd. (上海新微科技集團有限公司) (“**Shanghai Xinwei**”) and 20% by Shanghai Shangchuang Xinde Private Equity Fund Management Co., Ltd. (上海上創信德私募基金管理有限公司) (“**Shanghai Shangchuang Xinde**”).

Shanghai Ruipu is owned as to 38% by Qin Xi (秦曦), and 62% by other 8 individuals. Shanghai Xinwei is owned as to 30.13% by Shanghai Lianhe Investment Co., Ltd. (上海聯和投資有限公司) (a company wholly owned by Shanghai State-owned Assets Supervision and Administration Commission) and 69.87% by more than 10 limited partnership and limited company which are mainly state owned investment vehicles. Shanghai Shangchuang Xinde is owned as to 80% by Shanghai Ruipu and 20% by Shanghai State-owned Capital Investment Co., Ltd. (上海國有資本投資有限公司) (a company ultimately beneficially controlled by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會)).

The largest limited partner of Shanghai Wulianwang is Shanghai Xinyi Investment Co., Ltd. (上海新懿投資有限公司) (“**Shanghai Xinyi**”) which held 14.17% interests. Shanghai Xinyi is owned as to 58.59% by Shanghai Jiading Industrial Zone Development (Group) Co., Ltd. (上海嘉定工業區開發(集團)有限公司) (a company ultimately beneficially controlled by State-owned Assets Supervision and Administration Commission of Jiading District, Shanghai (上海市嘉定區國有資產監督管理委員會)), 41.02% by Shanghai Xinwei Technology Group Co., Ltd. (上海新微科技集團有限公司) (a company owned by more than 10 limited partnership and limited company which are primarily state-owned investment vehicles) and 0.39% by Shanghai Shangchuangxin.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Each of Shanghai Shangchuangxin and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Shanghai Shangchuangxin in its ordinary course of operations through the Group’s business network.

Shenzhen Huiyue and Shenzhen Tianhui

Shenzhen Huiyue is a limited partnership established under the laws of the PRC on 17 March 2016, and is principally engaged in equity investment, whose executive partner (being the general partner) is Sanya Qiancheng Phase II Investment Partnership (Limited Partnership) (三亞千乘二期投資合夥企業(有限合夥)) (“**Sanya Qiancheng**”), a partnership ultimately beneficially controlled by Xiong Wei (熊偉). The largest limited partner of Shenzhen Huiyue is Suzhou Industrial Park Yuanhe Bingsheng Equity Investment Fund Partnership (Limited Partnership) (蘇州工業園區元禾秉勝股權投資基金合夥企業(有限合夥)) (“**Yuanhe Bingsheng**”) and CICC Qiyuan National Emerging Industries Venture Capital Guidance Fund (Limited Partnership) (中金啓元國家新興產業創業投資引導基金(有限合夥)) (“**CICC Qiyuan**”), each of whom held 14.90% of the interests.

Yuanhe Bingsheng is owned by more than 10 limited partnership and limited company which are primarily investment vehicles of state-controlled insurance companies. The largest limited partner of Yuanhe Bingsheng is National Council for Social Security Fund (全國社會保障基金理事會) which held 32.55% interests. CICC Qiyuan is owned as to 34.93% by Ministry of Finance of the People’s Republic of China and the remaining interests are owned by more than 10 limited company which are primarily state-owned companies.

Shenzhen Tianhui is a limited partnership established under the laws of the PRC on 24 June 2015, and is principally engaged in equity investment, whose executive partner (being the general partner) is Sanya Qiancheng Venture Capital Co., Ltd. (三亞千乘創業投資有限公司), a company ultimately beneficially controlled by Xiong Wei (熊偉). The largest limited partner of Shenzhen Tianhui is Foshan Nuojin Angel Investment Co., Ltd. (佛山市諾金天使投資有限公司), a company owned as to 60% by Liu Ailin (劉愛林) and 40% by Liu Wei (劉威).

Each of Shenzhen Huiyue and Shenzhen Tianhui and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Shenzhen Huiyue and Shenzhen Tianhui in its ordinary course of operations through the Group’s business network.

Hangzhou Qinding

Hangzhou Qinding is a limited partnership established under the laws of the PRC on 13 February 2017, and is principally engaged in equity investment, whose executive partner (being the general partner) is Hangzhou Zhaohuan Jixi Investment Management Co., Ltd. (杭州昭煥緝熙投資管理有限公司) (“**Hangzhou Zhaohuan**”). Hangzhou Zhaohuan is owned as to 40% by Cai Kewei (蔡可偉), 40% by Chen Xuefeng (陳雪峰) and 20% by Hangzhou Fuyue Investment Partnership (Limited Partnership) (杭州富岳投資合夥企業(有限合夥)) (a partnership primarily ultimately beneficially owned by Chen Ti (陳體)). The largest limited partner of Hangzhou Qinding is Hangzhou Qinken Investment Management Partnership (Limited Partnership) (杭州勤懇投資管理合夥企業(有限合夥)) (“**Hangzhou Qinken**”). Hangzhou Qinken is owned as to 30.19% by Wu Jifan (吳繼繁), 30.15% by Chen Ti (陳體), 22.64% by Liu Wei (劉偉) and 9.43% by Lu Runbang (陸潤邦).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Each of Hangzhou Qinding and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Hangzhou Qinding in its ordinary course of operations through the Group’s business network.

Guangzhou Huangpu

Guangzhou Huangpu is a limited partnership established under the laws of the PRC on 3 July 2018, and is principally engaged in equity investment, whose executive partner (being the general partner) is Guangzhou Huangpu Intelligent Manufacturing Management Consulting Partnership (General Partnership) (廣州黃埔智造管理諮詢合夥企業 (普通合夥)) (“**Huangpu Intelligent Manufacturing**”). Huangpu Intelligent Manufacturing is indirectly owned as to 50.51% by Dingjie Digital Technology Co., Ltd. (鼎捷數智股份有限公司) (“**Dingjie Digital**”) (stock code: 300378.SZSE) and the remaining 48.78% interests are ultimately controlled by Guangzhou Development Zone Administrative Committee (廣州開發區管委會). Except for the 9.90% interests held by Huangpu Intelligent Manufacturing, 45.10% interests of Guangzhou Huangpu is held by Guangzhou Development Zone Investment Fund Management Co., Ltd. (廣州開發區投資基金管理有限公司) (a ultimately beneficially controlled by Guangzhou Development Zone Administrative Committee (廣州開發區管委會)) and 45% by Dingjie Digital.

Each of Guangzhou Huangpu and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Guangzhou Huangpu in its ordinary course of operations through the Group’s business network.

Jiangsu Xiandai Fuwu

Jiangsu Xiandai Fuwu is a limited partnership established under the laws of the PRC on 29 May 2015, and is principally engaged in equity investment, whose executive partner (being the general partner) is Nanjing Yida Equity Investment Management Enterprise (Limited Partnership)(南京毅達股權投資管理企業 (有限合夥)) (“**Nanjing Yida**”). Nanjing Yida is indirectly controlled as to 65% by Nanjing Yida Capital Management Enterprise (Limited Partnership) (南京毅達資本管理企業(有限合夥)) (“**Yida Capital Management**”) and its related investment vehicles and 35% by Jiangsu High-Tech Investment Group Co., Ltd. (江蘇高科技投資集團有限公司) (a company ultimately beneficially controlled by Jiangsu Provincial People’s Government (江蘇省人民政府)). Yida Capital Management is owned as to 16.67% by Ying Wenlu (應文祿), 15.15% by Huang Tao (黃韜), 15.15% by Fan Liping (樊利平), 15.15% by You Jinbai (尤勁柏), 15.15% by Zhou Chunfang (周春芳), 15.15% by Shi Yunzhong (史雲中), 7.58% by Nanjing Yida Investment Management Co., Ltd. (南京毅達投資管理有限公司) (a company owned as to 22.45% by Ying Wenlu (應文祿), 15.51% by Huang Tao (黃韜), 15.51% by Fan Liping (樊利平), 15.51% by You Jinbai (尤勁柏), 15.51% by Zhou Chunfang (周春芳), 15.51% by Shi Yunzhong (史雲中)). The largest limited partner of Jiangsu Xiandai Fuwu is Jiangsu Provincial Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)) (a partnership primarily ultimately owned by Jiangsu Provincial Department of Finance (江蘇省財政廳)) which held 31.55% interests.

Each of Jiangsu Xiandai Fuwu and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Jiangsu Xiandai Fuwu in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Jucheng Qiushi

Jucheng Qiushi is a limited partnership established under the laws of the PRC on 6 June 2019, and is principally engaged in equity investment, whose executive partner (being the general partner) is Nanjing Jucheng Equity Investment Management Co., Ltd. (南京俱成股權投資管理有限公司) (“**Jucheng Equity**”) (a company owned as to 50% by Yin Yimin (殷一民), 25% by Zhao Ying (趙櫻) and 25% by Xie Jianliang (謝建良)). The largest limited partner of Jucheng Qiushi is Nanjing Jucheng Chunsheng No.1 Venture Capital Partnership (Limited Partnership)(南京俱成春生壹號創業投資合夥企業(有限合夥)) (“**Jucheng Chunsheng**”) which held 18.75% interests. Jucheng Chunsheng is owned as to 17.62% by Zhu Jinyun (朱進雲), 10.95% by Zhang Jing (張靜), 10.48% by Xie Jianliang (謝建良), 0.48% by Jucheng Equity and the remaining interests of Jucheng Chunsheng are held by other 10 individuals and neither of them held more than 10% interests of Jucheng Chunsheng.

Each of Jucheng Qiushi and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Jiangsu Jucheng Qiushi in its ordinary course of operations through the Group’s business network.

Shenzhen Songhe

Shenzhen Songhe is a limited partnership established under the laws of the PRC on 27 March 2018, and is principally engaged in equity investment, whose executive partner (being the general partner) is Shenzhen Songhe Chuangzhi Private Equity Venture Capital Fund Management Partnership (Limited Partnership) (深圳松禾創智私募創業投資基金管理合夥企業(有限合夥)) (a partnership ultimately controlled by Wang Yang (汪洋)). The largest limited partner of Shenzhen Songhe is Shenzhen Guiding Fund Investment Co., Ltd. (深圳市引導基金投資有限公司) (a company wholly owned by Shenzhen Municipal Finance Bureau (深圳市財政局)) which held 25% interests.

Each of Shenzhen Songhe and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Shenzhen Songhe in its ordinary course of operations through the Group’s business network.

Zhuhai Yunhe

Zhuhai Yunhe is a limited partnership established under the laws of the PRC on 22 August 2016, and is principally engaged in equity investment, whose executive partner (being the general partner) is Yunhe Jiuding Capital Management Co., Ltd. (雲合九鼎資本管理有限公司) (a company owned as to 95% by An Xiaoning (安曉寧) and 5% by Huang Guangming (黃光明)). The largest limited partnership of Zhuhai Yunhe is Jia Ming (賈銘) which held 85.10% interests.

Each of Zhuhai Yunhe and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Zhuhai Yunhe in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shanghai Zhongdiantou

Shanghai Zhongdiantou is a limited partnership established under the laws of the PRC on 16 October 2015, and is principally engaged in equity investment, whose executive partner (being the general partner) is State Power Investment Corporation Industrial Fund Management Co., Ltd. (國家電投集團產業基金管理有限公司) (“**State Power Investment**”) (a company ultimately beneficially controlled by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)) which held 7% interests. The remaining 93% interests of Shanghai Zhongdiantou is held by its limited partner China Power Investment Ronghe New Energy Technology Co., Ltd. (中電投融和新能源科技有限公司) (“**China Power Investment**”). China Power Investment is owned as to 35.64% by State Power Investment Corporation (國家電力投資集團有限公司) (a company ultimately beneficially controlled by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)) and the remaining equity interests of China Power Investment is owned by other 9 limited company or limited partnership which are mainly state-owned companies or state-owned investment vehicles.

Each of Shanghai Zhongdiantou and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Shanghai Zhongdiantou in its ordinary course of operations through the Group’s business network.

Jiaxing Ronghe

Jiaxing Ronghe is a limited partnership established under the laws of the PRC on 22 June 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is State Power Investment which held 1% interests. The remaining 99% interests of Jiaxing Ronghe is owned by Huzhou Haichuan Equity Investment Partnership (Limited Partnership) (湖州海川股權投資合夥企業(有限合夥)) (a partnership owned as to 20% by Zhong Zhicheng (鐘志成), 16.00% by Zheng Jin (鄭進), 16.00% by Xu Tao (許濤), 16.00% by Fan Kai (范凱), 16.00% by Xiong Wei (熊葳) and 16.00% by Wen Minlu (溫敏露))

Each of Jiaxing Ronghe and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Jiaxing Ronghe in its ordinary course of operations through the Group’s business network.

Chongqing Songhe

Chongqing Songhe is a limited partnership established under the laws of the PRC on 25 June 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is Songhe (Chongqing) Digital Technology Partnership (Limited Partnership) (松禾(重慶)數字技術合夥企業(有限合夥)) (“**Songhe Chongqing**”). Songhe Chongqing ultimately controlled by Li Wei (厲偉) (who is also a member of the investment decision committee of Shenzhen Songhe). The two limited partner of Chongqing Songhe is Chongqing Fuling State-owned Assets Investment and Operation Group Co., Ltd. (重慶市涪陵國有資產投資經營集團有限公司) and Chongqing Fuling New Town Development (Group) Co., Ltd. (重慶市涪陵區新城區開發(集團)有限公司) and each of them held 47.50% interests in Chongqing Songhe, both of whom are ultimately owned by State-owned Assets Supervision and Administration Commission of Fuling District, Chongqing Municipality (重慶市涪陵區國有資產監督管理委員會).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Each of Chongqing Songhe and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Chongqing Songhe in its ordinary course of operations through the Group’s business network.

Qingdao Shangqi

Qingdao Shangqi is a limited partnership established under the laws of the PRC on 29 March 2021, and is principally engaged in equity investment, whose general partner is Shanghai Shangqi Investment Management Partnership (Limited Partnership) (上海尚頤投資管理合夥企業(有限合夥)) which is ultimately controlled by Feng Ji (馮戟). The limited partners of Qingdao Shangqi are primarily state-owned companies and investment vehicles ultimately controlled by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會), other provincial and local state-owned assets supervision and administration commission and bureau of finance which held more than 50% interests in Qingdao Shangqi.

Each of Qingdao Shangqi and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Qingdao Shangqi in its ordinary course of operations through the Group’s business network.

Beijing Guoke

Beijing Guoke is a limited partnership established under the laws of the PRC on 15 November 2019, and is principally engaged in equity investment, whose executive partner (being the general partner) is Guoke Jiahe (Beijing) Investment Management Co., Ltd. (國科嘉和(北京)投資管理有限公司) (“**Guoke Jiahe**”). Guoke Jiahe is owned as to 49% by Beijing Dingxin Huifeng Investment Consulting Co., Ltd. (北京鼎鑫匯豐投資顧問有限公司) (a company owned as to 50% by Chen Hongwu (陳洪武) and 50% by Wang Ge (王戈)) and remaining interests of Guoke Jiahe is mainly owned by state-owned companies and investment vehicles. The largest limited partner of Beijing Guoke is Beijing Science and Technology Innovation Fund (Limited Partnership) (北京市科技創新基金(有限合夥)) (“**Science and Technology Innovation Fund**”) which held 20% interests in Beijing Guoke. Science and Technology Innovation Fund is a limited partnership primarily beneficially owned by Beijing State-owned Capital Operation Management Co., Ltd. (北京國有資本運營管理有限公司) (“**Beijing State-owned Capital Operation**”) (a company wholly owned by Beijing Municipal State-owned Assets Supervision and Administration Commission (北京市人民政府國有資產監督管理委員會)).

Each of Beijing Guoke and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Beijing Guoke in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shanghai Zhongye

Shanghai Zhongye is a limited partnership established under the laws of the PRC on 16 January 2018, and is principally engaged in equity investment, whose executive partner (being the general partner) is Shanghai Zhongye Venture Capital Management Co., Ltd. (上海中葉創業投資管理有限公司) (“**Zhongye Venture Capital**”). Zhongye Venture Capital is owned as to 55% by Ma Hong (馬弘) and 45% by Shanghai Jiutong Management Consulting Co., Ltd. (上海玖潼管理諮詢有限公司) (a company owned as to 42% by Jiang Zhengyi (江錚毅), 42% by Hong Yina (洪奕娜) and 16% by Jiang Guodong (姜國棟)). The largest limited partner of Shanghai Zhongye is Hangzhou Ruijing Information Technology Co., Ltd. (杭州瑞井信息技術有限公司) which held 19.96% interests in Shanghai Zhongye and is primarily ultimately beneficially owned by Ma Hong (馬弘).

Each of Shanghai Zhongye and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Shanghai Zhongye in its ordinary course of operations through the Group’s business network.

Fosun Chongqing

Fosun Chongqing is a limited partnership established under the laws of the PRC on 22 March 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is Fosun Capital (Chongqing) Enterprise Management Co., Ltd. (復星創富 (重慶) 企業管理有限公司) which is ultimately controlled by Fosun International Limited (復星國際有限公司) (“**Fosun International**”)(a company listed on the Stock Exchange with stock code: 0656.HKEX). The fund manager of Fosun Chongqing is Shanghai Fosun Capital Investment Management Co., Ltd. (上海復星創富投資管理股份有限公司) (“**Shanghai Fosun Capital**”)(a company ultimately beneficially controlled by Fosun International). The largest limited partner of Fosun Chongqing is Fosun Prudential Life Insurance Co., Ltd. (復星保德信人壽保險有限公司) (“**Fosun Prudential**”) which held 28.67% interests. Fosun Prudential is owned as to 50% by Prudential Insurance Company of America and the remaining 50% interests of Fosun Prudential are ultimately beneficially owned by Fosun International.

Each of Fosun Chongqing and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Fosun Chongqing in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Nanjing Nangang

Nanjing Nangang is a limited partnership established under the laws of the PRC on 31 December 2020, and is principally engaged in equity investment, whose executive partner (being the general partner) is Nanjing Jinhang Enterprise Management Partnership (Limited Partnership) (南京市金航企業管理合夥企業 (有限合夥)) (“**Nanjing Jinhang**”). Nanjing Jinhang is owned as to 60% by Nanjing Jinwei Enterprise Management Partnership (Limited Partnership) (南京市金惟企業管理合夥企業(有限合夥)) (“**Nanjing Jinwei**”), 20% by Nanjing Jinyi Management Consulting Co., Ltd. (南京市金頤管理諮詢有限責任公司) (“**Nanjing Jinyi**”) and 20% by Ningbo Jinchen Nangang Technology Development Co., Ltd. (寧波金宸南鋼科技發展有限公司) (“**Ningbo Jinchen**”). Nanjing Jinwei is owned as to 33.33% by Nanjing Jinyi, 33.33% by Wang Yan (汪艷) and 33.33% by Sun Bin (孫斌). Both of Nanjing Jinyi and Ningbo Jinchen are ultimately beneficially controlled by Nanjing Iron and Steel Co., Ltd. (南京鋼鐵股份有限公司) (“**Nanjing Iron**”) (stock code: 600282.SSE). The fund manager of Nanjing Nangang is Shanghai Fosun Capital. The largest limited partner of Nanjing Nangang is Nanjing Iron which held 21% interests.

Each of Nanjing Nangang and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Nanjing Nangang in its ordinary course of operations through the Group’s business network.

Mr. Li Peng

Mr. Li Peng was an employee of Fosun Capital (復星資本) and an Independent Third Party. Our Company became acquainted with Mr. Li Peng during the bringing in investment of Fosun Chongqing.

Ms. Yang Anqi

Ms. Yang Anqi was an employee of Fosun Capital (復星資本) and an Independent Third Party. Our Company became acquainted with Ms. Yang Anqi during the bringing in investment of Fosun Chongqing.

Guofa Kechuang and Guofa Logistics

Guofa Kechuang is a limited partnership established under the laws of the PRC on 3 February 2018, and is principally engaged in equity investment, whose executive partner (being the general partner) is Suzhou Guofa Asset Management Co., Ltd. (蘇州國發資產管理有限公司) (“**Guofa Asset**”) which is wholly owned by Suzhou Guofa Venture Capital Holding Co., Ltd. (蘇州國發創業投資控股有限公司) (“**Guofa Venture**”)(a company ultimately controlled by Suzhou Municipal Finance Bureau). The largest limited partner of Guofa Kechuang is National Science and Technology Achievement Transformation Venture Capital Fund (Wuhan) Partnership (Limited Partnership) (國科科技成果轉化創業投資基金 (武漢) 合夥企業(有限合夥)) (“**Transformation Venture Capital Fund**”) which held 45.60% interests. Transformation Venture Capital Fund is investment vehicles ultimately beneficially controlled by several local state-owned capital platform and state-owned assets supervision and administration commission.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Guofa Logistics is a limited partnership established under the laws of the PRC on 27 November 2018, and is principally engaged in equity investment, whose executive general partner is Suzhou Guofa Capital Management Co., Ltd. (蘇州國發資本管理有限公司) (a company wholly owned by Guofa Venture). The largest limited partner is Suzhou New City Investment Development Co., Ltd. (蘇州新城投資發展有限公司) (“**New City Investment**”) which held 99% interests in Guofa Logistics. New City Investment is primarily beneficially owned by Suzhou Municipal People’s Government State-owned Assets Supervision and Administration Commission (蘇州市人民政府國有資產監督管理委員會).

Each of Guofa Kechuang, Guofa Logistics and their ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Guofa Kechuang and Guofa Logistics in its ordinary course of operations through the Group’s business network.

CETC Fund and Yangzhou Qianyi

CETC Fund is a limited partnership established under the laws of the PRC on 27 March 2020, and is principally engaged in equity investment, whose executive partner (being the general partner) is China Electronics Technology Network Information Private Equity Fund Management Co., Ltd. (中電科網信私募基金管理有限公司) (“**China Electronics Technology**”) which is ultimately beneficially controlled by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). The largest limited partner is China Electronics Technology Investment Holding Co., Ltd. (中電科投資控股有限公司) which held 21.47% interests and is ultimately beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會).

Each of CETC Fund and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted CETC Fund in its ordinary course of operations through the Group’s business network.

Yangzhou Qianyi is a limited partnership established under the laws of the PRC on 19 October 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is An Peng (安鵬) holding approximately 37.17% interests of Yangzhou Qianyi. The remaining interests are held by more than 10 individuals and each of them held less than 10% interests in Yangzhou Qianyi.

Each of Yangzhou Qianyi and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Yangzhou Qianyi in its ordinary course of operations through the Group’s business network.

CETC Fund and Yangzhou Qianyi are parties acting in concert in relation to the voting at the general meeting of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Hangzhou Yinxing

Hangzhou Yinxing is a limited partnership established under the laws of the PRC on 9 February 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is Zhejiang Yinxing Valley Investment Co., Ltd. (浙江銀杏谷投資有限公司) (“**Yinxing Valley**”). Yinxing Valley is owned as to 37.04% by Hangzhou Pingzhong Investment Co., Ltd. (杭州平仲投資有限公司) (a company owned as to 38.75% by Hangzhou Keyi Investment Management Co., Ltd. (杭州科藝投資管理有限公司), being the largest shareholder), 35.22% by Zhejiang Yinxing Valley Technology Co., Ltd. (浙江銀杏谷科技有限公司) (a company owned as to 98.82% by Chen Xiangming (陳向明) and 1.18% by Yang Shuguang (楊曙光)), 15.74% by Hangzhou Silan Holdings Co., Ltd. (杭州士蘭控股有限公司) (a company owned as to 17.40% by Chen Xiangdong (陳向東), being the largest shareholder) and 12.00% by Hangzhou Keyi Investment Management Co., Ltd. (杭州科藝投資管理有限公司) (a company owned as to 90.91% by Chen Xiangming (陳向明) and 9.09% by Liang Xia (梁霞)). The largest limited partner of Hangzhou Yinxing is Zhejiang Yuhuangshan South Private Equity Fund Management Co., Ltd. (浙江玉皇山南私募基金管理有限公司) (“**Zhejiang Yuhuangshan**”) holding 96.00% interests. Zhejiang Yuhuangshan is owned as to 60.14% by Hangzhou Aofei Enterprise Management Partnership (Limited Partnership) (杭州翱飛企業管理合夥企業(有限合夥)) (“**Hangzhou Aofei**”). The largest partner of Hangzhou Aofei is Hu Juewen (胡鰲文) holding 75.17% interests in Hangzhou Aofei.

Each of Hangzhou Yinxing and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Hangzhou Yinxing in its ordinary course of operations through the Group’s business network.

Longyan Xinda

Longyan Xinda is a limited partnership established under the laws of the PRC on 21 December 2020, and is principally engaged in equity investment, whose executive partner (being the general partner) is State Grid Yingda Industrial Investment Fund Management Co., Ltd. (國網英大產業投資基金管理有限公司) which is ultimately beneficially controlled by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). The largest limited partner is Longyan Huasheng Enterprise Investment Co., Ltd. (龍岩市華盛企業投資有限公司) which is ultimately beneficially owned by State-owned Assets Supervision and Administration Commission of Longyan Municipal People’s Government (龍岩市人民政府國資委) and Fujian Provincial Department of Finance (福建省財政廳).

Each of Longyan Xinda and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Longyan Xinda in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Hubei Changjiang

Hubei Changjiang is a limited partnership established under the laws of the PRC on 15 November 2019, and is principally engaged in equity investment, whose executive partner (being the general partner) is Wuhan Guanggu Fenghuo Venture Capital Fund Management Co., Ltd. (武漢光谷烽火創業投資基金管理有限公司) which is ultimately beneficially controlled by China Information and Communication Technology Group Co., Ltd. (中國信息通信科技集團有限公司) (“**China Information and Communication**”)(a company wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)). The largest limited partner is Wuhan Guanggu Fenghuo Information Industry Investment Fund Partnership (Limited Partnership) (武漢光谷烽火光電子信息產業投資基金合夥企業(有限合夥)) (“**Guanggu Fenghuo Information**”) which held 52.77% interests in Hubei Changjiang. Guanggu Fenghuo Information is primarily ultimately beneficially owned by Wuhan State-owned Assets Supervision and Administration Commission (武漢市國有資產管理委員會).

Each of Hubei Changjiang and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Hubei Changjiang in its ordinary course of operations through the Group’s business network.

Beijing Zhongrong

Beijing Zhongrong is a company established under the laws of the PRC with limited liability on 11 December 2012, and is principally engaged in contract guarantee services. Beijing Zhongrong is owned as to 78.26% by Yang Yongfeng (楊勇峰) and 21.74% by Li Yunfeng (李雲峰).

Each of Beijing Zhongrong and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Beijing Zhongrong in its ordinary course of operations through the Group’s business network.

Gongqingcheng Huahe

Gongqingcheng Huahe is a limited partnership established under the laws of the PRC on 15 November 2019, and is principally engaged in equity investment, whose executive partner (being the general partner) is Gongqingcheng Zhongcheng Venture Capital Management Co., Ltd. (共青城中晟創業投資管理有限公司) (“**Gongqingcheng Zhongcheng**”) which held 1.96% interests. The remaining interests of Gongqingcheng Huahe is owned by two limited partners and as to 68.63% by Chen Zitian (陳子天) and 29.41% by Zhang Jiankai (張建開). Gongqingcheng Zhongcheng is owned as to 90.00% by Fan Xin (范昕) and 10.00% by Zhao Gang (趙剛).

Each of Gongqingcheng Huahe and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Gongqingcheng Huahe in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Taibupingfan

Taibupingfan is a limited partnership established under the laws of the PRC on 10 December 2020, and is principally engaged in equity investment, whose executive partner (being the general partner) is Mou Cuiming (牟翠鳴). The largest limited partner is Sun Cheng (孫程) holding 65.54% interests in Taibupingfan.

Each of Taibupingfan and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Taibupingfan in its ordinary course of operations through the Group’s business network.

Zhejiang Chunxiao

Zhejiang Chunxiao is a limited partnership established under the laws of the PRC on 25 November 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is Shanghai Dunhong Asset Management Co., Ltd. (上海敦鴻資產管理有限公司) which is indirectly ultimately beneficially controlled by Yuan Guoliang (袁國良). The largest limited partner is Zhejiang Publishing and Media Co., Ltd. (浙江出版傳媒股份有限公司) (stock code: 601921.SSE) holding 87.72% interests in Zhejiang Chunxiao.

Each of Zhejiang Chunxiao and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Zhejiang Chunxiao in its ordinary course of operations through the Group’s business network.

Lianjin Chuangxin

Lianjin Chuangxin is a limited partnership established under the laws of the PRC on 3 December 2018, and is principally engaged in equity investment, whose executive partner (being the general partner) is Lianjin Private Equity Venture Capital Fund Management (Shenzhen) Co., Ltd. (聯金私募股權創業投資基金管理(深圳)有限公司) (“**Lianjin Private Equity**”). Lianjin Private Equity is indirectly owned as to 51% by China International Capital Corporation Limited (中國國際金融股份有限公司) (stock code: 3908.HKEX and 601995.SSE) and 49% by China United Network Communications Group Co., Ltd. (中國聯合網絡通信集團有限公司) (“**United Network Communications Group**”) (a company wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)). The largest limited partner is Shenzhen Guiding Fund Investment Co., Ltd. (深圳市引導基金投資有限公司) (a company wholly-owned by Shenzhen Municipal Finance Bureau (深圳市財政局)) holding 24.94% interests in Lianjin Chuangxin.

Each of Lianjin Chuangxin and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Lianjin Chuangxin in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Jingdezhen Fengchao

Jingdezhen Fengchao is a limited partnership established under the laws of the PRC on 10 February 2023, and is principally engaged in equity investment, whose executive partners (being the general partner) are Shanghai Fengyun Private Equity Fund Management Co., Ltd. (上海蜂雲私募基金管理有限公司) (“**Shanghai Fengyun**”) and Jingdezhen Lingxuan Dingyu Industrial Investment Partnership (Limited Partnership) (景德鎮鈴軒鼎煜產業投資合夥企業(有限合夥)) (“**Jingdezhen Lingxuan**”). Shanghai Fengyun is ultimately beneficially controlled by Wei Jianjun (魏建軍). Jingdezhen Lingxuan is owned as to 60% by Shanghai Yuannu Intelligent Technology Co., Ltd. (上海原紐智能科技有限公司) (a company owned as to 65% by Hong Xiaoli (洪曉麗) and 35% by Zhao Xiaomin (趙曉嫻)) and 40% by Tang Tian (唐恬). The largest limited partner is Jiangxi Jingdezhen State-owned Industrial Fund of Funds Partnership (Limited Partnership)(江西景德鎮國控產業母基金合夥企業(有限合夥)) (“**Jingdezhen State-owned Industrial Fund**”) holding 40.00% in Jingdezhen Fengchao. Jingdezhen State-owned Industrial Fund is primarily ultimately beneficially owned by Jingdezhen Municipal State-owned Assets Supervision and Administration Commission (景德鎮市國有資產監督管理委員會) and Jiangxi Provincial State-owned Assets Supervision and Administration Commission (江西省國有資產監督管理委員會).

Each of Jingdezhen Fengchao and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Jingdezhen Fengchao in its ordinary course of operations through the Group’s business network.

Shanghai Wangsu and Hubei Wangsu

Shanghai Wangsu is a limited partnership established under the laws of the PRC on 15 November 2022, and is principally engaged in equity investment, whose executive partner (being the general partner) is Shanghai Wangsu Weishi Venture Capital Management Partnership (Limited Partnership) (上海網宿唯實創業投資管理合夥企業(有限合夥)) (“**Wangsu Weishi**”) which is ultimately beneficially controlled by Liu Kaifeng (劉開鋒). The largest limited partner is Shanghai Wangsu Investment Management Co., Ltd. (上海網宿投資管理有限公司) (“**Wangsu Investment Management**”) holding 40.54% interests in Shanghai Wangsu. Wangsu Investment Management is wholly-owned by Wangsu Science and Technology Co., Ltd. (網宿科技股份有限公司) (stock code: 300017.SZSE).

Hubei Wangsu is a limited partnership established under the laws of the PRC on 10 December 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is Wangsu Weishi which is ultimately beneficially controlled by Liu Kaifeng (劉開鋒). The largest limited partner is Wangsu Investment Management holding 45.45% interests in Hubei Wangsu.

Each of Shanghai Wangsu, Hubei Wangsu and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Shanghai Wangsu and Hubei Wangsu in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Xiamen Xinhelan

Xiamen Xinhelan is a limited partnership established under the laws of the PRC on 6 June 2022, and is principally engaged in equity investment, whose executive partner (being the general partner) is Xiamen Xinlan Chuanghe Investment Co., Ltd. (廈門信藍創合投資有限公司) which is ultimately beneficially controlled by Xiamen Xinda Co., Ltd. (廈門信達股份有限公司) (“**Xiamen Xinda**”)(stock code: 000701.SZSE). The largest limited partner of Xiamen Xinhelan is Xiamen Xinda Industrial Investment Co., Ltd. (廈門信達產業投資有限公司) (a company wholly owned by Xiamen Xinda) holding approximately 24.60% interests.

Each of Xiamen Xinhelan and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Xiamen Xinhelan in its ordinary course of operations through the Group’s business network.

Beijing Jingguoguan

Beijing Jingguoguan is a limited partnership established under the laws of the PRC on 15 March 2022, and is principally engaged in equity investment, whose executive partner (being the general partner) is Beijing Jingguorui which is ultimately beneficially controlled by Beijing State-owned Capital Operation (a company wholly owned by Beijing Municipal State-owned Assets Supervision and Administration Commission (北京市人民政府國有資產監督管理委員會)). The largest limited partner is Beijing State-owned Capital Operation holding 51.94% interests in Beijing Jingguoguan.

Each of Beijing Jingguoguan and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Beijing Jingguoguan in its ordinary course of operations through the Group’s business network.

Zhongguancun Science City

Zhongguancun Science City is a limited partnership established under the laws of the PRC on 3 December 2021, and is principally engaged in equity investment, whose executive partner (being the general partner) is Beijing Zhongguancun Science City Technology Investment Management Co., Ltd. (北京中關村科學城科技投資管理有限公司) holding 1% interests in Zhongguancun Science City which is ultimately beneficially controlled by State-owned Assets Supervision and Administration Commission of Haidian District People’s Government, Beijing (北京市海淀區人民政府國有資產監督管理委員會). The remaining 99% interests in Zhongguancun Science City is held by a limited partner Beijing Haidian District State-owned Assets Investment Group Co., Ltd. (北京市海淀區國有資產投資集團有限公司) which is indirectly wholly-owned by State-owned Assets Supervision and Administration Commission of Haidian District People’s Government, Beijing (北京市海淀區人民政府國有資產監督管理委員會).

Each of Zhongguancun Science City and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Zhongguancun Science City in its ordinary course of operations through the Group’s business network.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Ms. Zhao Zihan

Ms. Zhao Zihan was an employee of Fengyun Capital (蜂雲資本) and an Independent Third Party. Our Company became acquainted with Mr. Le Peng during the bringing in investment of Jingdezhen Fengchao.

Beijing Information

Beijing Information is a limited partnership established under the laws of the PRC on 28 December 2023, and is principally engaged in equity investment, whose executive partners (being the general partners) are Beijing Jingguoguan Real Estate Management Co., Ltd. (北京京國管置業管理有限公司) (“**Jingguoguan Management**”) and Legend Capital Management Co., Ltd. (君聯資本管理股份有限公司) (“**Legend Capital**”). Jingguoguan Management is ultimately beneficially controlled by Beijing State-owned Capital Operation. Legend Capital is ultimately beneficially controlled by a group of individuals including Zhu Linan (朱立南), Chen Hao (陳浩), Wang Nengguang (王能光) and Li Jiaqing (李家慶). As confirmed by Beijing Information, neither Jingguoguan Management nor Legend Capital could unilaterally control the investment or voting decision of Beijing Information. Each of Jingguoguan Management and Legend Capital hold 0.5% interests in Beijing Information. The remaining 99% interests are held by Beijing Municipal Government Investment Guidance Fund (Limited Partnership) (北京市政府投資引導基金(有限合夥)) which is ultimately wholly owned by Beijing Municipal State-owned Assets Supervision and Administration Commission (北京市人民政府國有資產監督管理委員會).

Each of Beijing Information and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted Beijing Information in its ordinary course of operations through the Group’s business network.

CNNC Zhejiang

CNNC Zhejiang is a limited partnership established under the laws of the PRC on 28 August 2019, and is principally engaged in equity investment, whose executive partner (being the general partner) is China Nuclear Industry Fund Management Co., Ltd. (中核產業基金管理有限公司) holding 0.05% interests in CNNC Zhejiang. China Nuclear Industry Fund Management Co., Ltd. (中核產業基金管理有限公司) is indirectly by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)). The remaining interests of CNNC Zhejiang is ultimately beneficially owned by two limited partners as to 49.98% by Lishui Municipal People’s Government State-owned Assets Supervision and Administration Commission (麗水市人民政府國有資產監督管理委員會) and 49.98% by China National Nuclear Corporation (中國核工業集團有限公司) (a company primarily beneficially owned by State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)).

Mr. Tong Jianmin

Mr. Tong Jianmin was retired and became acquainted with our Company through the friends’ introduction. Mr. Tong Jianmin is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Yantai Xingbo

Yantai Xingbo is a limited partnership established under the laws of the PRC on 14 August 2025, and is principally engaged in equity investment, whose executive partner (being the general partner) is Junbo Investment holding approximately 23.76% interests in Yantai Xingbo. The remaining interests of Yantai Xingbo is held as to 54.16% by Mr. Yue, 11.73% by Mr. Cao and 10.35% by Ms. Pang as limited partners.

Each of Yantai Xingbo and its ultimate beneficial owners is an Independent Third Party. Our Company became acquainted with Yantai Xingbo during the acquisition of Haibo Electric.

Special Rights granted to the [REDACTED] Investors

Pursuant to the shareholders’ agreement currently in effect dated 31 December 2025, the redemption right shall be automatically terminated on the day immediately preceding to the date on which the Company filed its [REDACTED] and shall resume to be exercisable if the [REDACTED] has not been completed before [REDACTED]. All the existing special rights granted to the [REDACTED] Investors, including, among others, the right of first refusal, anti-dilution right, right of first sale, liquidation preference right, right of most-favoured treatment, right to inspection, right of nomination, information right or any similar right or arrangement will be automatically terminated on the [REDACTED] in accordance with Chapter 4.2 of the Guide.

Joint Sponsor’s Confirmation

On the basis that (i) the [REDACTED], being the first day of [REDACTED] of our H Shares on the Stock Exchange will take place more than 120 clear days after the completion of the [REDACTED] Investments; and (ii) all special rights available to our [REDACTED] Investors will be terminated upon the [REDACTED], the Joint Sponsors confirm that the [REDACTED] Investments as described above are in compliance with the guidance in Chapter 4.2 of the Guide.

Save as disclosed herein, other than their respective investments in our Group, each of the-[REDACTED] Investors and their respective general partners and limited partners or substantial shareholder as publicly disclosed by the relevant investor (as the case may be) is an Independent Third Party.

Save as disclosed herein, each of the [REDACTED] Investors is independent from other [REDACTED] Investors.

PRC LEGAL AND REGULATORY COMPLIANCE

As confirmed by our PRC Legal Advisers, all the share subscriptions and material share transfers of our Company have been approved, filed and registered by relevant regulatory authorities subject to the then effective PRC Laws.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

EMPLOYEE INCENTIVE PLATFORMS

In recognition of the contributions of our current employees and to incentivise them to further promote our development, Tianjin Xingyuan and Tianjin Xinghui were established in the PRC as our employee incentive platforms (“**Employee Incentive Platforms**”). The participants (the “**Participants**”) of our equity incentives shall be given partnership interests of the Employee Incentive Platforms as awards. The capital contribution made by the partners to the Employee Incentive Platforms was sourced from their own funds and has been fully paid as of the date of this document. Details of each Employee Incentive Platform as of the date of this document are set out below and “Statutory and General Information – E. Employee Incentive Scheme” set out in Appendix IV in this document.

Tianjin Xingyuan

Tianjin Xingyuan was established in the PRC as a limited partnership on 8 August 2016, and owned approximately 9.54% of our issued Shares as of the Latest Practicable Date. Mr. Wang is the executive partner (being the general partner) of Tianjin Xingyuan, and is responsible for the management of Tianjin Xingyuan and exercises the voting rights attaching to the Shares held by Tianjin Xingyuan.

As of the Latest Practicable Date, Tianjin Xingyuan was held as to approximately 21.24% by Mr. Wang as the executive partner (being the general partner), with the remaining interests held by 23 limited partners, holding approximately 78.76% interests in aggregate. Amongst these limited partners, our Directors including Mr. Li Peixin (李培信), Mr. Xiang Renpeng (向人鵬), Mr. Jiang Bingsi (江炳思) and Mr. Yang Xiaoshuai (楊小帥) who was interested in 1.16%, 4.47%, 35.04% and 5.50% in Tianjin Xingyuan respectively as of the Latest Practicable Date. Other limited partners are ordinary employees of our Company.

Tianjin Xinghui

Tianjin Xinghui was established in the PRC as a limited partnership on 10 May 2021, and owned approximately 3.38% of our issued Shares as of the Latest Practicable Date. Tianjin Zhichuang (a company wholly owned by Mr. Wang) is the executive partner (being the general partner) of Tianjin Xinghui, and is responsible for the management of Tianjin Xinghui and exercises the voting rights attaching to the Shares held by Tianjin Xinghui.

As of the Latest Practicable Date, Tianjin Xinghui was held as to approximately 0.01% by Tianjin Zhichuang as the executive partner (being the general partner), 21.89% by Mr. Wang and remaining interests of 78.10% held by other 42 limited partners. Amongst these limited partners, our Directors and senior management including Ms. Tong Tianyin (佟天頤), Mr. Li Peixin (李培信), Mr. Wang Xiaodong (王曉東) and Mr. Yang Xiaoshuai (楊小帥) who was interested in 9.68%, 1.94%, 8.95% and 8.04% in Tianjin Xinghui respectively as of the Latest Practicable Date. Other limited partners are ordinary employees of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

FULL CIRCULATION

Our Company has applied for H Share full circulation (the “**Full Circulation**”) to convert an aggregate of 77,785,505 [REDACTED] Shares held by 39 existing Shareholders, representing all of the total issued Shares of our Company as of the date of this document. Details of the conversion of [REDACTED] Shares into H Shares pursuant to the Full Circulation are set out below:

Name of shareholder	Number of [REDACTED] Shares as of the Latest Practicable Date	H Shares converted from the [REDACTED] Shares	Approximate percentage of shareholding Immediately before completion of the [REDACTED] (%)	Number of H Shares Immediately after completion of the [REDACTED] (assuming the [REDACTED] are not exercised)	Approximate percentage of shareholding immediately after completion of the [REDACTED] (assuming the [REDACTED] are not exercised) (%)
Single Largest Group of Shareholders					
Mr. Wang	17,105,685	17,105,685	21.99	[REDACTED]	[REDACTED]
Tianjin Xingyuan	7,418,080	7,418,080	9.54	[REDACTED]	[REDACTED]
Tianjin Xinghui	2,631,579	2,631,579	3.38	[REDACTED]	[REDACTED]
[REDACTED] Investors					
Jiangsu Xiandai Fuwu	2,820,734	2,820,734	3.63	[REDACTED]	[REDACTED]
Jucheng Qiushi	804,925	804,925	1.03	[REDACTED]	[REDACTED]
Shenzhen Songhe	3,935,574	3,935,574	5.06	[REDACTED]	[REDACTED]
Tianjin Meigu	1,521,127	1,521,127	1.96	[REDACTED]	[REDACTED]
Shanghai Zhongdiantou	2,309,211	2,309,211	2.97	[REDACTED]	[REDACTED]
Jiaxing Ronghe	157,894	157,894	0.20	[REDACTED]	[REDACTED]
Chongqing Songhe	2,357,456	2,357,456	3.03	[REDACTED]	[REDACTED]
Qingdao Shangqi	2,357,456	2,357,456	3.03	[REDACTED]	[REDACTED]
Beijing Guoke	1,373,839	1,373,839	1.77	[REDACTED]	[REDACTED]
Shanghai Zhongye	1,099,072	1,099,072	1.41	[REDACTED]	[REDACTED]
Fosun Chongqing	1,132,051	1,132,051	1.46	[REDACTED]	[REDACTED]
Nanjing Nangang	1,132,051	1,132,051	1.46	[REDACTED]	[REDACTED]
Mr. Li Peng	16,029	16,029	0.02	[REDACTED]	[REDACTED]
Guofa Kechuang	915,893	915,893	1.18	[REDACTED]	[REDACTED]
Guofa Logistics	457,946	457,946	0.59	[REDACTED]	[REDACTED]
CETC Fund	1,708,839	1,708,839	2.20	[REDACTED]	[REDACTED]
Yangzhou Qianyi	9,315	9,315	0.01	[REDACTED]	[REDACTED]
Hangzhou Yinxiang	558,788	558,788	0.72	[REDACTED]	[REDACTED]
Beijing Zhongrong	391,604	391,604	0.50	[REDACTED]	[REDACTED]
Gongqingcheng Huahe	274,123	274,123	0.35	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of shareholder	Number of [REDACTED] Shares as of the Latest Practicable Date	H Shares converted from the [REDACTED] Shares	Approximate percentage of shareholding Immediately before completion of the [REDACTED] (%)	Number of H Shares Immediately after completion of the [REDACTED] (assuming the [REDACTED] are not exercised)	Approximate percentage of shareholding immediately after completion of the [REDACTED] (assuming the [REDACTED] are not exercised) (%)
Taibupingfan	195,802	195,802	0.25	[REDACTED]	[REDACTED]
Longyan Xinda	877,193	877,193	1.13	[REDACTED]	[REDACTED]
Hubei Changjiang	2,200,000	2,200,000	2.83	[REDACTED]	[REDACTED]
Zhejiang Chunxiao	824,773	824,773	1.06	[REDACTED]	[REDACTED]
Lianjin Chuangxin	2,364,361	2,364,361	3.04	[REDACTED]	[REDACTED]
Jingdezhen Fengchao	2,364,361	2,364,361	3.04	[REDACTED]	[REDACTED]
Shanghai Wangsu	656,110	656,110	0.84	[REDACTED]	[REDACTED]
Hubei Wangsu	821,615	821,615	1.06	[REDACTED]	[REDACTED]
Xiamen Xinhelan	591,090	591,090	0.76	[REDACTED]	[REDACTED]
Beijing Jingguoguan	7,388,628	7,388,628	9.50	[REDACTED]	[REDACTED]
Zhongguancun Science City	2,364,361	2,364,361	3.04	[REDACTED]	[REDACTED]
Ms. Zhao Zihan	118,218	118,218	0.15	[REDACTED]	[REDACTED]
Beijing Information	2,627,068	2,627,068	3.38	[REDACTED]	[REDACTED]
CNNC Zhejiang	394,060	394,060	0.51	[REDACTED]	[REDACTED]
Mr. Tong Jianmin	170,760	170,760	0.22	[REDACTED]	[REDACTED]
Yantai Xingbo	1,337,834	1,337,834	1.72	[REDACTED]	[REDACTED]
[REDACTED]	—	—	—	[REDACTED]	[REDACTED]
Total	77,785,505	77,785,505	100.00	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT AND FREE FLOAT

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and conversion of [REDACTED] Shares into H Shares upon the [REDACTED], the following Shares will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules. Details are set out below:

- Mr. Wang (our executive Director and the member of the our Single Largest Group of Shareholders) together with the entities controlled by him, namely, Tianjin Xingyuan and Tianjin Xinghui, each a member of our Single Largest Group of Shareholders, are entitled to exercise in aggregate [REDACTED] of our total voting rights of our Company upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and conversion of [REDACTED] Shares into H Shares upon the [REDACTED]. See “Relationship with Our Single Largest Group of Shareholders”.

Save as provided above, all of the other H Shares held by our Shareholders upon [REDACTED] will be counted towards to the [REDACTED], and approximately [REDACTED] of our issued Shares will be held by the [REDACTED] upon [REDACTED], which is higher than the prescribed percentage of H Shares required to be held in [REDACTED] in accordance with Rule 19A.13A(1) of the Listing Rules. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of the indicative [REDACTED], the Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

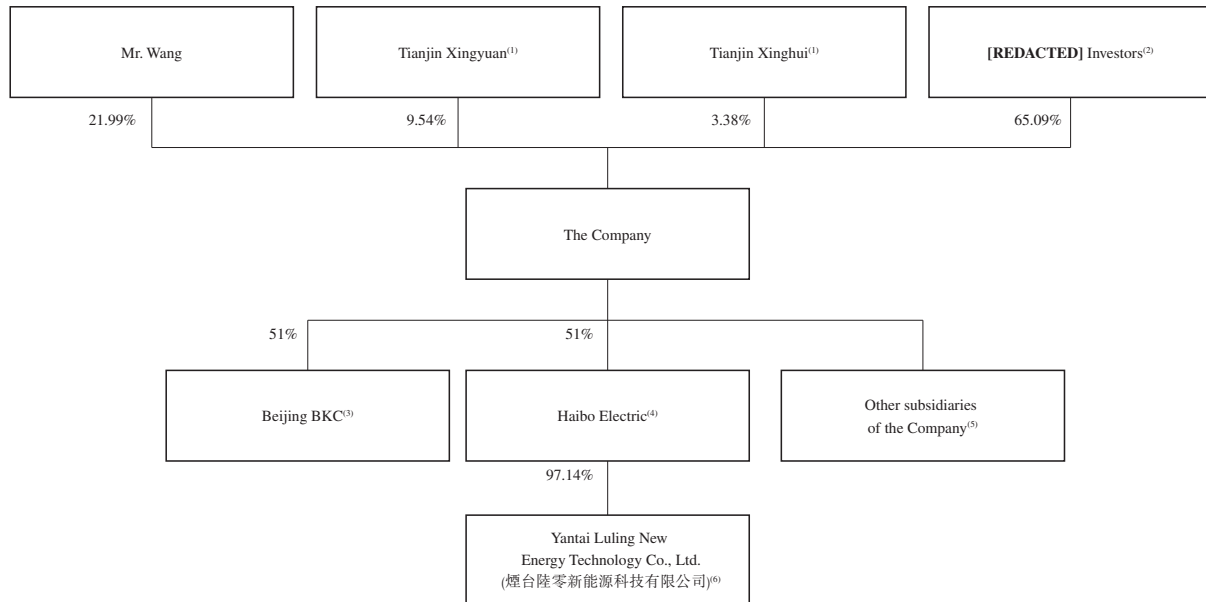
Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether 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.

To the best knowledge of our Directors, the [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised) are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the [REDACTED] of the indicative [REDACTED] at HK\$[REDACTED] per Share, our Company will satisfy the free float requirements under Rule 19A.13C of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure as of the Latest Practicable Date



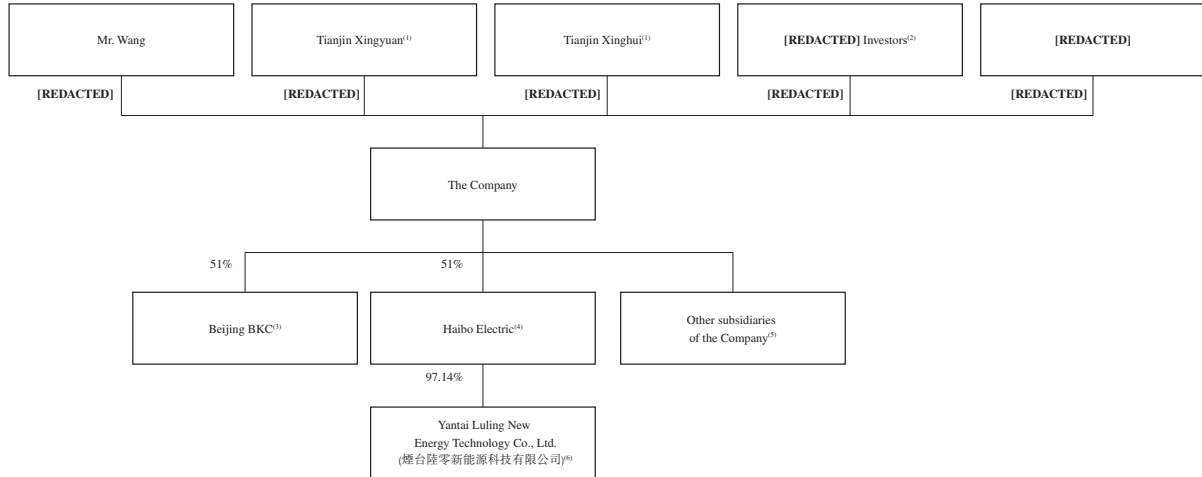
Notes:

- (1) For the shareholding structure of Tianjin Xingyuan and Tianjin Xinghui, please refer to “– Employees Incentive Platforms” in this section.
- (2) For the details of [REDACTED] Investors and their respective shareholding, please refer to “– Full Circulation” in this section.
- (3) For other shareholders of Beijing BKC, please refer to note (2) to the paragraphs headed “– Our Major Subsidiaries “ in this section.
- (4) For other shareholders of Haibo Electric, please refer to note (3) to the paragraphs headed “– Our Major Subsidiaries “ in this section.
- (5) Other 13 subsidiaries of the Company including (a) Hubei Tiandi Hexing Technology Co., Ltd. (湖北天地和興科技有限公司), a wholly-owned subsidiary of the Company; (b) Zhejiang Tiandi Hexing Technology Co., Ltd. (浙江天地和興科技有限公司), a wholly-owned subsidiary of the Company; (c) Tiandi Hexing (Beijing) Energy Technology Co., Ltd. (天地和興(北京)能源科技有限公司), a wholly-owned subsidiary of the Company; (d) Tiandi Hexing (Lishui) Technology Co., Ltd. (天地和興(麗水)科技有限公司), a wholly-owned subsidiary of the Company; (e) Tiandi Hexing (Suzhou) Technology Co., Ltd. (天地和興(蘇州)科技有限公司), a wholly-owned subsidiary of the Company; (f) Fujian Hechuang Xin'an Technology Co., Ltd. (福建和創信安科技有限公司), a wholly-owned subsidiary of the Company; (g) Chongqing Tiandi Hexing Technology Co., Ltd. (重慶天地和興科技有限公司), a wholly-owned subsidiary of the Company; (h) Tiandi Hexing (Yunnan) International Security Technology Co., Ltd. (天地和興(雲南)國際安全技術有限公司), a wholly-owned subsidiary of the Company; (i) Nanjing Tiandi Hexing Information Technology Co., Ltd. (南京天地和興信息技術有限公司), a company owned as to 60% by the Company and the remaining 40% equity interests were ultimately beneficially owned by Ms. Zhang Jing (張靜), an Independent Third Party; (j) Beijing Bikun Technology Co., Ltd. (北京碧坤技術有限公司), a company owned as to 51% by the Company and the remaining 49% equity interests were ultimately beneficially owned by Mr. Hou Fengbin (侯豐斌), an Independent Third Party; (k) Shaanxi Tiandi Hexing Technology Co., Ltd. (陝西天地和興科技有限公司), a company owned as to 51% by the Company and 49% by Shaanxi Zhengda Automation Engineering Co., Ltd. (陝西正大自動化工程有限公司)(a company owned as to 60% by Mr. Zhang Wei (張偉) and 40% by Ms. Zhang Shangyun (張尚芸) who are Independent Third Parties); (l) Beijing Heyun Shengxing Technology Co., Ltd. (北京和韻盛興科技有限公司), a company owned as to 51% by the Company and 49% by Yunshengfa Technology (Beijing) Co., Ltd. (韻盛發科技(北京)股份有限公司) (a company ultimately beneficially controlled by Ms. Chen Fang (陳方) who are Independent Third Party); (m) Tiandi Hexing (Shanxi) Technology Co., Ltd. (天地和興(山西)科技有限公司), a company owned as to 51% by the Company and 49% by Mr. Yu Chenghao (余承皓) who is an Independent Third Party.
- (6) The remaining 2.86% equity interests of Yantai Luling New Energy Technology Co., Ltd. (煙台陸零新能源科技有限公司) is owned by Haibo Intelligent which is owned as to 71.67% by Ms. Liu, 15.50% by Mr. Cao and 12.83% by Ms. Pang.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate Structure immediately following the completion of the [REDACTED]

The following chart sets forth our shareholding structure immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes (1) to (6): Please refer to the Corporate Structure as of the Latest Practicable Date.

BUSINESS

OVERVIEW

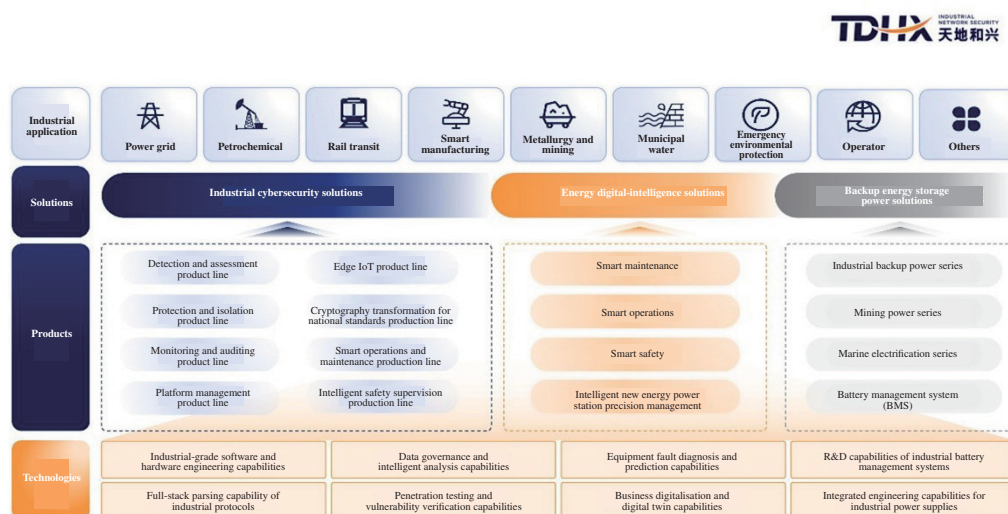
We are a reputable comprehensive industrial cybersecurity and energy digital-intelligence solutions provider in China. According to Frost & Sullivan, we ranked first by market share in China’s industrial cybersecurity market in 2024, capturing an overall market share of approximately 6.7%, and in particular, a market share of approximately 8.4% in the energy field of the industrial cybersecurity market in China. Leveraging our industry-specific technological and regulatory knowhow, we provide customisable solutions that meet the diverse and evolving needs of enterprise users across various sectors. This protects enterprise users’ information technology and operational technology assets throughout the industrial production process, including networks, systems, data, applications and devices, from attacks, and effectively guards against security threats such as cyberattacks, sabotage and unauthorised access. We employ technologies to enhance security capabilities for enterprise users under different industrial scenarios. In addition to providing comprehensive industrial cybersecurity solutions, we also provide digital-intelligence solutions to enterprise users in the energy sector, featuring core capabilities such as real-time condition awareness, risk early warning, and process optimisation. Set out below is a summary of our three types of offerings:

- *Industrial Cybersecurity Solutions:* As a specialised industrial cybersecurity solutions provider, we are able to provide solutions based on deep industry-specific know-how and deliver end-to-end architectures. With in-depth knowledge of industrial protocols and industry-specific compliance and regulatory requirements, our technical capabilities are able to support a wide range of complex industrial communication protocols and detect and respond to emerging threats effectively. Our offerings encompass eight core product series: (i) detection and assessment; (ii) protection and isolation; (iii) monitoring and auditing; (iv) platform management; (v) edge IoT; (vi) cryptography transformation for national standards; (vii) smart operations and maintenance; and (viii) intelligent safety supervision. We also deliver tailored solutions for critical infrastructure scenarios. For instance, in terms of the electronic power industry, our offerings include specific applications in thermal hydro, wind, storage, grid infrastructure, and power dispatching communication system. The development of our industrial cybersecurity solutions is centred on building an active, intelligent, and integrated industrial cybersecurity defence architecture. Through layered deployment and coordinated operation, our solutions aim to equip clients with comprehensive capabilities, transitioning from perimeter defence to endpoint protection, from reactive response to proactive operations, and from point-in-time security to systematic security management.
- *Energy Digital-intelligence Solutions:* We leverage digital and intelligent technologies such as cloud computing, big data, and IoT to offer solutions that promote intelligent operations within power industry and petrochemical industries, amongst others. These solutions help transform enterprise users’ operation and management from reactive, experience-based practices into a proactive, data-driven, and standardised management model. They also help enhance equipment reliability, operational efficiency, safety compliance and economic performance.

BUSINESS

- Backup energy storage power solutions:** These solutions incorporate comprehensive safety features and advanced big data analysis to enhance battery lifespan and operational safety for industrial enterprise users in various industries including petrochemicals, mining and power. Such solutions incorporate high-standard industrial power and energy storage products, which are customised for clients to operate in specialised environments such as explosive atmospheres, high-vibration conditions, and extreme temperature ranges. Designed to deliver highly reliable, safe, and environmentally responsible power security, these solutions serve diverse applications including data centres, mining operations, marine vessels and other critical infrastructure.

During the Track Record Period, we primarily generated our revenue from the provision of industrial cybersecurity solutions, and since our strategic acquisition of Beijing BKC in 2024, from the provision of energy digital-intelligence solutions as well. Our capability in providing backup energy storage power solutions is achieved through our acquisition of Haibo Electric in 2025. The following chart demonstrates our comprehensive offerings for illustrative purpose.



BUSINESS

Our corporate development is propelled against the backdrop of the rapid development of the industrial cybersecurity market in China, driven by strong national strategies as well as promulgation of relevant laws and regulations. Notably, the full implementation of Cybersecurity Level Protection System 2.0 incorporated industrial control systems into mandatory compliance, greatly accelerating security product deployment. Meanwhile, amid the in-depth integration of emerging technologies like industrial internet and intelligent manufacturing with industrial sector, expanded attack surfaces and practical threats have prompted enterprises to build systematic, in-depth defense capabilities, fueling rapid market growth. According to Frost & Sullivan, the overall market size of China’s industrial cybersecurity market increased from RMB4.1 billion in 2020 to RMB9.6 billion in 2024, representing a CAGR of 24.2% from 2020 to 2024. The overall market size is expected to reach RMB29.4 billion by 2029, with an estimated CAGR of 25.0% from 2024 to 2029. In terms of segment markets, the market size of the energy field industrial cybersecurity reached RMB1.8 billion in 2020 and expanded to RMB4.4 billion in 2024, representing a CAGR of 24.7% from 2020 to 2024. It is projected to expand to RMB11.7 billion by 2029, with a CAGR of 21.7% from 2024 to 2029, indicating steady market expansion. Our recent acquisitions of Beijing BKC and Haibo Electric further enhance our capabilities in the energy sector and align with the continuous growth of the energy digital-intelligence integrated solutions in China, the market of size of which has steadily risen from RMB17.2 billion in 2020 to RMB47.6 billion in 2024, with a CAGR of 17.4% during the years, according to Frost & Sullivan. The market size of the energy digital-intelligent integrated solutions in China is expected to reach RMB118.2 billion by 2029, with a CAGR of 22.9% from 2024 to 2029. With such industry potentials, we believe we are well positioned to fully seize the market opportunities with our comprehensive capabilities of providing industrial cybersecurity, energy digital-intelligence and backup energy storage power solutions going forward.

Since our inception and up to the Latest Practicable Date, we had provided industrial cybersecurity solutions in a cumulative total of over 6,000 projects, with our solutions covering various industries, including power, petrochemical, rail transit, smart manufacturing, metallurgy and mining, municipal water services and others and more than 200 application scenarios. The enterprise users we served accounted for over 50% of approximately 100 core central state-owned enterprises supervised by the State-owned Assets Supervision and Administration Commission of the State Council. Amongst enterprise users of our solutions, state-owned or state-controlled enterprises contributed 69.3%, 69.7%, and 80.8% of our revenue for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, respectively. Leveraging our profound technical expertise and tailored solutions, we have established strong collaboration with well-known SOEs and other government-owned enterprises and maintained ongoing project service relationships with them throughout the Track Record Period. SOE users that have consecutively used our solutions in their projects for three years or above contributed to 57.5%, 54.3% and 70.5% of our revenue in 2023, 2024 and the nine months ended 30 September 2025, respectively. This demonstrates strong user satisfaction, which is a testament of our professional capabilities and strong project execution capabilities.

BUSINESS

We possess a systematic capability of obtaining projects and enterprise user management. By virtue of market analysis, we identify commercial opportunities, emphasising early and strategic alignment with the investment plans of large-scale enterprises, including SOEs. In parallel, our dedicated key enterprise sales and management team is committed to deepening relationships with enterprise users, understanding their operational scenarios, and delivering customised offerings. Additionally, we seek to ensure our products are compatible with the complex industrial control systems of leading domestic and international industrial automation suppliers, which creates a significant technological complexity barrier and positions us well to be selected as the specialised industrial cybersecurity solutions provider when enterprise users have existing industrial control systems provided by these leading industrial automation suppliers.

For the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, our revenue amounted to RMB473.8 million, RMB726.8 million and RMB438.9 million, respectively.

OUR COMPETITIVE STRENGTHS

Leader of Industrial Cybersecurity Industry in China

We are a leading provider of comprehensive industrial cybersecurity solutions in China. According to Frost & Sullivan, we ranked first by market share in the industrial cybersecurity market in 2024, capturing an overall market share of approximately 6.7%, and in particular, a market share of approximately 8.4% in the energy field of the industrial cybersecurity market in China. We have established a sustainable first-mover advantage and developed a multidimensional competitive framework encompassing core technologies, trust from enterprise users, industry certifications, and strong relationship with other participants in the ecosystem.

Regarding the entry to our target markets, the entrants are required to master complex industrial protocol technologies, undergo extended customer validation processes, secure stringent industry-specific product certifications and network access approvals, particularly within highly regulated sectors such as power industry and petrochemicals. Through early strategic positioning and investment, we have secured a comprehensive set of qualifications and accumulated expertise and deep trust from enterprise users that are difficult to replicate. We have a competitive edge based on our well-established service system covering diversified equipment and solutions which helps us maintain long-term and stable technical collaborations with leading domestic and international industrial automation suppliers, ensuring our products are compatible with a wide range of complex industrial control systems. This creates a significant technological complexity barrier and positions us well to be selected as the specialised industrial cybersecurity solutions provider when enterprise users have existing industrial control systems provided by these leading industrial automation suppliers. Furthermore, as an active participant and contributor to industry and national standards, we are deeply involved in formulating national and industry security standards. Such involvement not only consolidates our industry influence but also helps shape regulatory and technological development pathways, collectively forming a moat that is challenging for competitors to overcome.

BUSINESS

Our market position is validated by our ability to deliver solutions deeply embedded in enterprise users’ operational scenarios and to execute projects at scale. We have successfully established benchmark projects across several key industries. For instance, in the power industry sector, we provide security and digitalisation solutions covering the entire chain from generation, transmission to distribution. In the petrochemical industry, we deliver one-stop solutions tailored to the characteristics of continuous production and high-risk operational environments. Through long-term collaboration with leading enterprise users, we have built a profound repository of industry knowledge and a replicable, scenario-specific implementation framework.

A Proprietary, Fully Integrated Technology System with Platform-Enabled Advantages

We have established a proprietary and integrated technology system, encompassing three core technology systems. We deliver our solutions through a high-performance, platform-based technology system, transforming complex technologies into standardised equipment and services capable of rapid adaptation to diverse industry scenarios.

In respect of our industrial cybersecurity solutions, we are a comprehensive defence system for critical infrastructure that progresses from an in-depth understanding of industrial protocols to proactive intelligent defence. We are able to identify and analyse specialised communication protocols across various industrial environments and understand their underlying business logic and operational commands, thereby enabling the precise detection of concealed attacks. Building on this foundation, we have independently developed a security analytics engine that integrates our proprietary AI algorithms. Through continuous learning from massive volumes of network behaviour and system logs, the engine has developed our predictive and discovery capabilities for novel and unknown threats. We have fully embedded this suite of technologies within our self-designed portfolio of security hardware and software products, thereby constructing a dynamic, endogenous security barrier for enterprise users’ continuous and stable operations.

In respect of our energy digital-intelligence solutions, our technology platform converts data resources into intelligent decision-making and create operational value. Our capabilities span the entire lifecycle of industrial data, spanning acquisition, governance, analysis, and application. We utilise IoT technology to ensure the integrity and real-time nature of data collection in complex electromagnetic and physical environments. We have constructed a big data platform and digital twin models tailored for industrial use, capable of virtual mapping and real-time simulation of equipment operational status. We continuously integrate expert domain knowledge with our advanced artificial intelligence algorithms, including machine learning and cutting-edge large model technologies to develop a series of core algorithmic models for predictive maintenance and intelligent operational optimisation. This enables us to assist enterprise users in transitioning from traditional maintenance models reliant on manual expertise to proactive, data-driven management models based on intelligent early warning, directly enhancing their operational efficiency and economic returns.

BUSINESS

In respect of our backup energy storage power solutions, we possess the underlying hardware and intelligent management technologies required to deliver highly reliable power for demanding industrial environments. This reflects our expertise in hardware engineering and embedded systems. We have key technologies ranging from specialised battery design and Battery Management System (BMS) development to integrated power system solutions. Our BMS functions serve as an intelligent “brain” for batteries, utilising algorithms to continuously monitor and manage battery health, effectively extending their service life and ensuring safety under extreme conditions. Based on this, we develop customised, high-specification industrial power and energy storage solutions for special scenarios such as explosion-proof, high-vibration, and wide-temperature-range applications, providing resilient energy support for the stable operation of industrial automation equipment, edge computing nodes, and entire digitalised systems.

Based on the above, we enable organic synergy and efficient deployment of these cross-domain technological capabilities through a unified platform-based architecture. We have constructed a modular, loosely-coupled technology middleware platform that distils our core capabilities into standardised technical components and services. This enables a modular “building-block” approach to rapidly assemble comprehensive solutions tailored to the specific demands of different industries such as power industry, petrochemicals and rail transit. Our “platform-enabled” model not only significantly enhances our efficiency and reliability, enabling technologies used in specific scenario to be reuse across a wider array of scenarios. This constitutes a systemic technological moat that we have built and is difficult to replicate.

Deep Integration of Artificial Intelligence to Drive Operational Efficiency

We have deeply integrated AI into our core equipment and solutions, enabling a transition in industrial cybersecurity and operational maintenance from a reactive model to a proactive, intelligent paradigm. Our AI capabilities are embedded in a technological framework that has undergone large-scale commercial validation and delivers tangible value to enterprise users, serving as a key driver for business growth and product competitiveness.

Within the field of industrial cybersecurity, our AI capabilities are exemplified by our AI-powered threat detection engine, which is widely deployed across our solutions portfolio. Such engine utilises machine learning and deep learning algorithms to perform continuous analysis and modelling of network traffic, user behaviour and system logs. Our AI-powered threat detection engine is effective in identifying unknown malware, detecting concealed advanced persistent threat activities, intelligently correlating and alerting on anomalous operations, thereby allowing enterprise users to achieve early warning of potential attacks.

Our AI applications in the energy sector have established an end-to-end coverage from data perception to intelligent decision-making. Our intelligent monitoring system operates stably at multiple large-scale power industry enterprises. Such intelligent monitoring system provides macro-level perception and trend analysis of vast operational parameters from generating units, enabling early warning of abnormal conditions and effectively assisting operational personnel. Furthermore, our predictive maintenance models, built on machine learning algorithms, conduct in-depth analysis of data such as vibration and temperature from critical rotating equipment, accurately predicting their remaining useful life and failure risks. This guides enterprise users in transitioning from scheduled maintenance to condition-based maintenance, significantly reducing unplanned downtime and maintenance costs.

BUSINESS

A Modular One-Stop Solutions Portfolio with Deep Scenario Integration

We have built a one-stop portfolio of equipment and solutions that addresses the fundamental needs of industrial cybersecurity. Our portfolio provides an integrated system founded on modular design principles and supported by a unifying platform architecture. This enables flexible configuration and deep embedding into enterprise users’ specific operational scenarios. It comprehensively spans the critical value chain from security protection and intelligent operations to reliable power supply. This allows us to provide customised, highly reliable , and integrated value delivery across a vast spectrum of industries.

In terms of our comprehensive solutions, we have established a solid portfolio comprising a wide range of self-developed products and supporting software platforms which includes key equipment categories such as industrial firewalls, host security agents, security audit systems, IoT security terminals, dedicated cryptographic devices, intelligent sensors, battery management systems, and industrial-grade power supplies. We maintain in-house research and development and generally purchase various specified hardware from our suppliers and subsequently embed our self-developed software into the hardware purchased from suppliers. With proven validation in demanding industrial environments, our equipment has been deployed at scale and demonstrated exceptional reliability and stability. With cumulative stable operational runtime measured in tens of thousands of hours across thousands of real-world projects, this performance forms the foundation of long-term from large-scale enterprise users trust.

We possess a robust capability for flexible solution assembly. Beginning with a deep understanding of industry-specific workflows and critical challenges, we rapidly configure, combine, and integrate our standardised products into targeted solutions. For example, for the power sector, we can promptly deliver integrated solutions encompassing security protection for power plant control systems, intelligent inspection and condition assessment for transmission and transformation assets, and highly reliable backup power systems for distribution networks. For the petrochemical industry, we provide tailored solutions that integrate explosion-proof security products, predictive maintenance systems designed for continuous operation, and safe specialised power supplies for hazardous areas.

This “modular built, scenario-integrated” model affords us strong market adaptability and expansion efficiency. By adapting and enhancing modular components, we efficiently replicate proven successes into emerging sectors such as smart manufacturing, rail transit, and metallurgy and mining. This allows us to respond swiftly to their unique requirements for cybersecurity, data intelligence, and energy management. Our solutions are deeply embedded within the core operational processes of enterprise users, including production control, asset management, and energy supply. This aligns technological value with commercial value, which we believe is the key factor which underpins our ability to maintain long-term stable relationship with enterprise users.

BUSINESS

Extensive Coverage of Key Enterprise Users and Strong Service Capabilities

We have established a comprehensive service system centred around providing deep, integrated support to major enterprise users within our target industries. Our competitive strength lies in our demonstrated capacity to secure and maintain ongoing relationship with large-scale state-owned enterprises and major enterprise users. Amongst enterprise users of our solutions, state-owned or state-controlled enterprises contributed 69.3%, 69.7%, and 80.8% of our revenue for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, respectively. Leveraging our profound technical expertise and tailored solutions, we have established strong collaboration with well-known SOEs and other government-owned enterprises and maintained ongoing project service relationships with them throughout the Track Record Period. SOE users that have consecutively used our solutions in their projects for three years or above contributed to 57.5%, 54.3% and 70.5% of our revenue in 2023, 2024 and the nine months ended 30 September 2025, respectively. This demonstrates strong user satisfaction, which is a testament of our professional capabilities and strong project execution capabilities. Successfully serving these key enterprise users is a direct reflection of our standing and comprehensive capabilities in the market, which in turn generates high-quality orders, sustained repeat business, and a stable cash flow.

Our sales and service system is underpinned by an integrated and efficient sales, delivery, service, and operations network. To guarantee seamless liaison with the strategic state-owned enterprises clients in key sectors, we have embedded a dedicated major-industry client service team within our sales infrastructure. This team operates as a single point of contact with committed personnel for delivery and after-sales support, ensuring that large-scale and multi-regional projects receive real-time coordination and priority escalation at every stage of the engagement. We maintain localised sales and service centres in 31 provincial-level administrative regions across Chinese Mainland, ensuring complete geographic coverage and proximity for immediate response to our clients’ needs.

Building on this infrastructure, our service delivery is defined by its dual pillars of rapid response and deep operational engagement. Regarding response, we commit to and provide 24/7 support, with an average on-site response time consistently maintained at a leading level within the industry, thereby maximising the continuity and stability of enterprise users’ core operations. For strategic enterprise users, we provide ongoing security operations, penetration testing exercises, and personnel training. We have established long-term collaboration agreements with key clients, offering Managed Security Services (“MSS”) and intelligent security operations.

Our robust service system translates directly into strong commercial outcomes. Leveraging our deep service network and stable relationships with enterprise users, we are positioned to proactively identify emerging user needs and jointly develop new application scenarios, such as photovoltaic power station security and energy storage system management. This has fostered a virtuous cycle of comprehensive service, value feedback, and collaborative innovation. This key-account-centric sales and service system, distinguished by its extensive coverage, rapid response, and deep client integration, constitutes a core pillar of our strength to enhance customer lifetime value and solidify our competitive market position.

BUSINESS

Experienced and Forward-Looking Management Team Supported by Strategic Investors

Our success is supported by a stable core management team with extensive experience and a strategic investors that provide substantial industry resources and validation to us. Our core management team has remained stable over a significant period, specifically, our Chairman possesses working experience in power automation and communications, providing insight into the industrial cybersecurity industry. Our general manager has extensive management experience, bringing strong capabilities in commercial operations and corporate management.

Our management team composition reflects a necessary integration of industrial, security, and technical expertise. Key personnel bring backgrounds from fields including industrial automation, cybersecurity, communications technology, artificial intelligence and power electronics. Such multidisciplinary foundation supports the design of solutions aligned with enterprise users’ industrial operational requirements.

Furthermore, we are supported by a group of strategic shareholders. These include the investment vehicles of industrial and government-controlled entities, such as investment entities controlled by State Power Investment Corporation Limited (SPIC)* (國家電力投資集團有限公司), China National Nuclear Corporation* (中國核工業集團有限公司), China United Network Communications Group Co., Ltd.* (中國聯合網絡通信集團有限公司), China Information and Communication Technologies Group Corporation* (中國信息通信科技集團有限公司), State Grid Corporation of China* (國家電網有限公司) and SAIC Motor Corporation Limited* (上海汽車集團股份有限公司), as well as investment funds affiliated with the Chinese Academy of Sciences* (中國科學院). The involvement of these shareholders provides access to sector-specific resources and application scenarios, thereby enhancing our business development capabilities and long-term growth potential.

OUR STRATEGIES

Building on our established leadership in industrial cybersecurity and capabilities in energy digitalisation, we have formulated focused development strategies that are closely aligned with our business strengths and are intended to reinforce our competitive position, capture emerging structural opportunities, and underpin long-term value creation.

Integrating of Cutting-Edge Technologies and Adapting to Full Application Scenarios

We seek to integrate cutting-edge technologies and endeavour to achieve adaptation to full application scenarios. We are committed to continuously enhancing our capabilities in technological iteration, product innovation and production capacity within three key offerings: industrial cybersecurity solutions, energy digital-intelligence solutions, and backup energy storage power solutions. We believe this effort will help establish a core competitive advantage capable of serving multiple industries and fulfilling diverse requirements of enterprise users.

BUSINESS

Industrial Cybersecurity Solutions: We will upgrade our end-to-end software and hardware infrastructure and strengthen our R&D and technological capabilities. Focusing on core technology breakthroughs and the integration of cutting-edge technologies, we will enhance critical capabilities such as industrial control protocol analysis and vulnerability discovery. We will deepen the application of AI and edge computing in security detection and operations, developing solutions that blend standardisation with customisation. This will enable us to extend our reach from core industries into diverse sectors and improve our project delivery capabilities.

Energy Digital-intelligence Solutions: We will drive the evolution of our solutions towards greater intelligence and platform-based services, empowering efficient transformation of enterprise users in relevant industries. By integrating technologies like data sensing and large-scale models, we will optimise core products such as intelligent operation and maintenance systems and smart monitoring platforms. This facilitates a shift from a reactive response model to one of proactive prevention, building a comprehensive, full-lifecycle service system for energy digitalisation and intelligence.

Backup energy storage power solutions : We will concentrate on scenario-specific adaptation and production capacity advancement to create a highly reliable product portfolio. Leveraging innovation in Battery Management System (BMS) technology and optimising battery packaging structures, we will develop tailored solutions for various specialised scenarios, including vessel and mining applications. Concurrently, we will advance the intelligent modernisation of the production facilities of Haibo Electric to achieve simultaneous improvements in capacity, efficiency, and product consistency.

Implementing Platform-Centric Strategy and Enhancing Ecosystem Collaboration

We are dedicated to a solutions approach founded on a platform-based architecture, following a model of incubation, expansion and promotion. This aligns with the industry trends towards platform-oriented, ecosystem-led solutions. By leveraging our validated modular technical framework, we will consolidate core functionalities into reusable standard components, thereby increasing the efficiency of both solutions development and deployment.

- The incubation phase will focus on the iteration and enhancement of fundamental modules, including industrial security, data intelligence, and high-reliability energy management.
- The expansion phase will utilise our sector-specific expertise and experience gained from serving significant clients to swiftly assemble platform capabilities into tailored solutions for high-growth markets such as smart manufacturing rail transit and commercial spaceflight.
- This model of platform-enabled, efficient replication is designed to promote our entry into new markets whilst upholding high standards in project delivery.

BUSINESS

Expanding strategically into High-Growth Emerging Sectors

While we continue to reinforce our leading position in core markets like power industry and petrochemicals, we will pursue strategic expansion into high-growth emerging sectors. Demand for security and digital intelligence in these areas is experiencing rapid acceleration. We will apply our adaptable methodology of modular construction and scenario-specific integration at the product and solution level, supported by our broad and responsive service framework. Dedicated teams will be formed for targeted emerging industries. By uniting our advanced technology platforms with thorough research into the unique operational processes and risk landscapes of new sectors, we aim to deliver effectively customised solutions. This disciplined approach seeks to replicate the successful commercial and technical frameworks proven in our established sectors, thereby constructing additional reliable pillars for growth.

Capitalising on International Opportunities

We are proactively preparing to engage with the international expansion of industrial cybersecurity capabilities. Emerging global markets demonstrate consistent demand for securing and intelligently modernising critical infrastructure. Possessing a mature suite of solutions that are applied in complex operational environments, alongside advanced competencies in intelligent integration and practical experience from major projects, we believe we are equipped for international participation. We will concentrate on strategic regions including Central Asia, Southeast Asia, and the Middle East. In collaboration with key domestic industrial partners, we intend to provide integrated value encompassing products, solutions, and operational services. Our longer-term goal extends beyond initial market access to include integration within local ecosystems, contribution to standards development, and the cultivation of a trustworthy international brand, with the long-term aim of establishing overseas operations.

Pursuing Selective Strategic Investments and Acquisitions

In light of industry trends towards consolidation and ecosystem-based competition, and with the aim of reinforcing our core strengths and completing our industrial value chain, we will selectively pursue strategic investment and acquisition opportunities. We will focus on targets possessing solutions complementary to our existing services and offerings, which are expected to generate synergistic effects. Priority will be given to investment and acquisition opportunities in industries related to new quality productive forces, hard technology, energy digitalisation and intelligence, and security sectors, thereby further strengthening our core technological capabilities. Additionally, our attention will be paid to enterprises across the industrial chain’s upstream and downstream sectors, aiming to achieve integration and extension of the industrial chain through acquisitions, thereby further enhance our market competitiveness. The purpose is to accelerate market development, deepen service offerings, or secure key resources, thereby strengthening the industrial ecosystem that supports our sustainable long-term development.

BUSINESS

BUSINESS MODEL

Overview of Our Offerings

We generate our revenue from three types of offerings: (i) provision of integrated solutions; (ii) hardware and software; and (iii) provision of technical services.

In providing our solutions, we generally purchase various specified hardware from our suppliers and subsequently embed our self-developed software into the hardware purchased from suppliers. Our products, being the fully assembled systems, are able to provide comprehensive solutions to enterprise users based on their specific needs.

Our strong industry expertise and technology capabilities, coupled with our in-depth understanding of end-user requirements enable us to deliver differentiated value to our customers. In hardware procurement from our suppliers, instead of purchasing standard components, we engage in a customised, specification-driven process to designate specified hardware based on the distinct operational profiles and industry characteristics of enterprise users. We guide the customisation and selection of hardware – encompassing product form, interface configuration, processing power and beyond. This approach is engineered to ensure reliability, stability, security and system-wide compatibility with our self-developed software and operating system. Our proprietary software and operating system development is built upon our integrated technology system. This system allows us to develop products that are deeply tailored to specific industry environments and enterprise users’ needs. Our products are compatible with the complex industrial control systems of leading domestic and international industrial automation suppliers, which creates a significant technological complexity barrier and positions us well to be selected as the specialised industrial cybersecurity solutions provider when enterprise users have existing industrial control systems provided by these leading industrial automation suppliers. Leveraging our leading industry position and our established relationship with key players in the ecosystem, we believe our deep industry knowhow accumulated over the years combined with our strong technology capabilities collectively ensure our products are not easily replicated by others and are optimised for superior performance and user satisfaction.

BUSINESS

The following table sets out our revenue by offering type for the periods indicated.

	For the Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Industrial cybersecurity								
Solutions	473,839	100.0	643,900	88.6	359,170	100.0	418,797	95.4
Energy digital-intelligence								
solutions (Note 1)	–	–	82,900	11.4	–	–	20,059	4.6
Backup energy storage								
power solutions (Note 2)	–	–	–	–	–	–	–	–
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

Note:

- (1) We have generated revenue from the provision of Energy digital-intelligence solutions since we strategically acquired the Beijing BKC in 2024 and consolidated its financial results into our Group since 1 October 2024.
- (2) We provide backup energy storage power solutions through Haibo Electric, which we strategically acquired in December 2025 and therefore no revenue was recorded for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025.

The nature of our offerings encompasses (i) provision of integrated solutions such as industrial cybersecurity solutions, energy digital-intelligence solutions, or backup energy storage power solutions which include embedding relevant product lines of software and hardware in enterprise users' industrial systems and providing corresponding services, or (ii) standalone sales of hardware and software, or (iii) provision of technical services. These three streams collectively enables us to deliver end-to-end value to our clients. By combining tailored solution design with proprietary and third-party products, and further supported by ongoing assembly, maintenance and training services, we not only address immediate security and operational needs but also foster long-term engagement.

BUSINESS

Revenue Recognition

For the provision of integrated solutions or provision of technical services, revenue is recognised only after acceptance of the final solutions or services by our customers. For sales of hardware and software, revenue is recognised at the point when our customers receive and take control of the hardware and/or software we provide. The following table sets forth a breakdown of our revenue by different nature of our offerings for the periods indicated.

	For the Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Provision of integrated solution services	388,212	81.9	523,208	72.0	210,643	58.6	255,680	58.3
Sales of hardware and software	49,059	10.4	159,319	21.9	134,525	37.5	160,071	36.5
Provision of technical services	36,568	7.7	44,273	6.1	14,002	3.9	23,105	5.2
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

Summary of Our Projects

Our revenue is mostly project-based. The average length of our projects is not longer than one year.

We generated revenue from 651, 807 and 683 projects (including ongoing projects and completed projects during the respective year/period) in 2023, 2024 and nine months ended 30 September 2025, respectively. The following table sets out the number of projects awarded to us and completed for the years/periods indicated.

	Years ended 31 December		Nine months ended
	2023	2024	30 September 2025
Projects brought forward	32	44	113
Number of new projects awarded	655	864	702
Number of projects completed	(643)	(795)	(656)
Projects carried forward	44	113	159

BUSINESS

The following table sets out the contract value (excluding VAT) of projects awarded to us and revenue recognised for the years/period indicated:

	Years ended 31 December		Nine months ended
	2023	2024	30 September 2025
	RMB'000	RMB'000	RMB'000
Outstanding contract value (excluding VAT) as at the beginning of the year/period	53,621	64,856	226,739
Contract value (excluding VAT) of projects awarded during the year/period ^(Note)	485,074	888,682	631,151
Revenue recognised during the year/period	(473,839)	(726,800)	(438,856)
Outstanding contract value (excluding VAT) as at the end of the year/period	64,856	226,738	419,034

Note: The contract value (excluding VAT) of projects awarded during the year/period refers to the increase in the contract amount attributable to new projects during the relevant year or period.

Industrial Cybersecurity Solutions

We are dedicated to providing comprehensive and in-depth industrial cybersecurity solutions for enterprises users. Our offerings encompass eight core product lines : (i) detection and assessment; (ii) protection and isolation; (iii) monitoring and auditing; (iv) platform management; (v) edge IoT; (vi) cryptography transformation for national standards; (vii) smart operations and maintenance; and (viii) intelligent safety supervision. We also deliver tailored solutions for critical infrastructure scenarios.

The development of our industrial cybersecurity solutions is centred on building an active, intelligent, and integrated industrial cybersecurity defence architecture. Through layered deployment and coordinated operation, our solutions aim to equip clients with comprehensive capabilities, transitioning from perimeter defence to endpoint protection, from reactive response to proactive operations, and from point-in-time security to systematic security management.

BUSINESS

Detection and assessment product line

This product line is designed to establish comprehensive, multi-layered industrial network security posture awareness and risk early-warning capabilities. By monitoring network traffic in real-time, accurately capturing advanced threats, and discovering system and configuration vulnerabilities, our product provides full-coverage detection from external intrusions to internal risks, enabling enterprise users to shift from a “reactive defence” posture to “proactive discovery” and mitigate security risks at their inception.

- **Intrusion Detection:** Serves as a real-time monitoring and analysis node for network traffic, continuously identifying and logging internal and external unauthorised intrusions and anomalous behaviour, triggering immediate alerts.
- **Industrial Control Threat Detection:** Focuses on identifying and blocking network viruses, malware, and advanced persistent threats that are difficult for traditional defence systems to detect.
- **Industrial Control Vulnerability Scanning and Management System:** Specifically designed for Industrial Control Systems (ICS) to discover security vulnerabilities in industrial equipment, proprietary protocols and applications, providing remediation guidance.
- **Network Vulnerability Scanning System:** Conducts unified security configuration checks and compliance assessments for various assets within the network, identifying potential vulnerabilities.

Protection and isolation product line

This product line provides a systematic, in-depth defence for critical industrial scenarios, covering core aspects such as endpoints, network boundaries, data exchange, and internal network, aiming to systematically reduce the likelihood and impact of security incidents.

- **Host Security Guardian:** Protects industrial hosts and production endpoints from threats like ransomware through behavioural detection, whitelisting mechanisms, and dynamic backup technologies.
- **Industrial Control Firewall:** Acts as an access control and traffic filtering hub between different security zones, providing granular policy control as well as analysis and protection for industrial protocols.
- **Network Isolation and Information Exchange System:** Employs physical isolation or unidirectional data transfer technologies to facilitate necessary data exchange while eliminating cross-network infiltration risks.
- **Intrusion Detection and Malware Protection System:** Deployed within the internal network to identify and block network attacks and malware propagation in real-time.

BUSINESS

- **Data Security and Encryption Products:** Utilises national commercial cryptography algorithms to protect the confidentiality and integrity of core data during storage and transmission.

Monitoring and auditing product line

This product line is dedicated to building a “visible, manageable, and traceable” industrial security operation and auditing framework. Through centralised monitoring, analysis, and logging, it enhances incident response efficiency and management compliance.

- **Industrial Control Security Audit:** Continuously monitors the behaviour of critical industrial control equipment and network communications, enabling asset visibility, anomalous behaviour alerts, and threat source identification.
- **Account Management and O&M Audit:** Records and allows replay of the entire process of operational activities, enabling permission control and operational traceability.
- **Log Audit:** Centrally collects and analyses network-wide logs and security events, improving security operation efficiency through correlation analysis.
- **Database Auditing System:** Monitors and audits access behaviour to core data, preventing data leakage and misuse risks.

Platform management product line

This product line aims to build an integrated, intelligent security operations management centre, consolidating heterogeneous security capabilities, addressing data silos, and enabling unified management from enterprise-wide situation awareness to site-level compliance.

- **Security Management Platform:** Provides an integrated product and service system compliant with the Multi-Level Protection Scheme (MLPS) requirements, simplifying the compliance process.
- **Industrial Control Information Security Supervision and Analysis Platform:** Specifically designed for industrial networks, providing centralised monitoring and management for various security devices and hosts.
- **Enterprise-Level Security Operations Platform:** Serves as the command centre for network security posture, enabling security visualisation, monitoring, alerting, and coordinated response.
- **Data Backup and Recovery Appliance:** Provides data disaster recovery backup and rapid recovery capabilities for critical business systems, ensuring business continuity.

BUSINESS

Edge IoT product line

This product line targets Industrial Internet of Things (IIoT) and edge computing scenarios, providing deployable and easy-to-operate lightweight security protection and centralised management capabilities for critical infrastructure such as district heating, water supply, and distributed energy resources.

- **District Heating Specific Data Acquisition Network Device and Management Platform:** Provides integrated security protection and data management from the edge to the centre for smart heating systems.
- **Internet of Things Security Management System:** Enables unified authentication, status monitoring, and security policy distribution for dispersed IoT gateways.
- **Secondary Water Supply Pump House Security Gateway:** Integrates data acquisition, secure connectivity, and protection functions into a single device, simplifying deployment at water supply pump house edge nodes.
- **Distributed Energy Security Data Acquisition Device:** Provides comprehensive capabilities including secure access, communication auditing, and environmental monitoring for scenarios like distributed photovoltaic systems.

Commercial cryptography application production line

This production line addresses the requirements for the application of commercial cryptography and compliance transformation for national standards, helping enterprise users build a self-controllable cryptographic security assurance system.

- **VPN Security Gateway:** Provides remote secure access services based on commercial cryptography algorithms, enabling encrypted data transmission and strong identity authentication.
- **Server Cryptographic Machine:** Serves as the secure core for cryptographic operations and key management, providing high-performance, highly-available commercial cryptography algorithm services.
- **Signature and Verification Server:** Provides digital signature and verification services with legal validity for business systems, ensuring the non-repudiation and integrity of business data.

BUSINESS

Smart operations and maintenance product line

This product line focuses on operational security, bringing dispersed maintenance activities into a unified, standardised control and audit process through technological means.

- **Portable Operations and Maintenance Gateway:** Used for on-site industrial maintenance, integrating identity verification, access control, and operation auditing to enhance field operation compliance.
- **IT Security Operations and Maintenance Service Platform:** Serves as a centralised management platform for enterprise-level remote IT operations and maintenance, enabling process-oriented, ticket-based, and fully-auditable operations.

Intelligent safety supervision product line

This product line leverages artificial intelligence and big data technologies to provide intelligent security analysis and risk perception capabilities for industrial internet scenarios.

- **Intelligent Safety Analysis Platform:** Integrates video intelligence analysis, IoT data fusion, and security posture assessment to enable intelligent identification, alerting, and closed-loop handling of safety risks across all scenarios.

Representative case study

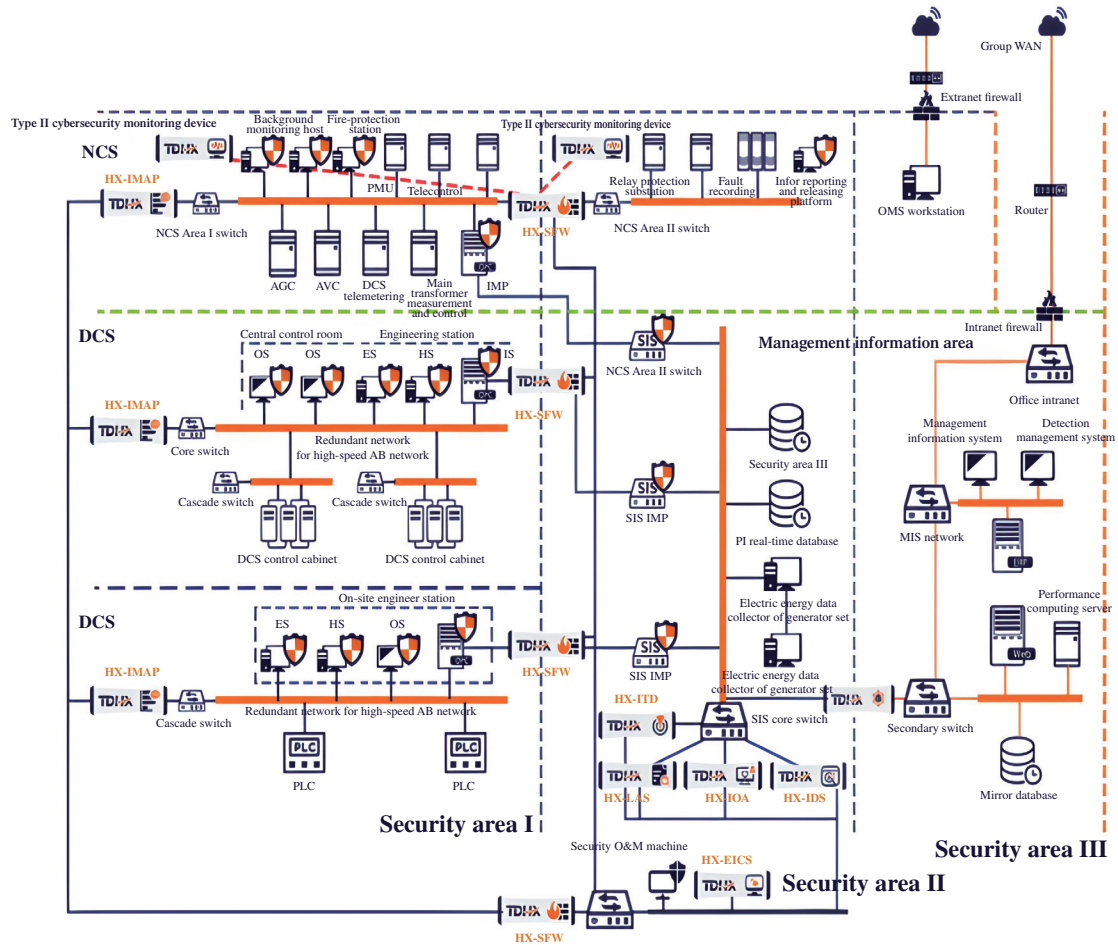
The following case study illustrates our industrial cybersecurity solutions provided for a major power generation group.

We provided cybersecurity solutions to a major power generation group in connection with its power plant control system. This solution aims to build a group-wide, three-tier (group, subsidiary, plant) cybersecurity situation awareness and coordinated operations system for the power generation group.

- **Solution Architecture:** the solution we provided adopts a two-tier platform deployment model. A central-level security operations platform is deployed at the headquarters, while plant-level security devices and collection nodes are deployed at individual power plants. Data aggregation and command linkage are achieved via a wide area network.

BUSINESS

The following diagram sets out an illustration of our solution architecture used in the case study.



Our Products

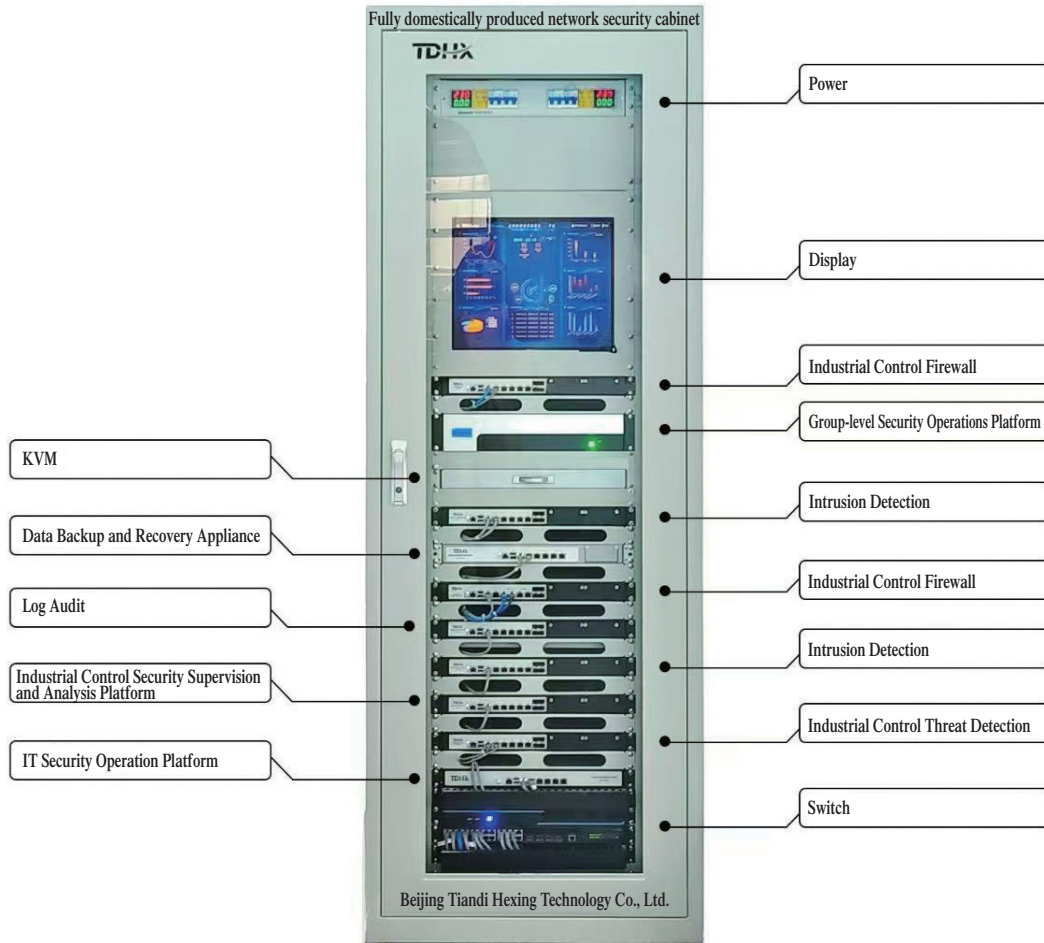
	Detection and assessment	HX-ITD	Industrial control threat detection
	Detection and assessment	HX-IDS	Intrusion detection
	Protection and isolation	HX-HPS	Host Security Guardian
	Protection and isolation	HX-SFW	Industrial Control Firewall
	Protection and isolation	TY600	Power-Specific Horizontal Security Isolation Device (Forward Type)
	Monitoring and auditing	HX-LAS	Log audit
	Monitoring and auditing	HX-IOA	Account management and O&M audit
	Monitoring and auditing	HX-IMAP	Industrial control security audit
	Platform management	HX-EICS	Industrial Control Information Security Supervision and Analysis Platform

Existing Industry Control Equipments of Enterprise Users

	Operator station		Security O&M machine
	Interface Station		DCS control cabinet
	PLC		Management information system
	Core switch		Performance computing server
	OMS workstation		Extranet firewall
	database		Fault recording
	Group WAN		Router

BUSINESS

The following picture sets out an actual display of our products used in the case study.



BUSINESS

- **Core Technology Application:**
 - **AI Agent-Assisted Operations:** The security operations platform incorporates an AI agent that simulates security expert logic, performing noise reduction and correlation analysis on massive alerts, and providing visualised event interpretation and remediation suggestions, significantly improving analyst response efficiency and accuracy.
 - **In-Depth Defence Deployment:** A systematic deployment of products including industrial firewalls, horizontal isolation devices, intrusion detection, host security guardians, and log auditing systems is implemented at the plant level, forming a multi-layered protection system combining network boundary isolation, internal traffic monitoring, endpoint security, and operational behaviour auditing.
- **Achieved Outcomes:** This solution has helped the power generation group to achieve wholistic visibility, accurate analysis, and efficient coordinated response to security risks. It has transformed the security operations model from reactive response to proactive warning and routine, operationalised security posture management, significantly enhancing the overall security protection level and compliance management capability of the electrical critical information infrastructure.

Energy Digital-intelligence Solutions

Our energy digital-intelligence solutions are provided through Beijing BKC, which we acquired in September 2024. This solution leverages digital and intelligent technologies to transform traditional power plants’ operation and management (O&M) from reactive, experience-based practices into a proactive, data-driven, and standardised management model. This enhances equipment reliability, operational efficiency, safety compliance and economic performance.

The implementation of our energy digital-intelligence solutions is built upon four offering series: (i) smart maintenance; (ii) smart operations; (iii) smart safety; and (iv) intelligent new energy power station precision management. These series form an integrated front-middle-backend framework. The frontend establishes visibility into the critical status of equipment, systems, and personnel. The middleware is engineered to accelerate risk assessment, work order generation, and incident response. The backend ensures management outcomes are traceable and measurable.

These four series can be deployed independently or combined as required. They enable power plants to evolve their O&M approach from “reactive breakdown repair” to a proactive cycle of “early warning-rapid response-closed-loop review,” while simultaneously addressing safety, efficiency, and profitability objectives.

BUSINESS

Smart maintenance

The smart maintenance offering focuses on power plant equipment reliability management, advancing practices from “post-failure repair” to “early warning-precision maintenance-closed-loop review.”

The smart maintenance offering covers both primary and secondary equipment lines. For primary equipment, such as key generating units and major auxiliary systems, it provides condition visualisation and risk alerts. This facilitates the early identification of potential faults and allows for proactive scheduling of maintenance windows. It unifies the management of patrols, routine checks, and precision inspections to formulate dynamic maintenance strategies, shifting resources from a uniform allocation to targeted investment in high-risk components.

For secondary equipment, including thermal control and recurrent operational issues, it embeds standardised workflows for early anomaly alerts, fault localisation, and remediation guidance. It also supports the tracking of energy consumption and operational quality, aiding management in the continuous identification of efficiency losses and recurring problems to drive quantifiable and sustained O&M improvements.

Smart operations

The smart operations series is designed to achieve stable, economical, and environmentally compliant power industry. It addresses operational challenges such as deep peak shaving, key performance indicator (KPI) optimisation, and shift efficiency enhancement, helping generating units maintain stability under complex conditions while improving responsiveness.

Through continuous monitoring and optimisation suggestions for critical combustion and energy efficiency processes, it supports the reduction of emissions and energy costs while improving overall efficiency. For operational staff, the intelligent monitoring console provides 24/7 oversight of operational parameters, anomaly alerts, and guided response prompts, reducing workload and minimising losses due to human error. For management, online energy consumption analysis and operational quality tracking deliver quantifiable insights into problem areas and improvement efficacy, which help the formulation of replicable operational strategies.

Smart safety

The smart safety series aims to manage personnel, control work activities, and mitigate risks. It integrates permit-to-work management with access control, video surveillance, and personnel location systems, transforming high-risk work management from “post-incident investigation” to “preventive planning and real-time process control.” A plant-level safety dashboard centrally displays key metrics such as the distribution of high-risk tasks, identified hazards, and rectification progress, providing management with immediate situational awareness. On-site, it employs electronic geofencing and access management to trigger entry alerts and prevent unauthorised access. The system also enables real-time monitoring of work processes with alerts for unsafe behaviours, integrating hazard identification and risk control into a “dual-prevention” closed loop to enhance governance standardisation and enforcement.

BUSINESS

Intelligent new energy power station precision management

The intelligent new energy power station precision management series is tailored for large-scale, geographically dispersed operations of wind and photovoltaic power stations. It emphasises integrated management for remote visualisation, condition assessment, diagnostic early warning and coordinated O&M.

This offering centralises the operational status, alerts, and resolution processes of dispersed assets, enabling O&M teams to rapidly identify and prioritise issues across vast networks, thereby improving fault resolution efficiency. It covers key workflows including inspections, maintenance, health assessments, and performance analysis. It provides continuous quantification of business-critical metrics such as availability rate, efficiency loss, and recurrent faults, supporting lean operations and iterative improvement. This delivers comprehensive value through enhanced availability, improved O&M efficiency, cost reduction, and risk mitigation.

Representative case study

The following case study illustrates an example of our energy digital-intelligence solutions we provided to a power generation group.

Solution overview

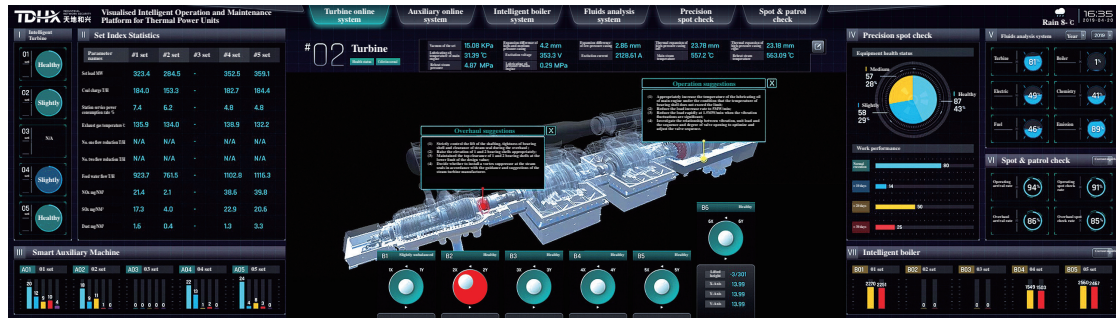
In large-scale power generation facilities, O&M tasks such as routine checks, patrols, and precision inspections are often managed through disparate systems or manual records. This can lead to inconsistent standards, data fragmentation, delayed fault detection, and experience-based maintenance decisions.

We developed and deployed an integrated intelligent maintenance application platform for the power generation group. This platform consolidates multiple capabilities into a unified system, including plant-wide intelligent inspection scheduling, electronic patrol management, precision inspection tools, equipment ledger management, condition monitoring, fault/deterioration diagnostics, full lifecycle equipment data management, maintenance workflow management, and decision-support tools. It establishes a closed-loop management system encompassing “fault discovery -root cause analysis-maintenance scheduling-process documentation-outcome evaluation.”

BUSINESS

Implementation and outcomes

- Visualised Online Monitoring:** The system provides real-time visualisation of equipment health status, supported by diagnostic tools. This allows O&M personnel to quickly determine fault causes and locations, informing maintenance planning and shifting focus from reactive response to proactive identification. The following diagram illustrate the function of our visualised online monitoring system.



- Intelligent Electronic Patrols:** By integrating with operational parameter checklists, the system enables real-time monitoring and multi-dimensional analysis. It supports the graded management of anomalies, unifying them with inspection findings and equipment diagnostics to establish a daily, tiered asset health management model, making patrol data actionable for risk and maintenance decisions. The following diagram illustrate the function of our intelligent electronic patrols.



BUSINESS

- Standardised Inspection Management:** The system digitises operational and maintenance procedures into configurable workflows. Inspection areas, equipment, standard items, cycles, and methods can be flexibly defined, standardising tasks across roles and ensuring traceable record-keeping, thereby reducing risks associated with inconsistent practices.
- Inspection Robots:** The deployment of robots for specific inspection tasks reduces labour intensity and increases coverage frequency. Robots perform detailed examinations, capturing visual and thermal data, and automatically upload findings to the central database, enhancing inspection efficiency and reallocating personnel from repetitive tasks.
- Precision Inspections and Remote Diagnostics:** Utilising visual analytics and a diagnostic knowledge base, the system conducts comprehensive equipment health evaluations. This supports a transition from experience-led judgement to evidence-based diagnosis and recommendations, enabling maintenance to focus on critical risks and facilitating the systematic capture and reuse of expertise for continuous improvement. The following diagram illustrate the function of our precision inspections and remote diagnostics.



Backup Energy Storage Power Solutions

Our backup energy storage power solutions are provided through Haibo Electric. Haibo Electric's backup energy storage power solutions are currently primarily manifested by the provision of standby energy storage power system solutions. These solutions are primarily delivered through four self-developed core product series—industrial backup power, mining battery systems, and marine electrification, along with Battery Energy Management System (BMS). These solutions are designed to provide highly reliable, safe, and environmentally responsible power security for a diverse range of applications, including data centres, mines, vessels, and other critical infrastructure.

BUSINESS

The implementation of our backup energy storage power solutions is built upon four offering series: (i) industrial backup power; (ii) mining power; (iii) marine electrification; and (iv) battery management system (BMS).

Industrial backup power

This series focuses on delivering highly reliable uninterruptible power supply solutions for data centres, communication networks, smart manufacturing, and critical infrastructure. Capable of seamless zero-interruption switching during mains power failure, it ensures the continuous and stable operation of core equipment, preventing data loss and production downtime.

Mining power

This series comprises specialised power equipment developed explicitly for the extreme environments encountered in mining operations, adhering strictly to mining safety standards. Featuring explosion-proof, waterproof, and shock-resistant properties, these systems can operate safely and reliably in underground flammable and explosive atmospheres. They provide intrinsically safe power support for mining monitoring, communication, lighting, and rescue equipment, forming a crucial safeguard for mine safety.

Marine electrification

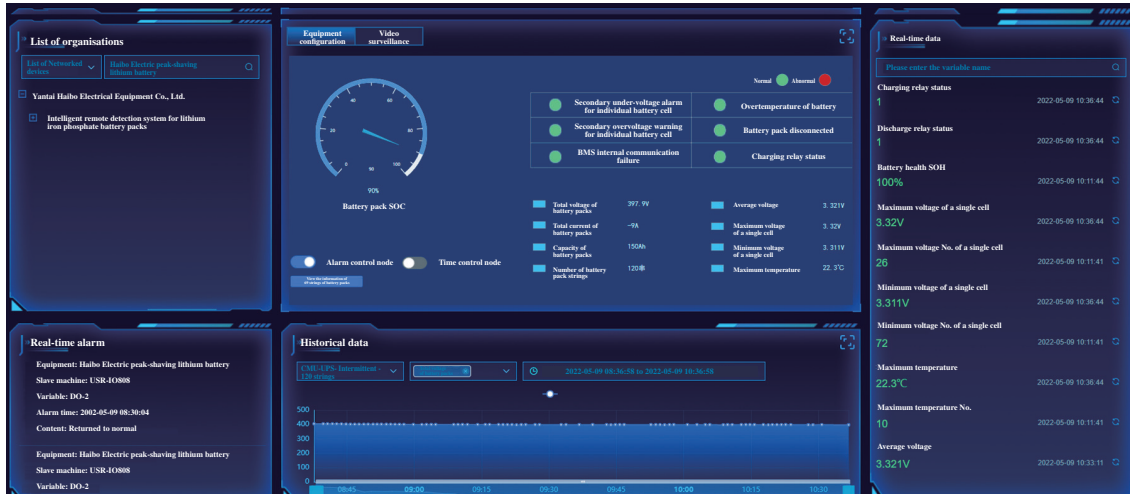
This series is dedicated to the green transition of marine propulsion, offering comprehensive solutions encompassing electric propulsion, shipboard power distribution, shore connection systems, and marine energy storage. Aimed at improving vessel energy efficiency and reducing emissions, it supports the upgrade from traditional mechanical propulsion to hybrid and full-electric drives, suitable for various commercial vessels, workboats, and special-purpose ships.

Battery management system (BMS)

Acting as the core “brain” for all battery applications, this series is an intelligent monitoring and management unit. It performs real-time monitoring of battery pack voltage, current, temperature, and state of health. It enables precise charge/discharge control, cell balancing, and fault early warning, ensuring the safety, efficiency, and long service life of the battery system. It is a critical component for electric vehicles, energy storage systems, and all types of backup power solutions.

BUSINESS

The Battery Management System (BMS) comprises a Central Management Unit (CMU), a Battery Monitoring Unit (BMU), a display interface, and a background communication unit. It conducts real-time safety monitoring and efficient management of lithium-ion battery packs, enhancing battery usage efficiency. The following diagram illustrate the function of our BMS.



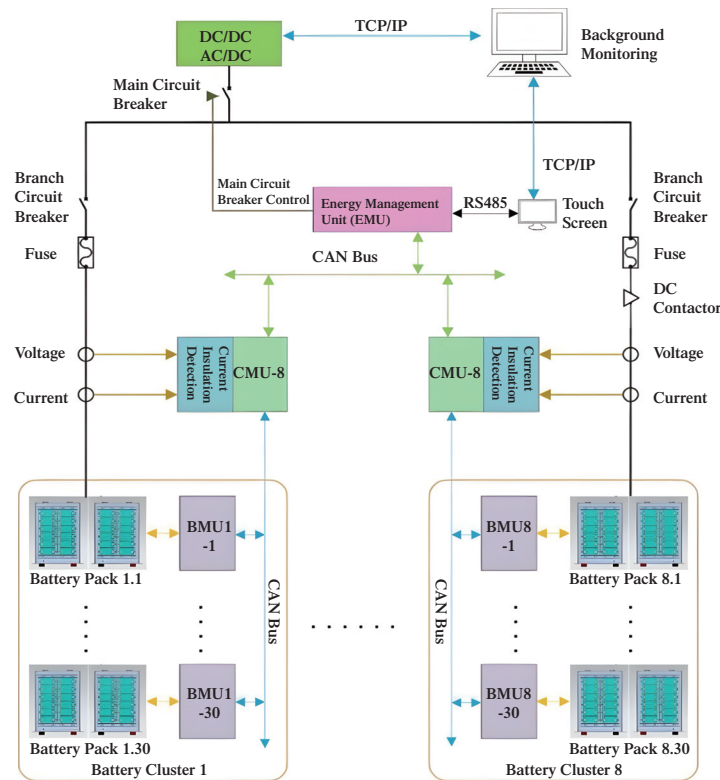
Core technical features

Our standby energy storage power system solutions possesses the following core technical characteristics:

- Lithium Iron Phosphate (LFP) Battery Packs:** Our standardised LFP battery packs feature a compact footprint, high space utilisation, and simplified maintenance, enabling stable and highly efficient power supply.

BUSINESS

- Multi-Layered System Architecture:** Our system employs a tiered architecture to manage battery cells, modules, racks, and the overall system through hierarchical and zonal management. This covers the entire workflow from data acquisition and processing to state monitoring, health assessment, fault early warning, maintenance decision-making, and human-machine interaction, thereby enhancing system reliability and stability. The following diagram illustrate the tiered architecture.



Representative case study

We have successfully delivered a UPS power solution for the control systems of a petrochemical enterprise. This project utilises a UPS power system to provide the petrochemical enterprise with maintenance-free, long-life, and highly reliable LFP battery packs, integrated with an intelligent Battery Management System (BMS). This solution leverages the advantages of lithium-ion batteries, such as high energy density, strong temperature adaptability, excellent charge/discharge performance, and environmental friendliness. Consequently, it ensures stable and reliable power for the petrochemical enterprise while effectively reducing operational and maintenance costs.

BUSINESS

We are able to provide solutions based on deep industry-specific know-how and deliver end-to-end architectures. With in-depth knowledge of industrial protocols and industry-specific compliance and regulatory requirements, our technical capabilities are able to support a wide range of complex industrial needs. In particular, we had a market share of approximately 10.7% in the energy field of the industrial cybersecurity market in China in 2024. Our strategic acquisitions of Beijing BKC and Haibo Electric further enhance our capabilities in the energy sector. The following table sets out our revenue by the industries our enterprise users participated in for the periods indicated.

	For the Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Energy	292,307	61.7	451,803	62.2	211,889	59.0	365,714	83.3
Intelligent Manufacture	84,164	17.8	85,139	11.7	64,276	17.9	35,097	8.0
Rail Transit	43,634	9.2	15,633	2.2	6,119	1.7	9,513	2.2
Metallurgy	29,141	6.2	36,872	5.1	22,974	6.4	15,507	3.5
Emergency & Environmental Protection	14,574	3.1	76,751	10.6	23,086	6.4	6,947	1.6
Others	10,019	2.0	60,602	8.2	30,826	8.6	6,078	1.4
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

OUR R&D AND CORE TECHNOLOGIES

Core Technology Platforms

We have established a proprietary and integrated technology system, encompassing three core technology platforms aligned to our three types of offerings. We believe our integrated technology system could address the critical requirements of security, operational efficiency, computing power, and power reliability for enterprise digital-intelligent transformation, which enables us to provide full-stop solutions tailor-made to commensurate with our customers’ core operational needs.

BUSINESS

Our Industrial Cybersecurity Solutions Technology Platform

Our industrial cybersecurity solutions technology platform is our core security capability, designed to construct an adaptive and intelligent security protection system for industrial scenarios. The following table summarises our industrial core technologies in industrial cybersecurity foundation for our key devices and services.

Area	Core Technologies	Key Characteristics
Communications Security	Deep Industrial Protocol Parsing	In-depth understanding and command-level analysis of dozens of industrial protocols (e.g., MODBUS, IEC 104) for semantic-aware monitoring and blocking.
Threat Intelligence	AI-Powered Security Analytics	Automated correlation analysis and threat hunting across massive, heterogeneous security data using AI models and AI Agents for intelligent response.
Data Protection	Full-Link Cryptographic Application	Integration of national (SM2/SM4/SM9) and international algorithms (AES/RSA) into devices to secure communications, authentication, and critical data.
Resilience Validation	Offensive-Defensive Security Testing	Proactive vulnerability discovery through specialised industrial penetration testing, enabling continuous optimisation of defence postures in a closed loop.

Our industrial cybersecurity solutions technology platform encompasses a comprehensive defence system for critical infrastructure progresses from an in-depth understanding of industrial protocols to proactive intelligent defence. We are able to identify and analyse specialised communication protocols across various industrial environments and understand their underlying business logic and operational commands, thereby enabling the precise detection of concealed attacks. Building on this foundation, we have independently developed a security analytics engine that integrates our proprietary AI algorithms. Through continuous learning from massive volumes of network behaviour and system logs, the engine has developed our predictive and discovery capabilities for novel and unknown threats. We have fully embedded this suite of technologies within our self-designed portfolio of security hardware and software products, thereby constructing a dynamic, endogenous security barrier for enterprise users' continuous and stable operations.

BUSINESS

Our Energy Digital-intelligence Solutions Technology Platform

Our energy digital-intelligence solutions technology platform is a data-driven, AI-centric platform aimed at reshaping the operational and maintenance models of traditional energy enterprises. The following table summarises our energy digital-intelligence foundation for our key devices and services.

Area	Core Technologies	Key Characteristics
Data Acquisition	Smart Sensing & IoT Integration	Full-system, real-time collection of equipment status, parameters, and environmental data via advanced sensor networks and IoT communication.
Data Management	Industrial Data & Platform	Governance, integration, and modelling of multi-source, heterogeneous industrial data to form unified, reusable data assets on a big data platform.
AI Applications	Intelligent Algorithms & Models	Convergence of expert knowledge, AI large language models, and decision optimisation algorithms for predictive maintenance and operational efficiency.
Business Application	Smart Applications	Deployment of innovative applications like remote fault diagnosis, integrated inspections, and AI-powered monitoring to reduce costs and enhance safety.

Our energy enterprise solutions technology platform acts as an AI-centric hub for operational transformation and converts data resources into intelligent decision-making and create operational value. Our capabilities span the entire lifecycle of industrial data, spanning acquisition, governance, analysis, and application. We utilise IoT technology to ensure the integrity and real-time nature of data collection in complex electromagnetic and physical environments. We have constructed a big data platform and digital twin models tailored for industrial use, capable of virtual mapping and real-time simulation of equipment operational status. We continuously integrate expert domain knowledge with our advanced artificial intelligence algorithms, including machine learning and cutting-edge large model technologies to develop a series of core algorithmic models for predictive maintenance and intelligent operational optimisation. This enables us to assist enterprise users in transitioning from traditional maintenance models reliant on manual expertise to proactive, data-driven management models based on intelligent early warning, directly enhancing their operational efficiency and economic returns.

BUSINESS

Our Backup Energy Storage Power Solutions Technology Platform

Our backup energy storage power solutions technology platform provides safe, reliable, and long-lifecycle lithium battery energy systems for industrial applications, forming the bedrock of business continuity. The following table summarises our industrial power technology foundation for our key devices and services.

Area	Core Technologies	Key Characteristics
Pack Engineering	Integrated Battery Pack Design	Holistic design capabilities from cell selection, electrical architecture to mechanical structure, ensuring inherent safety and stability in harsh conditions.
Battery Management	Advanced Battery Management System	Integration of big data AI analysis and high-precision algorithms for accurate state estimation (<3% error), intelligent maintenance, and full-lifecycle safety management.

Our backup energy storage power solutions technology platform possesses the underlying hardware and intelligent management technologies required to deliver highly reliable power for demanding industrial environments. This reflects our expertise in hardware engineering and embedded systems. We have key technologies ranging from specialised battery design and Battery Management System (BMS) development to integrated power system solutions. Our BMS functions serve as an intelligent “brain” for batteries, utilising algorithms to continuously monitor and manage battery health, effectively extending their service life and ensuring safety under extreme conditions. Based on this, we develop customised, high-specification industrial power and energy storage solutions for special scenarios such as explosion-proof, high-vibration, and wide-temperature-range applications, providing resilient energy support for the stable operation of industrial automation equipment, edge computing nodes, and entire digitalised systems.

R&D Infrastructure

We have established a comprehensive R&D framework, comprising three major R&D centres, four specialised security laboratories, and multiple university-industry collaboration partnerships for our industrial cybersecurity solutions. Specifically, our security research institute, as a front-line technology research department, focuses on advanced research in future industrial network defence technologies and systems. Building upon this foundation, we have established four major specialised laboratories: firstly, the Tianyuan Laboratory specialises in security assurance technologies throughout the entire lifecycle of industrial sensitive data; secondly, the Gewu Laboratory focuses on industrial control protocol analysis and system vulnerability mining; furthermore, the Stellar Laboratory is dedicated to research on mobile communication application security in the industrial control sector; meanwhile, the Zeus Shield Laboratory concentrates on R&D of industrial network security isolation technologies.

BUSINESS

We also have a collaborative R&D framework spanning Wuhan and Guangzhou for the provision of energy digital-intelligence solutions, with deep specialisation across multiple domains. Our R&D team focuses on intelligent upgrades within the energy sector, particularly smart power plants. It has a deep strategic emphasis on key technology development, including steam turbine condition monitoring, auxiliary equipment online monitoring, boiler anti-wear and anti-explosion systems, and intelligent monitoring of electrical equipment. By integrating sensor technology, industrial internet capabilities, and big data analytics, we build full lifecycle health management systems for industrial equipment. This enables early warning and precise diagnosis of equipment failures, effectively enhancing the operational safety and reliability of energy enterprises.

With respect to the provision of backup energy storage power solutions, we have one fundamental research laboratory, three applied research laboratories, one systems integration laboratory, and two dedicated testing laboratories. In collaboration with the Institute of Electrical Engineering of the Chinese Academy of Sciences* (中國科學院電工研究所), we have established a joint BMS laboratory, forming a comprehensive, multi-domain R&D system that integrates industry, academia, and research. The fundamental research laboratory specialises in advanced BMS research. The three applied research laboratories are differentiated by their fields of focus: backup and energy storage battery pack research, mining power supply research, and marine electrification research. The systems integration laboratory primarily provides integrated engineering solutions for projects. Through its jointly established BMS laboratory with the Institute of Electrical Engineering of the Chinese Academy of Sciences* (中國科學院), we concentrate on battery management technology research for specific industries.

Our R&D team consisted of 222 personnel as of the Latest Practicable Date and 74% of them had bachelor’s degree or above. We are committed to continuously advancing our technologies so as to maintain our competitiveness and market share and sustain our success. As such, we place significant emphasis on strengthening our R&D and technological capabilities. For the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, our R&D expenses amounted to RMB51.6 million, RMB65.5 million and RMB55.0 million, respectively.

OUR SERVICE NETWORK

We have built a comprehensive, deeply embedded sales and service network across the Chinese Mainland. Through a dual-centre strategy in Beijing and Wuhan, we create a complete, grid-like coverage across northern, central, northwestern, eastern and southern China. Such physical presence is foundation of our vertical penetration into strategic industry clients and build of horizontal nationwide sales system.

To guarantee seamless liaison with the strategic state-owned enterprises users in key sectors, we have embedded a dedicated major-industry client service team within our sales infrastructure. This team operates as a single point of contact with committed personnel for delivery and after-sales support, ensuring that large-scale and multi-regional projects receive real-time coordination and priority escalation at every stage of the engagement.

BUSINESS

Our integrated sales infrastructure focus on eight critical infrastructure areas, including power industry, petroleum, petrochemical, rail transit, smart manufacturing, metallurgy and mining, municipal water, emergency environmental protection and telecommunications operators. These focuses have positioned us not only as a solutions provider but also as a partner with a profound understanding of enterprise users’ operational processes, security challenges and industry evolution. Specifically, our sales team ensures rapid response to local needs and on-the-ground and specialised support for application scenarios. At the group level, our consolidated industry expertise and resources enable us to deliver integrated, bespoke solutions for complex, multi-region national projects covering smart grid upgrades, national pipeline construction and smart water conservation. Overall, our sales structure positions us to effectively support major national projects and initiatives.

Building on this infrastructure, our service delivery is defined by its dual pillars of rapid response and deep operational engagement. Regarding response, we commit to and provide 24/7 support, with an average on-site response time consistently maintained at a leading level within the industry, thereby maximising the continuity and stability of enterprise users’ core operations. For strategic clients, we provide ongoing security operations, penetration testing exercises, and personnel training. We have established long-term framework agreements with numerous key clients, offering Managed Security Services (“MSS”) and intelligent security operations.

The following diagram illustrates our sales network coverage.



BUSINESS

OUR CUSTOMERS

We have established and maintained deep, ongoing relationship with large-scale state-owned enterprises and major enterprise users. We have received certifications and accolades such as being world’s first industrial cybersecurity enterprise to achieve IEC 62443-4-1 certification and a National-level “Specialised, Refined, Distinctive, Innovative” (Little Giant) Enterprise (國家級專精特新「小巨人」企業). These recognitions underscore our role as a trusted supplier and a reliable service provider to some of the most established enterprise users across a variety of industries in the PRC.

During the Track Record Period, we were engaged by either enterprise users or main contractors, depending on the available business opportunities at the relevant time. The enterprise users we serve include large-scale state-owned or state-controlled enterprises in various sectors. The main contractors are generally technology companies or trading companies who may (i) assign us all or part of their project works to the enterprise users by engaging us for the provision of specified solutions; or (ii) purchase hardware and software and standalone technical services from us. The following table sets forth a breakdown of our revenue by customer type for the periods indicated.

	For the Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Sales to enterprise users and their affiliates	107,863	22.8	205,795	28.3	50,955	14.2	89,581	20.4
Sales to main contractors	365,976	77.2	521,005	71.7	308,215	85.8	349,275	79.6
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

In each year/period during the Track Record Period, revenue contributed from our five largest customers accounted for 20.0%, 29.1% and 39.7% of our total revenue in 2023 and 2024 and for the nine months ended 30 September 2025, respectively, while the largest customer contributed 5.1%, 13.5% and 24.5% of our total revenue, respectively, for the same periods. During the Track Record Period, we generally granted a credit term between 0 to 180 days to our customers.

BUSINESS

The following tables set out the details of our five largest customers based on their revenue contribution in each year/period during the Track Record Period. Our five largest customers are calculated on a consolidated group basis. Certain customer groups that are state-owned or state-controlled enterprises include multiple entities, some of which may engage with us as enterprise users while others as main contractors. As a result, a single consolidated customer group may be represented by both customer categories.

For the Nine Months Ended 30 September 2025

Ranking	Customer	Devices/ Percentage of total revenue from us		Customer category	Business Background	Year of commencing business relationship with us	Credit terms
		Revenue RMB'000	services purchased %				
1.	Customer A	107,522.1	24.5	Solutions, products	Main contractors	A company established in the PRC in 2023, primarily engaged in computer software/hardware development and retail, cloud computing equipment sales and technical services, information system integration and technology promotion, with a registered capital of RMB1,000,000.	2025 seven days
2.	Customer B	20,220.6	4.6	Solutions, security services	Enterprise users	A company established in the PRC in 1995, primarily engaged in the development of resource-based products such as coal, the coal-to-liquid and coal chemical industries, power and heat production, port transportation, and financial investment, with a registered capital of RMB132,094,661,149.8.	2017 0-180 days or 0-90 days after Customer B obtains their end customers' receipts of the payment

BUSINESS

Ranking	Customer	Revenue RMB'000	Percentage of total revenue from us %	Devices/ services purchased	Customer category	Business Background	Year of commencing business relationship with us	Credit terms
3.	Customer C	15,883.9	3.6	Solutions, security services, products	Enterprise users and main contractors	A group established in the PRC in 2003, primarily engaged in power source development and construction, production and sale of power and heat, construction of power environmental protection projects, and manufacturing and maintenance of power equipment, with a registered capital of RMB37,000,000,000.	2015	0-60 days
4.	Customer D	15,428.4	3.5	Solutions, security services, products	Enterprise users and main contractors	A group established in the PRC in 2003, primarily engaged in transmission and electricity supply services, power production and dispatch, power science research, overseas project labour dispatch, and industrial investment management, with a registered capital of RMB1,304,520,144,290.5.	2020	0-30 days
5.	Customer E	15,349.5	3.5	Products	Main contractors	A company established in the PRC in 2009, primarily engaged in the R&D of automatic control systems, manufacturing of microwave components, sales of avionics and network equipment, and development of fault diagnosis systems, with a registered capital of RMB25,000,000.	2025	95-180 days
Total		174,404.5	39.7					

BUSINESS

For the Year Ended 31 December 2024

Ranking	Customer	Revenue RMB'000	Percentage of total revenue from us %	Devices/ services purchased	Customer category	Business Background	Year of commencing business relationship with us	Credit terms
1.	Customer L	97,908.3	13.5	Products	Main contractors	A company established in the PRC in 2004, primarily engaged in the sales and maintenance of new energy vehicles, electric motor manufacturing, production and sales of power electronic components, and technology import/export trade, with a registered capital of RMB10,000,000.	2024	0-3 days
2.	Customer F	31,700.2	4.4	Solutions	Main contractors	A company established in the PRC in 2002, primarily engaged in overseas project contracting, computer system services, leasing of computers and communication equipment, and office equipment leasing services, with a registered capital of RMB80,000,000.	2024	0-180 days
3.	Customer C	31,265.3	4.3	Solutions, security services, products	Enterprise users and main contractors	A group established in the PRC in 2003, primarily engaged in power source development and construction, production and sale of power and heat, construction of power environmental protection projects, and manufacturing and maintenance of power equipment, with a registered capital of RMB37,000,000,000.	2015	0-60 days

BUSINESS

Ranking	Customer	Revenue RMB'000	Percentage of total revenue from us %	Devices/ services purchased from us	Customer category	Business Background	Year of commencing business relationship with us	Credit terms
4.	Customer B	28,847.8	4.0	Solutions, security services	Enterprise users	A group established in the PRC in 1995, primarily engaged in the development of resource-based products such as coal, the coal-to-liquid and coal chemical industries, power and heat production, port transportation, and financial investment, with a registered capital of RMB132,094,661,149.8.	2017	0-180 days
5.	Customer G	21,784.3	3.0	Solutions	Main contractors	A company established in the PRC in 2018, primarily engaged in industrial internet data services, IoT technical services, engineering and technical services, IT consultancy, and conference and exhibition services, with a registered capital of RMB30,000,000.	2024	30 days
Total		211,505.9	29.1		-	-	-	

BUSINESS

For the Year Ended 31 December 2023

Ranking	Customer	Revenue RMB'000	Percentage of total revenue from us %	Devices/ services purchased	Customer category	Business Background	Year of commencing business relationship with us	Credit terms
1.	Customer H	24,235.2	5.1	Solutions	Main contractors	A company established in the PRC in 2018, primarily engaged in technology development and promotion, product design, economic and trade consultancy, engineering technology research, and internet data services, with a registered capital of RMB20,625,560.	2022	0-30 days
2.	Customer C	19,811.5	4.2	Solutions, security services, products	Enterprise users and main contractors	A group established in the PRC in 2003, primarily engaged in power source development and construction, production and sale of power and heat, construction of power environmental protection projects, and manufacturing and maintenance of power equipment, with a registered capital of RMB37,000,000,000.	2015	0-180 days
3.	Customer I	17,734.8	3.7	Solutions	Main contractors	A company established in the PRC in 1997, primarily engaged in the manufacturing of high and low voltage switchgear, production of box-type substation equipment, design and manufacturing of photovoltaic inverters, and processing of cable trays, with a registered capital of RMB105,000,000.	2023	payment to us after Customer I obtains their end customers' receipts of the payment.

BUSINESS

Ranking	Customer	Revenue RMB'000	Percentage of total revenue from us %	Devices/ services purchased	Customer category	Business Background	Year of commencing business relationship with us	Credit terms
4.	Customer J	17,150.4	3.6	Products	Enterprise users	A company established in the PRC in 2018, primarily engaged in the development of wearable smart devices, employment agency services, internet information services, and value-added telecommunications services, with a registered capital of RMB30,000,000.	2023	0-30 days
5.	Customer K	15,715.7	3.3	Solutions, security services	Main contractors	A company established in the PRC in 2002, primarily engaged in computer software and hardware sales, software outsourcing services, industrial internet data services, and internet retail (excluding licensed products), with a registered capital of RMB50,000,000.	2017	0-30 days or 30 days after Customer K obtains their end customers' receipts of the payment
Total		94,647.6	19.9					

To the best of our knowledge, for each year during the Track Record Period and up to the Latest Practicable Date, all of our five largest customers in each year/period were Independent Third Parties. There was no past or present relationship (including business, employment, financing, family, trust or otherwise) between the five largest customers during the Track Record Period and us, our Directors, shareholders or senior management, or any of their respective associates. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with the aforementioned customers, nor did we receive any material complaints from such customers. For each year during the Track Record Period and up to the Latest Practicable Date, to the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of the Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers.

BUSINESS

Key Terms of Agreements with Our Customers

We enter into service agreements with our customers for the provision of our offerings, taking into account the operating needs of the enterprise users, the customers’ standardised form and include the following key terms:

- *Duration:* The agreements typically remain in effect for one year from the effective date.
- *Scope of Services:* We provide industrial cybersecurity assurance services covering cybersecurity risk assessment, protection, monitoring and incident response, individually tailored for the critical-infrastructure sites of each industry.
- *Pricing, credit and payment terms:* The customer shall settle the amount within 30 business days upon service acceptance. Payment may be made in instalments as agreed upon.
- *Payment Method:* Customer shall pay by bank transfer in RMB.
- *Customer support:* We provide round-the-clock after-sales support for our customers. For any product quality defects or malfunctions covered under warranty, we offer complimentary maintenance or replacement services. In cases where device failure is due to human error, we provide free repair services with only the cost of replacement parts being charged.
- *Confidentiality:* Both parties both shall strictly adhere to all confidentiality obligations imposed upon the technical documents. These obligations shall endure irrespective of any amendment, rescission, or termination of the service agreement and shall remain in force indefinitely.
- *Intellectual property:* We are under the obligation that our products delivered to customers do not infringe any third party's intellectual property rights, trade secrets or other legitimate rights and interests.
- *Termination:* Termination can only be effected in accordance with the statutory grounds or by mutual agreement between customers and us.

BUSINESS

SUPPLY CHAIN MANAGEMENT

Our purchases from suppliers primarily include designated hardware. To minimise the risk of reliance on any single supplier and maintain sourcing stability and bargaining power, we generally retain multiple suppliers for the products used for our solutions. The number of our suppliers was in excess of 400 and the delivery cycle for the majority of our suppliers does not exceed one month during the Track Record Period.

We have established a rigorous evaluation framework for supplier onboarding, assessing potential vendors to monitor the supplier admission, qualification audits and performance evaluations. We evaluate suppliers on multiple dimensions including their credentials and compliance, the cost, quality and capability of supplied products, the financial stability and the ESG performance. Only those potential suppliers whose overall score meets or exceeds a predefined threshold are considered eligible to proceed in the selection process.

Supplier onboarding is managed systematically through many roles across departments. The production department is primarily responsible for collecting and conducting preliminary assessments of supplier documentation, selecting potential suppliers and organising on-site visits. They obtain certification outcomes, maintain audit records and oversee our approved supplier list. The procurement department ensures supply stability and works to achieve the lowest total cost of procurement. Our product managers, based on the hardware specifications and performance requirements of our product lines and solutions, define detailed material specifications, parameters and performance criteria. They subsequently engage with potential suppliers who meet these requirements, request samples for validation. Following initial supplier selection, our R&D engineers are responsible for conducting on-site evaluations of the suppliers’ technical capabilities and testing the functionality and performance of materials. This division of responsibilities across departments ensures stable and timely material supply, fulfilment of R&D needs and enables us to provide solutions and products to our customers with optimal cost-effectiveness.

Upon becoming an approved supplier, we also employ a tiered management strategy. Each supplier is assigned a performance rating and categorised into one of four tiers: strategic, preferred, approved, or under observation. A differentiated management approach is applied to each tier, thereby optimising our supplier base and maintaining our competitiveness.

Our procurement process involves several key steps to ensure efficient supply management. Initially, we engage in demand planning and supply strategy development, using rolling forecasts to assess device demand and define strategies for managing supply volumes. This is followed by procurement planning and ordering, where we create detailed plans and issue purchase orders to suppliers. Suppliers then fulfil these orders, schedule shipments, and deliver the materials to designated warehouses. Upon arrival, we inspect the raw materials and store them in stock warehouses for hardware use.

BUSINESS

Our procurement strategy combines on-demand purchasing with strategic stockpiling. Using historical data and demand forecasting, we maintain safety stock levels to ensure a stable supply chain and uninterrupted hardware. In addition, we monitor market trends, price fluctuations of hardware, inventory, customer orders and capital allocation to make informed decisions about stockpiling. This approach minimises the risks of price volatility and ensures we stay agile in a competitive and rapidly changing market. Based on demand forecasts, supplier pricing trends and capacity planning, we create rolling procurement plans. These plans guide our purchasing team in requesting quotes, placing orders and coordinating material deliveries. By maintaining close relationships with qualified suppliers and ensuring clear communication, we are able to achieve efficient procurement cycles while maintaining flexibility in responding to changes in market demand.

We have implemented a set of policies on supplier qualification and dynamic management system to monitor the supplier admission, qualification audits, and performance evaluations. We evaluate suppliers on multiple dimensions such as technical capability, quality, delivery performance, service levels and cost-effectiveness. We uphold stringent requirements for supplier admission, assessment, and auditing throughout the supplier lifecycle. Our supplier assessment process evaluates quality, supply reliability, cost, technology and service indicators. We also employ a tiered management strategy, incorporating rewards for excellence, supervised improvement plans, and the removal of underperforming suppliers, thereby optimising our supplier base and maintaining our competitiveness.

OUR SUPPLIERS

During the Track Record Period, our suppliers consisted of (i) manufacturers or their distributors who supplied us with designated hardware, security products and network products; and (ii) providers of basic and ancillary technical services. In each year/period during the Track Record Period, our purchases from our five largest suppliers accounted for 27.3%, 57.8% and 55.5% of our total purchases in 2023 and 2024 and nine months ended 30 September 2025, respectively, while our purchase from the largest supplier accounted for 7.0%, 33.3% and 41.5% of our total purchases, respectively, for the same periods. During the Track Record Period, our suppliers generally granted us a credit term between 0 to 90 days.

BUSINESS

The following tables set out the details of our five largest suppliers based on our purchases from them in each year/period during the Track Record Period:

For the Nine Months Ended 30 September 2025

Ranking	Supplier	Purchase amount	Percentage of total purchase %	Devices/ services purchased	Business Background	Year of commencing business relationship with us	Credit terms
1.	Supplier A	110,204.5	41.5	Products	A company established in the PRC in 2024, primarily engaged in AI application software development, data processing services, manufacturing of computer software/hardware and peripheral equipment, and software outsourcing services, with a registered capital of RMB10,000,000.	2025	Nil
2.	Supplier B	19,679.4	7.4	Products	A company established in the PRC in 2024, primarily engaged in new energy technology development, big data services, integration of AI industry application systems, and IoT technical services, with a registered capital of RMB300,000,000.	2025	Nil
3.	Supplier C	6,943.6	2.6	Products	A company established in the PRC in 2020, primarily engaged in software development and technical consultancy, computer system services, sales of security technology protection products, and sales of communication equipment and electromechanical devices, with a registered capital of RMB3,000,000.	2021	0-180 days

BUSINESS

Ranking	Supplier	Purchase amount	Percentage of total purchase %	Devices/ services purchased	Business Background	Year of commencing business relationship with us	Credit terms
4.	Supplier D	5,670.6	2.1	Products	A company established in the PRC in 2017, primarily engaged in the development of industrial intelligent systems, sales of intelligent agricultural machinery equipment, import/export trade of electronic products, and machinery and equipment leasing services, with a registered capital of RMB13,000,000.	2024	payment to them upon the receipts of our end customers' payment
5.	Supplier E	4,690.3	1.8	Products	A company established in the PRC in 2023, primarily engaged in sales of new energy prime mover equipment, R&D of emerging energy technologies, installation and maintenance of power transmission and supply facilities, and power technical services, with a registered capital of RMB5,000,000.	2025	0-30 days
Total		<u>147,188.4</u>	<u>55.5</u>		-	-	-

BUSINESS

For the Year Ended 31 December 2024

Ranking	Supplier	Purchase amount	Percentage of total purchase %	Devices/ services purchased	Business Background	Year of commencing business relationship with us	Credit terms
1.	Supplier F	106,069.2	33.3	Products	A group established in the PRC in 2016, primarily engaged in computer technology development and promotion, professional translation services, basic software and application software services, and import/export operations, with a registered capital of RMB8,195,570.	2024	payment to them in five days after we obtain the receipts of our end customers' payment
2.	Supplier G	29,597.6	9.3	Products	A group established in the PRC in 2014, primarily engaged in IoT technology development and services, data processing and storage services, socio-economic consultancy, and sales of firefighting equipment and electronic products, with a registered capital of RMB30,670,000.	2024	five days
3.	Supplier H	19,694.4	6.2	Products	A company established in the PRC in 2014, primarily engaged in software development and technology promotion, computer system services, data processing services, and sales of household appliances and computers, with a registered capital of RMB30,000,000.	2021	30 days

BUSINESS

Ranking	Supplier	Purchase amount	Percentage of total purchase %	Devices/ services purchased	Business Background	Year of commencing business relationship with us	Credit terms
4.	Supplier I	19,487.7	6.1	Products	A company established in the PRC in 2020, primarily engaged in geographic remote sensing information services, industrial internet data services, information system integration, and software development and outsourcing services, with a registered capital of RMB10,000,000.	2024	Nil
5.	Supplier C	9,333.9	2.9	Services	A company established in the PRC in 2020. Primarily engaged in software development and technical consultancy, computer system services, sales of security technology protection products, and sales of communication equipment and electromechanical devices, with a registered capital of RMB3,000,000	2021	0-180 days
Total		<u>184,182.8</u>	<u>57.8</u>		-	-	-

BUSINESS

For the Year Ended 31 December 2023

Ranking	Supplier	Purchase amount	Percentage of total purchase %	Devices/ services purchased	Business Background	Year of commencing business relationship with us	Credit terms
1.	Supplier K	11,826.4	7.0	Products	A company established in the PRC in 2017, primarily engaged in 5G communication technology services, R&D of IoT technologies, development of network and information security software, and sales of mobile communication equipment, with a registered capital of RMB1,500,000.	2023	30 days
2.	Supplier L	9,723.1	5.7	Products	A company established in the PRC in 2021, primarily engaged in internet security services, information system integration, data processing services, and sales of computer software/hardware and electronic products, with a registered capital of RMB50,000,000.	2023	payment to them in 15 days after we obtain the receipts of our end customers' payment
3.	Supplier M	8,317.0	4.9	Products	A company established in the PRC in 2019, primarily engaged in the development of network and information security software, integration of AI industry application systems, operational effectiveness evaluation, and information system maintenance, with a registered capital of RMB43,344,166.67.	2023	0-3 days

BUSINESS

Ranking	Supplier	Purchase amount	Percentage of total purchase %	Devices/ services purchased	Business Background	Year of commencing business relationship with us	Credit terms
4.	Supplier N	8,202.6	4.8	Products	A company established in the PRC in 2016, primarily engaged in computer technology training, computer system services, specialised contracting, and sales of communication equipment and building materials, with a registered capital of RMB2,500,000.	2022	0-180 days
5.	Supplier O	8,176.4	4.8	Products	A company established in the PRC in 2018, primarily engaged in sales of cloud computing equipment, sales of information security and IoT devices, sales of network equipment, and retail of computer software/hardware, with a registered capital of RMB1,118,000.	2023	30 days
Total		<u>46,245.5</u>	<u>27.3</u>		-	-	-

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our five largest suppliers in each year/period were Independent Third Parties. There was no past or present relationship (including business, employment, financing, family, trust or otherwise) between the five largest suppliers during the Track Record Period and us, our Directors, shareholders or senior management, or any of their respective associates. During the Track Record Period and up to the Latest Practicable Date, to the best of our Directors’ knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuation in prices set by our suppliers, material breach of contracts on the part of our suppliers or delay in delivery of our orders from our suppliers, nor did we have any material disputes with our suppliers.

BUSINESS

Contractual Agreements with Our Suppliers

The salient terms and conditions of our agreements with our suppliers are set out below:

- *Order Placement:* Procurement orders, which include the device name, quantity, unit price, total purchase amount, delivery date and location, and payment terms and conditions will be placed separately. Suppliers typically do not impose a minimum purchase requirement on us.
- *Shipment and Delivery:* Suppliers are typically responsible for delivering ordered devices to our designated location in accordance with the agreed delivery schedule and assume the costs and risks associated with the shipment. The supplier shall arrange and bear all costs of transportation, delivering the goods to the location specified in the contract and bearing all inherent risks of the goods until delivery. Goods supplied must be in the original manufacturer’s packaging. Packaging for shipment must comply with national standards and include appropriate protective measures such as damp-proof, rainproof, dust-proof according to the nature of the goods. All packaging materials shall be provided and paid for by the supplier. The supplier shall be solely liable for all resulting costs and damages arising from inadequate or improper protective measures taken by the supplier.
- *Credit Terms and Payment Method:* Our suppliers typically grant us a credit term of 0-90 days.
- *Quality Control and Device Returns:* All raw materials must comply with applicable national and industry standards as well as our technical specifications. We conduct inspections upon delivery and reserve the right to reject or return non-compliant goods.
- *Device Warranty:* Generally one year after acceptance.
- *Intellectual Property:* Suppliers shall ensure that their devices do not infringe upon any third-party intellectual property rights, and they shall bear all legal responsibilities and costs incurred by such kind of dispute.
- *Termination:* Generally, the contract can be terminated upon mutual consents.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, we had overlapping customers and suppliers, amounting to 16, 20 and 15 entities in 2023, 2024 and the nine months ended 30 September 2025, respectively. This is because some of our customers in their capacity as main contractors are technology companies who may also supply us certain hardware. These clients are not the exclusive suppliers of such equipment, and the overlap between our procurement and sales activities arises from the differing needs of our projects. For any given project, the same entity will not concurrently serve as both our customer and supplier.

BUSINESS

In 2023, 2024 and the nine months ended 30 September 2025, the total revenue contributed by our five largest customers in terms of revenue contribution who were also our suppliers accounted for 11.1%, 13.7% and 11.8% of our total revenue, and our purchases from them accounted for 0.3%, 1.4% and 0.1% of our total purchases during each year/period in the Track Record Period, respectively. In 2023, 2024 and the nine months ended 30 September 2025, the total purchases from our five largest suppliers in terms of purchase amount who were also our customers accounted for 5.9%, nil and 0.1% of our total purchases, and their revenue contribution to us was nil, nil and 0.1% of our total revenue during each year/period in the Track Record Period, respectively.

Our Directors confirm that all our sales to and purchases from these overlapping customer-suppliers were conducted in the ordinary course of business under normal commercial terms and on arm’s length basis, and are common in the cybersecurity industry in China as by Frost & Sullivan

QUALITY CONTROL

We have established a comprehensive set of quality control and assurance procedures to monitor our operations to ensure compliance with the regulatory requirements and quality requirements during the entire development, manufacturing, delivery and services processes. From incoming material inspection to final outgoing inspection, we conduct comprehensive testing of device functions, performance and reliability to ensure that the delivered devices meet industry standards. We have established an internationally recognised quality management system and have obtained ISO 9001 Quality Management System certification.

We strictly implement rigorous quality control measures and establish a comprehensive customer feedback and complaint handling process to promptly and effectively address customer concerns. We have mainly implemented the following procedures for quality control:

- *Raw Material Inspection and Selection:* We have established a strict certification process for selecting qualified suppliers and a comprehensive evaluation and introduction process for new raw materials, along with rigorous material inspection standards.
- *Hardware Production Process Monitoring:* We have set up key quality control points throughout the hardware production process to enable on-site inspections and monitoring so that we could identify potential issues promptly. Critical parameters and data are recorded in real-time for subsequent analysis and traceability.
- *Device Inspection and Testing:* We have implemented a comprehensive device quality inspection standard, along with nonconforming device and abnormality management standards. Every device undergoes 100% inspection to guarantee the quality of outgoing shipments.
- *Employee Skill Training:* All of our employees undergo rigorous training and pass competency assessments. Additionally, we regularly organise professional skills and quality awareness training to continuously improve employees’ quality consciousness and technical proficiency.
- *Quality Records and Management:* We maintain a robust quality record system to ensure data integrity and traceability. We conduct statistical analysis of quality data to identify potential issues for improvement timely, fostering continuous enhancement of device quality.

BUSINESS

During the Track Record Period and up to the Latest Practicable Date, we did not receive (i) any fines, device recall orders or other penalties from the relevant competent authorities regarding material device quality issues, (ii) any material device returns from our customers, or (iii) any material complaints from consumers. As of the Latest Practicable Date, our Directors and management were not aware of any pending device recalls or investigations/actions by relevant authorities or consumer groups which may lead to a hardware recall.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

As of the Latest Practicable Date, we owned and leased warehouses including for the storage of finished goods and raw materials. We primarily engage third-party logistics service providers to provide delivery services. Finished goods that have passed quality inspections are delivered by the logistics service providers from our warehouses to locations specified by our customers. We select logistics service providers based on their reputation, scale of operations, track record and price. During the Track Record Period and up to the Latest Practicable Date, we had not experience any material disruption in the delivery of our finished goods or suffered any loss due to late delivery or mishandling of finished goods by our logistics service providers.

Our inventory mainly comprises our raw materials and finished goods. Our raw materials primarily devices or hardware we purchase from our suppliers which have not been assembled with our self-developed software. As of 31 December 2023 and 2024 and 30 September 2025, the balance of our inventories was RMB11.8 million, RMB17.5 million and RMB35.2 million, respectively. In 2023, 2024 and the nine months ended 30 September 2025, our inventory turnover days were 26 days, 15 days and 32 days, respectively.

To maintain our competitive position and align our devices with evolving market demands, we have implemented various measures to optimise our inventory levels. These measures include minimising inventory backlog and enhancing our inventory management processes. We have established internal procedures for submission and approval to streamline logistics and standardise purchase orders for our devices. We employ ERP software to track inventory levels as well as ensure appropriate levels of raw materials and finished devices, and monitor the inflow and outflow of items from our warehouses in real-time. We also optimise procurement plans through dynamic inventory analysis to reduce the risk of overstocking.

We conduct comprehensive inventory checks every month and perform spot checks periodically to ensure efficient warehouse operations. We also carry out annual on-site inventory audits and inspections at the end of each year, during which inventory inspection reports are prepared. These reports guide the timely management of obsolete and slow-moving inventories. A dedicated working group leads in conducting inventory audits and inspections, with findings and discrepancies reported to senior management. We believe our inventory control systems and policies have been effective, with no significant supply shortages or inventory overstock issues experienced during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

PRICING POLICIES

We generally determine the price of our solutions on a cost-plus basis with reference to our internal pricing guidelines, taking into consideration the following factors: (i) types of solutions provided; (ii) complexity of the relevant projects; (iii) prevailing market rates of similar solutions offered by our competitors; (iv) payment terms; (v) cost; and (vi) track record and relationship with our customers. In particular, we continuously keep ourselves abreast of changes in the prevailing market rates of service solutions and adjust our pricing policy in a timely manner.

SEASONALITY

Our revenue are affected by seasonality, amongst other factors. Our results of operations have fluctuated from season to season in the past and are likely to continue to fluctuate in the future due to seasonality. During the Track Record Period, we generally recorded a majority of our revenue in the fourth quarter. Such seasonality is primarily attributable to the seasonal nature of project planning and project execution by our customers. The end users of the projects we participate in including large-scale enterprises including SOEs. Generally speaking, the planning and investment management of the relevant industrial projects are conducted in the first half of the year, and the final project inspection and acceptance are conducted in the fourth quarter of the year, resulting in corresponding revenue being recognised in the same period. See “Risk Factors – Risks Relating to Our Business and Industry – We are subject to seasonable fluctuations in revenue”.

INTELLECTUAL PROPERTY

Intellectual property rights are critical in safeguarding our business. We protect our intellectual property rights through a combination of patents, trade secrets, know-how, trademarks, copyrights, anti-unfair competition laws and contractual rights, such as confidentiality agreements. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets and operate without infringing, misappropriating or otherwise violating the intellectual property rights of external parties. We have a dedicated team responsible for intellectual property-related matters, which conducts comprehensive planning for the layout of intellectual properties. Regarding intellectual property infringement, we have established procedures specifically to identify potential infringement.

As of 30 September 2025, we held (i) 158 granted patents, (ii) 261 software copyrights, (iii) 22 trademarks, and (iv) 10 domain names in the PRC. See “Appendix IV – Statutory and General Information – B. Further Information about Our Business – 2. Intellectual Property Rights”

In addition to patent protections, we often rely on the technological skills and innovation of our personnel. We believe that much of our business success is attributable to our strong technological capabilities and customer relationships which we have developed in our business operation. We protect these aspects of our business through a comprehensive framework of legal protections, contractual safeguards and rigorous internal controls.

BUSINESS

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any intellectual property infringement disputes or claims which had any material adverse impact on our Group. Nonetheless, it might become possible that we may not be able to protect our intellectual properties due to some reasons. See “Risk Factors – Risks Relating to Our Business and Industry – We may be unable to obtain, maintain, enforce and protect our intellectual property and proprietary information, which could adversely affect our business and competitive position”.

DATA PRIVACY AND SECURITY

Upon our customer engagement, we carry out the deployment and delivery of products and services on the customer’s premises. We do not have access to or control over the data stored in our services once they are provided to customers. In the course of conducting our business, we primarily collect the following types of user data: contact information, delivery addresses and purchase records. We collect their payment information as part of purchase records to complete the transactions when customers make purchases. In addition, we also collect the basic information of our distributors and their designated contacts to facilitate management. Adhering to the principle of data minimisation, we collect only the essential personal information from our customers, distributors, suppliers and other third-party service providers solely to facilitate the provision of the services.

We have established a comprehensive data security and information management system to ensure the integrity of our systems and the privacy of our data. We have implemented several security measures, including firewalls, intrusion prevention systems, regular penetration tests, vulnerability scans, and disaster recovery plans. We also encrypt data and utilise email security protection systems. We have also adopted rigorous encrypted algorithm to store sensitive data and strictly execute a data accessing and transmitting policy to ensure the confidentiality of our data. We have developed strict internal control and data accessing mechanisms and detailed approval and operation procedures regarding data storage and processing, and established a set of internal protocols on data security, which set out detailed, stringent requirements in relation to the use, disclosure and protection of confidential information. We conduct regular maintenance, inspections and technical upgrades on computers, servers, and information technology infrastructure. We have a comprehensive data backup system to encrypt and store data on servers in different locations in order to minimise the risk of data loss. We also conduct data restoration tests to examine the status of the backup system on a regular basis. We have also developed network and data security contingency plans to enhance internal organisational coordination and emergency response capabilities for cybersecurity and data security incidents.

Looking forward, we remain dedicated to strengthening our data security framework, prioritising innovation and adaptability in our practices to meet the growing expectations of data protection in global markets.

Our PRC Legal Advisers are of the view that we have been in compliance with the relevant PRC laws and regulations relating to cybersecurity and data protection in all material aspects during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

INFORMATION TECHNOLOGY

In the field of information technology, our security solutions represent an integrated approach to safeguarding critical infrastructures. Our Intrusion detection continuously monitors network traffic for potential threats, employing advanced packet inspection and real-time anomaly detection to enhance security. In parallel, our Industrial Firewalls provide robust protection at network boundaries, utilising specialised filtering tailored for industrial protocols to ensure that only legitimate traffic is permitted. Our Security Auditing Platforms centralise and analyse security event logs, facilitating effective forensic investigations and compliance reporting. Collectively, these technologies create a comprehensive framework designed to protect, monitor, and manage security in complex digital environments, collectively laying a solid foundation for our information technology system.

Intrusion Detection

Our Intrusion detection operates as an advanced digital surveillance unit, continuously monitoring network traffic to identify potential threats. It employs deep packet inspection tailored to industrial protocols, enabling it to comprehend the context of communications between controllers, HMIs, and SCADA servers. Featured by a combination of a comprehensive database of known attack signatures with intelligent behavioural analytics that establish a baseline of ‘normal’ network activity, the system can detect anomalies, malicious code, and suspicious command sequences that deviate from this baseline. This provides real-time alerts, allowing security teams to investigate and respond to potential incidents before they can affect the operational environment.

Industrial Firewalls

Our Industrial Firewalls serve as intelligent and fortified gatekeepers for critical network boundaries. Contrast with conventional IT firewalls, these firewalls are designed with understanding of industrial control systems. This capability enables precise definition of security policies, down to specific function codes, register addresses, or command types, ensuring that only authorised and legitimate operational traffic can traverse between network zones. Built with industrial-grade device, these firewalls are engineered for reliability in harsh environments and often feature bypass capabilities to maintain network availability even in the event of a power loss.

Security Auditing Platforms

Our Security Auditing Platforms act as the centralised logbook and analytical hub for security events across the entire digital landscape. They aggregate, normalise, and correlate vast amounts of log data from various sources, including network devices, security appliances, servers, and applications. By employing advanced correlation rules and analytics, these platforms can connect seemingly unrelated events from different parts of the network to uncover complex, multi-stage attack patterns. This capability is essential for forensic investigations, root cause analysis, and demonstrating compliance with regulatory standards by providing comprehensive, searchable records and generating detailed audit reports.

BUSINESS

Our information technology team performs system checks, data back-ups, system maintenance and other activities to secure the continual operation of the critical information technology systems and facilities. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material failure or general breakdown of our information technology systems which had resulted in a material adverse impact on our overall business operations.

COMPETITION

The overall competitive landscape of China industrial cybersecurity market is highly fragmented with low market concentration. This is because the industrial cybersecurity field covers an extremely wide range of industries and scenarios, and there are significant differences in process flows, protocol standards, and compliance requirements across various industries. Currently, market competition is shifting toward ecological aggregation and service-oriented transformation. Competition among vendors focuses on the capability to deliver industry-specific in-depth solutions, i.e., the ability to deeply integrate security products with the business processes of specific industries, and the capacity to provide security operation services and emergency response services.

The energy digital-intelligence integrated solutions in China has seen steady growth and is driven by demand for energy transition and sustainable development, the practicable need for energy security assurance, the strategic guidance of special policies, the promotion by technological innovation and demand for cost reduction, efficiency improvement and new quality productive forces cultivation.

Leveraging the industry’s robust growth, we believe our competitive strengths and focused strategies will allow us to capitalise on market opportunities and sustain our growth.

See “Industry Overview”.

EMPLOYEES

As of the Latest Practicable Date, we had 659 full-time employees. The following table sets out the number of our employees by function as of 30 September 2025.

Function	Number of Employees	% of Total
Management and Operations	198	30.1
R&D	222	33.7
Sales and Marketing	239	36.2
Total	659	100.0

As of 30 September 2025, all of our employees were based in the PRC. As of the same date, approximately 67.0% of our total employees held a bachelor’s degree or above.

BUSINESS

Our ability to attract, retain and motivate employees is critical to our success. We offer employees competitive salaries and performance-based cash bonuses. We have designed various recruiting programmes targeted at potential talent meeting our operational needs. We believe that our reputation, work environment, training system, and remuneration package are advantageous that attract qualified candidates. We primarily recruit our employees through referrals, online channels including our website and social networking platforms and on-campus job fairs. We believe that we offer our employees competitive compensation and that we are able to attract and retain qualified personnel and maintain a stable core management team.

As required by the PRC laws and regulations, we participate in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. Bonuses are generally discretionary and based in part on employee performance and in part on the overall performance of our business. During the Track Record Period and up to the Latest Practicable Date, we did not make full contribution to social insurance and housing provident funds for certain employees in accordance with the relevant PRC laws and regulations. For more information, see “Risk Factors – Risks Relating to Our Doing Business in China – We may be subject to additional social insurance fund, housing provident fund contributions and late fees or fines imposed by relevant regulatory authorities”.

We enter into standard labour and confidentiality agreements with our employees. For employees with access to trade secrets and core technologies, we have implemented stringent confidentiality agreements. Our employees are currently represented by labour union. We believe that we maintain a good working relationship with our employees, and we have not experienced any material strikes, work stoppages or labour disputes during the Track Record Period and up to the Latest Practicable Date.

PROPERTIES

Our corporate headquarters are located in Beijing, China.

Owned Properties

As of the Latest Practicable Date, we owned properties with a gross floor area of 5,546.1 sq.m., for which the we have obtained building ownership certificate. These properties are generally used for office, manufacturing and R&D. The following table sets out the details of our owned properties.

No.	Location	Usage	Area (m ²)
1.	No. 63, Tengji Yuan, Guanjing East Road, Tengyue Town International Golf Tourism Resort (騰越鎮國際高爾夫旅游度假村觀景東路騰吉苑63號樓)	Staff accommodation	371.75
2.	Unit 101, Workshop 23, No. 36 Jingsan Road, High-Tech Zone, Yantai (煙台高新區經三路36號23號廠房101號)	Manufacturing	1,871.66

BUSINESS

No.	Location	Usage	Area (m^2)
3.	Unit 101, Workshop 15, No. 36 Jingsan Road, High-Tech Zone, Yantai (煙台高新區經三路36號15號廠房101號)	R&D, manufacturing, office	1,562.31
4.	Unit 103, Building 3-1, No. 222 Xinxing'an Street, Donggao District (東高新興安大街222號3-1-103)	Office	679.71
5.	Unit 203, Building 3-1, No. 222 Xinxing'an Street, Donggao District (東高新興安大街222號3-1-203)	Office	679.71
6.	Room 01, 5th Floor, Building 2-05, Phase II, Optical Valley · Core Centre, No. 303 Optical Valley Avenue, Donghu New Technology Development Zone, Wuhan (東湖新技術開發區光谷大道303號光谷·芯中心二期2-05棟5層01室)	Office	380.96

Leased Properties

As of the Latest Practicable Date, we leased 34 properties in China with an aggregate GFA of approximately 11,357.83 sq.m., all from Independent Third Parties. The properties we leased are primarily used for R&D, staff accommodation and office. The following table sets out the details of our leased properties.

No.	Location	Usage	Area (m^2)	End of Leased Term
1	Floors 6, West and North Zones, Building 7, East Zone, Courtyard 10, Northwest Wang East Road, Haidian District, Beijing (北京市海淀區西北旺東路10號院東區7號樓西區6層、北區6層)	R&D, office	1,880	9 April 2026
2	5th Floor, North Zone, Building 7, East Zone, Courtyard 10, Northwest Wang East Road, Haidian District, Beijing (北京市海淀區西北旺東路10號院東區7號樓北區5層)	R&D, office	640	9 April 2026

BUSINESS

No.	Location	Usage	Area (m^2)	End of Leased Term
3	Unit 1, 14th Floor, Flat 1701, Building 31, Zone 2, No. 6 East Fourth Ring North Road, Chaoyang District, Beijing (北京市朝陽區東四環北路6號二區31號樓14層1單元1701)	Staff accommodation	239.41	30 April 2027
4	Room 301, Taibai Pavilion, Xi'an Software Park, No. 72 Keji 2nd Road, High-Tech Zone, Xi'an City, Shaanxi Province (陝西省西安市高新區科技二路72號西安軟件園太白閣301)	Office	311	30 June 2026
5	Room 1283, Unit 1, Building 13, No. 71 Wusi West Road, Chengxi District, Xining City, Qinghai Province (青海省西寧市城西區五四西路71號13號樓1單元1283室)	Staff accommodation	163.45	28 August 2026
6	Flat 1302, Unit 2, Building 5, Vanke Jadeite Park, Jinfeng District, Yinchuan City, Ningxia Hui Autonomous Region (寧夏回族自治區銀川市金鳳區萬科翡翠公園5號樓2單元1302室)	Staff accommodation	139.69	17 October 2026
7	Unit 2, 2nd Floor, Flat 2028, Building 32, Courtyard 8, Northeast Wang West Road, Haidian District, Beijing (北京市海淀區東北旺西路8號院32號樓2層2單元2028)	Staff accommodation	150.92	6 November 2026
8	Unit 20.08, 20th Floor, Building 1, Technology Digital Building, No. 1 South Lane, Zhongshan Road, Tianshan District, Urumqi City, Xinjiang Uygur Autonomous Region (新疆維吾爾自治區烏魯木齊市天山區中山路南巷1號科技數碼大廈1棟20層20.08)	Staff accommodation	60.17	5 November 2026
9	Flat 1602, No. 175 Tianhe North Road, Tianhe District, Guangzhou City, Guangdong Province (廣東省廣州市天河區天河北路175號1602房)	Staff accommodation	98.57	14 November 2026

BUSINESS

No.	Location	Usage	Area (m^2)	End of Leased Term
10	Part of Entire 4th Floor, Building 4, Poly NARI Intelligence Centre, No. 38 Xinmofan Road, Gulou District, Nanjing City, Jiangsu Province (Self-numbered 407) (江蘇省南京市鼓樓區新模範馬路38號保利南自智匯中心4棟4層整層部分(自編號407)號房)	Office	102	4 February 2026
11	Unit 7, 5th Floor, Flat 6018, Building 33, Courtyard 8, Northeast Wang West Road, Haidian District, Beijing (北京市海澱區東北旺西路8號院33號樓5層7單元6018)	Staff accommodation	110.2	28 February 2026
12	No. 2, 1st Floor, Unit 1, Building 14, Guanshanhu No.1, No. 54 Jinyang South Road, Guanshanhu District, Guiyang City, Guizhou Province (貴州省貴陽市觀山湖區金陽南路54號觀山湖1號14棟1單元1層2號)	Staff accommodation	335.41	28 February 2026
13	Flat 304, Building 12, Vanke Hai You Fu, Jinan City, Shandong Province (山東省濟南市萬科海右府12號樓304室)	Staff accommodation	225	24 February 2026
14	Rooms 1522 & 1523, 15th Floor, Building 2, Longguang Century, No. 8 Zhongjian Road, Qingxiu District, Nanning City, Guangxi Province (廣西省南寧市青秀區中東路8號龍光世紀2號樓第15層1522、1523號房)	Office	129.34	10 April 2026
15	Shop 6, Entrance 6, Building 21, Huizhan Jiayuan Residential Quarter, No. 29 Minfu Street, Nangang District, Harbin City, Heilongjiang Province (黑龍江省哈爾濱市南崗區民福街29號會展家園小區21棟6門市)	Office	88.78	17 April 2026

BUSINESS

No.	Location	Usage	Area (m^2)	End of Leased Term
16	Room 3, 32nd Floor, Unit 2, No. 3-1 Shenyang Road Street, Dongling, Shenyang City, Liaoning Province (遼寧 省瀋陽市東陵沈營路街3.1號2單元32樓3 室)	Staff accommodation	158.95	31 July 2026
17	Units 10.15 & 10.14, Building 1, No. 42 Jinzhou Avenue, Northern New Area, Chongqing (重慶市北部新區金州大道42 號1幢10.15、10.14號)	Office	102.16	20 July 2026
18	Room 1503, 15th Floor, Building 9, No. 80 Jinshui East Road, Zhengdong New District, Zhengzhou City, Henan Province (河南省鄭州市鄭東新區金水東 路80號9號樓15層1503號)	Office	139.08	14 November 2026
19	Room 105 (No. 101), Building 8, Northeast Asia International Financial Centre, No. 1060 Renmin Street, Nanguan District, Changchun City, Jilin Province (吉林省 長春市南關區人民大街1060號東北亞國 際金融中心8號樓101號105室)	Office	110	9 October 2026
20	Rooms 11, 12 & 13, 10th Floor, Gemdale Centre, No. 66 Kunsheng Road, Xishan District, Kunming City, Yunnan Province (雲南省昆明市西山區坤盛路66號金地中 心10層11、12、13號)	Office	458.5	6 March 2026
21	Flat 301, Building K2, Xingda Yuan Residential Quarter, Datun Sub-district, Datun Town, Gejiu City, Honghe Hani and Yi Autonomous Prefecture, Yunnan Province (No. 301, 64 Haihong Road, Datun Sub-district) (雲南省紅河哈尼族 彝族自治州個舊市大屯鎮大屯街道興達 園小區K2幢301號住房 (大屯街道海鴻 路64號301號))	Staff accommodation	78.57	16 July 2026

BUSINESS

No.	Location	Usage	Area (m^2)	End of Leased Term
22	Flat 0604, Unit 1, 6th Floor, Building 1, No. 1 Jifu Road, Taiyuan City, Shanxi Province (山西省太原市集阜路1號1幢一 單元6層0604號)	Office	384.45	10 October 2028
23	Room 2201, Block B, Innovation Centre, Peking University Science Park, No. 127-1 Zhongguancun North Street, Haidian District, Beijing (北京市海澱區 中關村北大街127-1號北大科技園創新中 心B座2201室)	Office	172.3	12 January 2027
24	Room 307, 3rd Floor (Internal to Section 1.5), Building 1, No. 1A Beishatan, Chaoyang District, Beijing (北京市朝陽 區北沙灘甲1號1幢1.5內3層307室)	Office	300	28 February 2026
25	Units T2.2501, T2.2502, T2.2503, T2.2504, T2.2505, T2.2506, T2.2507, 25th Floor (Above Ground), Office Tower T2, Yuexiu International Financial Hub, No. 17 Jingwu Road, Jiangnan District, Wuhan City, Hubei Province (湖北省武 漢市江漢區精武路17號越秀國際金融匯 T2寫字樓地上二十五層 T2.2501、T2.2502、T2.2503、 T2.2504、T2.2505、T2.2506、T2.2507)	Office	1,416.88	28 February 2029
26	Unit 01, 5th Floor, Block A, No. 8 Malianwa North Road, Haidian District, Beijing (北京市海澱區馬連窪北路8號A 座五層01號)	Office	930	15 June 2027
27	Unit 201, Building 13, Yibei Jiayuan, Haidian District, Beijing (北京市海澱區 頤北家苑13號樓單元201)	Staff accommodation	90	31 August 2027
28	Unit 3, Flat 501, Building 11, Liulang Jiayuan North Area, Haidian District, Beijing (北京市海澱區柳浪家園北里11 號樓3單元501)	Staff accommodation	77	9 August 2026

BUSINESS

No.	Location	Usage	Area (m^2)	End of Leased Term
29	Unit 2, 22nd Floor, Flat 2202, Building 6, Courtyard 1, Longyu Middle Road, Changping District, Beijing (北京市昌平區龍域中路1號院6號樓22層2單元2202)	Staff accommodation	87.6	31 August 2026
30	No. 28, Qianzhang Village, Shangzhuang Town, Haidian District, Beijing (北京市海淀區上莊鎮前章村28號)	Staff accommodation	260	31 October 2026
31	No. 386 East Hanxi Avenue, Nancun Town, Panyu District, Guangzhou City (廣州市番禺區南村鎮漢溪大道東386號)	Office	182.832	31 March 2028
32	Room 1502, 15th Floor, Commercial Building 2, Towers C & D, Greenland Central Plaza No.1, No. 15 Saihan District, Hohhot City, Inner Mongolia (內蒙古呼和浩特市賽罕區15號綠地中央廣場壹號C座D座商業2號樓15層1502)	Office	360.75	10 February 2026
33	Flat 3.404, Building 2, Diamond Court, East of Alishan Street, Shijiazhuang Economic and Technological Development Zone, Gaocheng District (稿城區石家莊經濟技術開發區阿里山大街以東鑽石苑2號樓3.404)	Staff accommodation	153.5	4 June 2026
34	Unit 101, Workshop 15, No. 36 Jingsan Road, High-Tech Zone, Yantai City (煙台高新區經三路36號15號廠房101號)	R&D, production, office	1,562.31	30 June 2026

BUSINESS

Pursuant to PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, eight of our lease agreements were not registered with the relevant authorities. According to our PRC Legal Advisers, the failure to complete such registration process does not affect the validity of the relevant property lease agreements, and a penalty of RMB1,000 to RMB10,000 may be imposed for the non-registration of each lease agreement.

According to Chapter 5 of the Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which require a valuation report with respect to all our Group’s interests in land or buildings, for the reason that we had no single property with a carrying amount of 15% or more of our total assets in the most recent audited consolidated balance sheet.

INSURANCE

During the Track Record Period, we mainly maintained insurance on vehicles and third-party logistics and we also provided social insurance, including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees. Most of our insurance policies are subject to standard deductions, exclusions and limitations.

We believe that our insurance coverage is in line with industry practice in the PRC, including with respect to the terms and coverage of the insurance policies. However, there is no assurance that the insurance policies we maintain are sufficient to cover all of our operational risks. Our management will evaluate the adequacy of our insurance coverage from time to time and purchase additional insurance policies as needed. For more information, please refer to “Risk Factors – Risks Relating to Our Business and Industry – Our insurance coverage may not fully address the risks associated with our business and operations”.

BUSINESS

AWARDS AND RECOGNITION

During the Track Record Period, we received numerous recognitions for our technologies as well as our devices and services. Some of the significant awards and recognition we received are set out below.

Award Name	Issuing Authority	Award Date
World’s first industrial cybersecurity enterprise to achieve IEC 62443-4-1 certification* (全球首家獲得IEC62443-4-1標準認證的工業網絡安全企業)	DEKRA* (德凱)	21 Dec 2021
CMMI Level 5 Certification for Software Development* (CMMI軟件開發五級認證)	CMMI Institute	15 Sep 2023
National-level “Specialised, Refined, Distinctive, Innovative” (Little Giant) Enterprise* (國家級專精特新”小巨人”企業)	Ministry of Industry and Information Technology (MIIT)* (工業與信息化部)	July 2024
National High-Tech Enterprise* (國家高新技術企業)	Beijing Municipal Science & Technology Commission, Beijing Municipal Finance Bureau, Beijing Municipal Taxation Bureau, State Administration of Taxation* (北京市科學技術委員會、北京市財政局、國家稅務總局北京市稅務局)	29 October 2024

BUSINESS

Award Name	Issuing Authority	Award Date
Beijing “Specialised, Refined, Distinctive, Innovative” SME* (北京市“專精特新”中小企業)	Beijing Municipal Bureau of Economy and Information Technology* (北京市經濟和信息化局)	Oct 2024
Beijing Enterprise Technology Centre* (北京市企業技術中心)	Beijing Municipal Bureau of Economy and Information Technology* (北京市經濟和信息化局)	Oct 2022
CNNVD Level 2 Technical Support Unit* (國家信息安全漏洞庫(CNNVD)二級技術支撐單位)	China Information Security Evaluation Centre* (中國信息安全測評中心)	12 Dec 2025
“Butian Award” – Outstanding Product for Cyberspace Self-Reliant Innovation* (網信自主創新優秀產品“補天獎”)	Key Information Infrastructure Technology Innovation Alliance, National Engineering Laboratory for Critical Technologies of Information Security Level Protection* (關鍵信息基礎設施技術創新聯盟、信息安全等級保護關鍵技術國家工程實驗室)	June 2021
Top 50 Competitive Enterprises in China’s Cybersecurity Industry 2022* (2022年中國網安產業競爭力50強)	China Cybersecurity Industry Alliance* (中國網絡安全產業聯盟)	June 2022
Top 100 High-Growth Enterprises in Zhongguancun 2021* (2021中關村高成長企業TOP100)	Zhongguancun High-Tech Enterprise Association* (中關村高新技術企業協會)	Jul 2022
Outstanding Case in Industrial Internet Integration Innovation Promotion Initiative* (工業互聯網融合創新行業推廣行動優秀案例)	China Federation of Industrial Economics* (中國工業經濟聯合會)	Jul 2022

BUSINESS

Award Name	Issuing Authority	Award Date
Typical Application Demonstration Case for Industrial Security Systems 2022* (2022年工業安全系統典型應用示範案例)	Industrial Control System Information Security Industry Alliance* (工業控制系統信息安全產業聯盟)	Jan 2023
2023 Outstanding Support Unit for Industrial Information Security Monitoring and Emergency Response* (2023年度工業信息安全監測應急優秀支撐單位)	National Industrial Information Security Development Research Centre* (國家工業信息安全發展研究中心)	Dec 2023
2023 Digital Economy Hidden Unicorn Enterprise* (2023數字經濟隱形獨角獸企業)	Digital Economy Unicorn Evaluation Committee* (數字經濟獨角獸評價委員會)	Dec 2023
Second Prize, First Power Construction Digital Intelligence Competition* (中國電力建設企業協會首屆電力建設數智化大賽二等獎)	China Electric Power Construction Enterprise Association* (中國電力建設企業協會)	Oct 2024
Second Prize, 5th Safety Science and Technology Award* (中國安全生產協會第五屆安全科學技術獎二等獎)	China Association of Work Safety* (中國安全生產協會)	Dec 2024
2024 Top 100 Beijing Specialised, Refined, Distinctive, Innovative Enterprises* (2024北京專精特新企業百強)	Beijing Enterprise Confederation* (北京企業聯合會)	Jan 2025
2024 Top 100 Beijing Digital Economy Enterprises* (2024北京數字經濟企業百強)	Beijing Enterprise Confederation* (北京企業聯合會)	Jan 2025
2024 High-Quality Industrial Security Service Provider of the Year in Automation* (2024中國自動化領域年度優質工業安全服務商)	Chinese Association of Automation* (中國自動化學會)	Apr 2025

BUSINESS

Award Name	Issuing Authority	Award Date
2025 Deloitte Resilience Growth Excellence Enterprise* (2025德勤韌性生長卓越企業)	Deloitte* (德勤會計師事務所)	Aug 2025
Energy First Prize, “Huacai Cup” Computing Power Innovation Application Competition* (“華彩杯”算力創新應用大賽能源一等獎)	“Huacai Cup” Computing Power Innovation Application Competition Organising Committee* (華彩杯”算力創新應用大賽組委會)	Sep 2025
“Golden Wisdom Award” Annual Innovation Leading Enterprise* (“金智獎”年度創新領航企業)	Information Security and Communications Confidentiality Magazine* (《信息安全與通信保密》雜誌社)	Oct 2025
Beijing Intellectual Property Advantageous Unit* (北京市知識產權優勢單位)	Beijing Intellectual Property Office* (北京市知識產權局)	Nov 2025
China Institute of Communications Science and Technology Award (Second Prize)* (中國通信學會科學技術獎(二等獎))	China Institute of Communications* (中國通信學會)	Dec 2025

BUSINESS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We are fully committed to complying with all applicable national, municipal, and local laws and regulations pertaining to environmental protection, labour management, health and safety, business ethics, and other relevant areas. These policies will comprehensively cover key areas including (i) ESG policies and performance disclosure, (ii) ESG strategic planning and implementation, and (iii) ESG risk identification, management, and monitoring mechanisms. We proactively identify and mitigate ESG risks through systematic assessment and targeted response plans.

Our Board of Directors acts as the top decision-making body for ESG matters, leading the formulation of ESG strategic direction, setting key targets, and overseeing the implementation of core initiatives. It regularly reviews ESG performance, assesses progress against objectives, and integrates ESG goals into the Group’s overall business strategy.

ESG Goals

We focus on areas such as business ethics, environmental responsibility, employee responsibility sustainable supply chain, intellectual property protection and community engagement, and we intend to put our efforts in the following directions and goals:

- (i) **Business Ethics:** We are committed to preventing corruption through a robust business ethics management framework, including dedicated policies and procedures.
- (ii) **Environmental Responsibility:** We will continuously enhance resource utilisation efficiency, reduce our direct carbon emissions, and increase the rate of resource recycling.
- (iii) **Employee Responsibility:** Recognising employees as invaluable assets, we are dedicated to safeguarding their legitimate rights, such as encompassing workplace safety and health, competitive remuneration, comprehensive welfare programmes, and initiatives to boost employee engagement and satisfaction.
- (iv) **Sustainable Supply Chain:** We aim to build a sustainable supply chain by optimising our management systems and requiring suppliers to fulfil ESG obligations in key areas such as labour practices, environmental protection, privacy safeguards, business ethics, and occupational health and safety.
- (v) **Intellectual Property Protection:** We are firmly committed to safeguarding intellectual property rights by strictly complying with applicable laws and regulations, implementing robust internal protection mechanisms, and proactively promoting intellectual property awareness among all employees—all to prevent infringement risks and uphold the integrity of innovation.
- (vi) **Community Engagement:** We are committed to increasing investment in public welfare initiatives to make positive contributions to society.

BUSINESS

Business ethics

Our Group has long attached great importance to anti-corruption management, recognising it as a crucial cornerstone for the enterprise’s healthy, stable, and sustainable development. We have incorporated anti-corruption clauses into key documents such as the Supplier Integrity Agreement (《供應商廉政協議》), embedding the anti-corruption concept into all aspects of corporate operations and employees’ daily work.

Through multi-channel publicity and educational initiatives, all employees have gained a clear understanding of the significance of anti-corruption efforts to the Group’s development. This has fostered a strong anti-corruption cultural atmosphere within the enterprise, creating a positive environment where all employees participate in and abide by relevant rules.

During the Track Record Period and up to the Latest Practicable Date, we remained fully compliant with all applicable PRC laws and regulations relating to anti-corruption.

Environmental responsibility

As a leading enterprise in the Cybersecurity Service industry, our Group does not operate any production facilities nor engage in manufacturing activities, resulting in a relatively minimal environmental impact during our operations. Nevertheless, we fully recognise the growing societal emphasis on environmental protection. Accordingly, we strictly adhere to the PRC’s environmental laws and regulations and implement targeted environmental protection measures to mitigate our ecological footprint.

During the Track Record Period and up to the Latest Practicable Date, we have not incurred any material capital expenditures or compliance costs due to violations of environmental protection related laws and regulations. If there are any changes to the existing laws or regulations, we may be required to comply with more stringent compliance requirements and incur additional costs in the future.

Response to climate change

Given the nature of our business, we believe we are not significantly vulnerable to the impacts of climate change. Furthermore, we do not anticipate that potential changes to China’s climate-related regulations will have an adverse effect on our business operations. We will continue to monitor climate-related risks. In the event of extreme natural weather, we will actively comply with relevant policies issued by local governments and formulate emergency plans to ensure the safety of our employees. For acute physical risks – such as direct asset damage or indirect supply chain disruptions caused by extreme weather events – we will establish corresponding emergency and disaster preparedness plans, and we are confident in our ability to respond to such climate-related challenges. During the Track Record Period and up to the Latest Practicable Date, our business operations, strategy, or financial performance have not been materially impacted by environmental, social, or climate-related issues.

BUSINESS

Air pollutant management

Our Group’s air pollutant emissions primarily stem from the use of business vehicles, with nitrogen oxides (NO_x), sulphur oxides (SO_x), and particulate matter (PM) as the main contaminants. To mitigate such emissions, we have prohibited the use of high-emission vehicles – including diesel trucks meeting National IV or lower emission standards – within our operations. We require company vehicles to prioritise electric or hybrid models where feasible. Additionally, we conduct regular maintenance for our corporate fleet – including routine inspections and proper tire inflation – to optimise vehicle efficiency and reduce air pollutant emissions during operation.

The table below demonstrates a breakdown of our air pollutant emission generated from business vehicles record during the Track Record Period:

Air pollutant emission	Unit	Year ended 31 December		Nine months ended
		2023	2024	30 September 2025
Nitrogen oxides (NO _x)	kg	1.93	1.66	1.17
Sulphur oxides (SO _x)	kg	0.03	0.03	0.02
Particulate matter (PM)	kg	0.14	0.12	0.09

Waste management

We ensure all waste treatment activities fully comply with PRC laws and regulations, guaranteeing safe and compliant handling throughout the entire process.

As our core business is cybersecurity services, no hazardous waste is generated from our operations. Our non-hazardous waste primarily consists of ordinary office waste. To promote a circular economy, we reuse envelopes, file folders, and other stationery items, while minimising the use of disposable and non-recyclable products.

The table below sets forth a breakdown of the amount of waste generated during the Track Record Period:

Waste generation	Unit	Year Ended 31 December		Nine months ended
		2023	2024	30 September 2025
Non-hazardous waste	tonne	6.35	8.97	5.54
Intensity of non-hazardous waste	kg/million RMB of revenue	13.40	12.34	12.62

BUSINESS

Use of resources

As a cybersecurity service provider, our Group sources all resources from compliant supply channels. In terms of energy consumption, the main energy used in our operations includes gasoline for company-owned vehicles, while electricity powers all operational activities. For water resources, we rely on the municipal water supply, which supports daily operations of facilities, premise hygiene maintenance, and daily needs of employees in office buildings and canteens. Overall, our business activities have a relatively minimal impact on these resources.

We strictly comply with all relevant PRC laws and regulations governing resource management, and are committed to enhancing resource utilisation efficiency through continuous optimisation to minimise potential adverse environmental impacts. We attach great importance to energy conservation and emission reduction, and have implemented a series of internal resource-saving rules: for example, turning off air conditioners and lights when offices are unoccupied to avoid excessive energy use; requiring regular equipment maintenance at office facilities to ensure optimal energy efficiency; encouraging employees to reuse water where feasible; and requiring immediate reporting of water leaks in faucets, pipes, or toilets. Through these initiatives, we aim to continuously reduce resource consumption and contribute to a more sustainable future.

The table below presents a breakdown of our electricity and water consumption during the Track Record Period:

Energy and resources consumption	Unit	Year Ended 31 December		Nine months ended
		2023	2024	30 September 2025
Direct energy consumption ^(Note 1)	MWh	22.38	19.33	13.54
Direct energy consumption intensity	MWh/million RMB of revenue	0.05	0.03	0.03
Electricity consumption	MWh	149.37	156.43	93.12
Electricity consumption intensity	MWh/million RMB of revenue	0.32	0.22	0.21
Water consumption	tonne	728	807	652
Water consumption intensity	tonne/million RMB of revenue	1.54	1.11	1.49

Note:

1. Including gasoline consumption by self-owned vehicles.

BUSINESS

Greenhouse gas emissions

Our Group attaches great importance to greenhouse gas (GHG) emissions and is firmly committed to exploring effective emission reduction pathways, with a series of carbon reduction initiatives already implemented. Specific measures include: setting clear temperature standards for air conditioners in summer and winter; advocating the priority use of natural light for illumination; enabling auto-screen-off mode for all personal computers; prioritising energy-efficient multi-function devices to reduce reliance on standalone printers; ensuring timely power-off of projectors, monitors, and similar equipment after use; and adopting video conferences to replace non-essential overseas business trips.

We also prioritise enhancing our employees’ environmental protection awareness through internal communications and guidance, fostering a culture where energy conservation is embedded in daily work routines. These collective efforts are aimed at reducing our overall carbon footprint.

The table below sets forth our GHG emissions during the Track Record Period:

GHG emission	Unit	Year Ended 31 December		Nine months ended
		2023	2024	30 September 2025
Scope 1 Greenhouse Gas direct emission ^(Note 1)	tonne CO ₂ e	5.55	4.80	3.36
Scope 2 Greenhouse Gas indirect emission ^(Note 2)	tonne CO ₂ e	80.15	83.94	49.97
Scope 3 other Greenhouse Gas indirect emission ^(Note 3)	tonne CO ₂ e	0.31	0.34	0.27
Total Greenhouse Gas Emissions	tonne CO ₂ e	86.01	89.08	53.60
Total Greenhouse Gas Emissions Intensity	tonne CO ₂ e/million RMB of revenue	0.18	0.12	0.12

Notes:

1. Scope 1 direct emission includes the GHG emissions from our self-owned business vehicles. Emissions factors refer to the “HKEx – How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs”.
2. Scope 2 indirect emission primarily includes the GHG emissions from our usage of purchased electricity. The emission factor is referred from the database of IEA and Chinese average emission factor of the national power grid.
3. Scope 3 other indirect emission includes the GHG emissions from electricity for the treatment of water and wastewater.

BUSINESS

Employee Responsibility

Our Group regards employees as a vital asset, with their growth being integral to the Group’s own development. Guided by our people-oriented philosophy, we are committed to providing employees with equitable opportunities, a healthy and safe working environment, and a democratic, harmonious corporate culture.

Employment

We strictly comply with applicable PRC laws and regulations governing employee compensation, dismissal, equal opportunities, diversity, and anti-discrimination. We have entered into formal labour contracts with all employees to safeguard their legitimate rights and interests, and ensure full legal compliance throughout recruitment, probation, and dismissal – consistent with the provisions set forth in the “Employee Handbook” (《員工手冊》), “Onboarding and Probation Management System” (《入職與試用期管理制度》) and “Resignation and Termination Management System” (《離職管理制度》).

We uphold the principle of equal employment and oppose all forms of discrimination, ensuring that decisions regarding recruitment, compensation, and promotion are not influenced by factors such as employees’ skin colour, nationality, gender, or age. We strictly prohibit the use of child labour and forced labour, with all employees being at least 18 years of age upon recruitment. Meanwhile, we exercise rigorous oversight over employee overtime work and advocate for a healthy work-life balance, which we believe not only safeguards employees’ personal well-being but also enhances overall operational efficiency and job satisfaction.

In terms of compensation and benefits, we have formulated the “Performance Appraisal Management System” (《績效考核制度》) to establish a performance-oriented culture, enabling objective and impartial evaluations of employees’ work performance, leadership capabilities, and corporate values-alignment. Incentive and development plans are tailored based on individual performance and growth potential. Our welfare coverage includes social insurance, various paid leave entitlements (annual leave, marriage leave, maternity leave, paternity leave, and parental leave), as well as pre-employment medical examinations conducted through designated institutions.

Occupational Health and safety

Occupational health and safety is a core priority of our Group’s operational management. We strictly comply with relevant PRC laws and regulations on labour safety and workplace incident management, always putting employees’ physical and mental health first, and are committed to building a safe and dynamic working environment. To safeguard employees’ health rights and interests, we arrange annual health check-ups for employees who have been with the company for more than one year, and provide pre-employment physical examinations for new recruits through designated medical institutions.

BUSINESS

Given that our Group’s workplaces are mainly office areas, we have launched a series of safety assurance and awareness-raising initiatives, details of which are as follows:

- i. Formulated clear investigation and handling systems for different potential safety accidents, and equipped all workplaces with first-aid supplies to ensure that emergencies can be handled promptly and properly.
- ii. Conducted regular safety inspections and maintenance of facilities and equipment, with a focus on checking fire-fighting equipment, maintaining constant vigilance against fire and explosion risks, and ensuring that all safety systems are always in usable condition.
- iii. Implemented comprehensive safety management guidelines, including strictly prohibiting open flames in warehouses, banning the entry of flammable and explosive dangerous goods, and requiring immediate shutdown of equipment if abnormal noises occur during operation, with fault operation strictly forbidden.
- iv. Organised regular emergency drills and safety training sessions, covering fire response, accident handling, and daily safety precautions, to effectively enhance employees’ safety awareness and practical operation capabilities.

During the Track Record Period and up to the Latest Practicable Date, we remained fully compliant with relevant regulations, with no material safety incidents or non-compliance issues recorded.

Health and Safety Indicators	Year Ended 31 December		Nine months ended
	2023	2024	30 September 2025
Number of work-related fatalities (person)	0	0	0
Number of work-related injuries	0	1	0
Lost days due to work-related injuries ^(note 1)	0	133	0

Note:

1. The cumulative number of working days lost by all employees.

Development and Training

Our Group attaches great importance to the professional development and growth of its talents and has established a comprehensive training system. We have specially formulated a new employee training management system in which new recruits are required to participate in a 3-month centralised training programme covering corporate culture, professional competencies, and other key areas. Upon completion of the training, designated personnel will conduct assessments to ensure that new employees are fully competent for their roles.

BUSINESS

In addition to onboarding training, we also provide a wealth of ongoing training programmes throughout employees’ entire career cycles, spanning multiple domains such as professional and technical skill enhancement, communication literacy development, and project management capability strengthening. This comprehensive and tiered training framework is designed to fully unlock employees’ potential and continuously elevate their professional competencies.

Intellectual property protection

Our Group’s business operations are highly dependent on intellectual property (IP) assets. To this end, we have established supporting agreements and management systems to prevent third-party infringement or misappropriation of the Group’s IP rights. Leveraging laws and regulations governing patent registration, copyright, and related trade secrets, we have built a comprehensive IP protection system.

To boost employees’ enthusiasm for technological innovation, drive the independent R&D and innovative upgrading of core technologies, protect the Company’s innovation outcomes, and enhance the enterprise’s core competitiveness, we have specially formulated the “Intellectual Property Incentive System” (《知識產權獎勵制度》). In accordance with the “Intellectual Property Management Measures” (《知識產權管理辦法》), we hold a patent evaluation meeting with patent agencies every six months to sort out issues in patent applications, conduct evaluations on our Group’s patents and other IP assets, and discuss matters related to the commercialisation of patent achievements. During joint R&D initiatives with partners, relevant agreements explicitly incorporate clauses on IP ownership to ensure the Group’s IP rights are legally protected.

Community Engagement

Our Group adheres firmly to its corporate social responsibility commitments and actively contributes to the enhancement of community well-being through practical initiatives. Recognising the importance of aligning with societal development, we will allocate more resources to support public welfare undertakings and community development.

Upholding our original aspiration of giving back to society, the Group will continue to prioritise community engagement as a key focus, leveraging its capabilities to support various public welfare causes and striving to co-build a more resilient and harmonious society.

Collaborations

We have established deep collaborations with multiple universities, including the joint laboratory for electric power industrial information security established with North China Electric Power University* (華北電力大學), which focuses on overcoming key technologies such as big data stream processing; and the joint research Centre for industrial control system security built with Zhejiang University* (浙江大學), which specialises in critical technology research including industrial control network security baselines.

BUSINESS

LICENCES, CERTIFICATIONS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisers, we had obtained all requisite licences, certificates and permits from the relevant authorities that are material to our operations in China. We are required to renew such licences, permits, approvals and certificates from time to time. We do not expect any material legal obstacles in renewing our licences, certificates and permits, as necessary, from time to time.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors – Risk Factors Related to Our Business and Our Industry – If we become involved in litigation, legal disputes or claims, we may incur costs and liabilities”.

During the Track Record Period and up to the Latest Practicable Date, there had been no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on business, financial condition and results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

It is the responsibility of our Board to ensure that we maintain sound and effective internal controls and risk management system to safeguard our shareholders’ investment and our assets. We maintain internal manuals which set out operating procedures, internal control procedures and other policies and guidelines. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, including as financial reporting, revenue and accounts receivable, procurement and accounts payable, research and development, intellectual property, inventory and logistic, human resources, fixed assets, bank and cash management, information technology general control and compliance procedures etc.

BUSINESS

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control systems. The Audit Committee reports directly to the Board of Directors. Its responsibilities include making recommendations to our Directors on the appointment and removal of external auditors, reviewing our financial statements and overseeing our financial reporting and internal audit, overseeing our risk management and internal control procedures, and performing other duties as assigned by our Directors. For the qualifications and experience of the committee members, see “Directors and Senior Management”;
- establish an internal audit department under the Audit Committee, which is responsible for overseeing settlement and audit on logistics as well as internal auditing;
- adopt various policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to continuing obligations on corporate governance standards, controls on connected party transactions, requirements for major acquisitions and disposals (i.e. notifiable transactions) and disclosure obligation under rules on inside information etc.;
- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees, and integrity training courses to new employees as part of their orientation programme, to enhance their knowledge of and compliance with applicable laws and regulations, and include relevant policies against non-compliance in employee handbooks. In addition, all of our employees and business partners are required to sign a commitment letter regarding integrity and honesty prior to their onboarding;
- organise training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules;
- establish a set of emergency procedures in the event of major quality-related issues; and
- provide enhanced training programmes on quality assurance and product safety procedures.

Our Board and our compliance department are responsible for the establishment, updating and implementation of our internal control policies and systems, while our management team monitors the daily implementation of the internal control procedures and measures with respect to our functional teams. Our Directors are of the view that our current internal control measures are adequate and effective to ensure compliance with relevant laws and regulations.

BUSINESS

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risk. We take a holistic approach with respect to operational risk management, and we have implemented a mechanism with detailed and decentralised responsibilities and clear rewards and punishment systems. Our information technology, human resources, finance and operations departments are collectively responsible to ensure the compliance of our operations with internal procedures. In the event of a major adverse event, the matter will be escalated to our legal department 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 operational risks to reduce potential losses.

Human Resources Risk Management

We provide regular and specialised training tailored to the needs of our employees in different departments. These trainings enable our staff to improve their skill sets and better address our customers’ needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practices, work ethics, fraud prevention mechanisms, negligence, and corruption.

Financial Reporting and Risk Management

We have put in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, treasury management policies, and reimbursement management policies. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

Credit Risk Management

We seek to maintain strict control over our outstanding receivables and have implemented a policy to minimise credit risk. We maintain regular communication with our customers, address potential payment issues proactively, and conduct detailed risk assessments. Our finance department conducts regular reviews of overdue accounts and recoverability of our outstanding balances, prioritising high-value or long-overdue balances, and when appropriate, provides for impairment of these trade receivables. For significantly overdue accounts with no resolution, we escalate to legal proceedings.

Audit Committee Experience and Qualification and Board Oversight

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. See “Directors and Senior Management – Board of Directors”. In addition to our internal control department, we have also established an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. Our internal audit department reports any major issues identified to our Audit Committee and our Board on a timely basis.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As at the Latest Practicable Date, each of Mr. Wang, Tianjin Xingyuan and Tianjin Xinghui held approximately 21.99%, 9.54% and 3.38% of the issued share capital of our Company. Mr. Wang is the general partner of Tianjin Xingyuan and hence controls the total voting right of Tianjin Xingyuan. Tianjin Zhichuang is general partner of Tianjin Xinghui. Tianjin Zhichuang is wholly owned by Mr. Wang, thus Mr. Wang can control the total voting right of Tianjin Xinghui. As such, pursuant to the Chapter 1.1C of the Guide, Mr. Wang together with Tianjin Zhichuang, Tianjin Xingyuan and Tianjin Xinghui constituted our Single Largest Group of Shareholders.

Immediately following the completion of the [REDACTED], our Single Largest Group of Shareholders will be interested in approximately [REDACTED]% of our total share capital (assuming the [REDACTED] are not exercised) or approximately [REDACTED]% of our total share capital (assuming the [REDACTED] are exercised in full). Therefore, they will remain as our Single Largest Group of Shareholders and our Company will not have any controlling shareholders as defined under the Listing Rules upon [REDACTED].

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

As of the Latest Practicable Date, Mr. Wang held 57% equity interests in Juzhi Technology (Dongguan) Co., Ltd. (矩智科技(東莞)有限公司) (“**Juzhi Technology**”), a company principally engaged in the development of intelligent-computing acceleration network interface cards and related software and hardware. The remaining equity interests of Juzhi Technology are held as to 28% by Beijing Heyun Shengxing Technology Co., Ltd. (北京和韻盛興科技有限公司) (a wholly-owned subsidiary of the Company) and 15% by Dongguan Zhishu Computing Power Technology Enterprise (Limited Partnership) (東莞智數算力科技企業(有限合夥)) (a limited partnership owned as to 67% by Mr. Yang Xiaoshuai who is an executive Director and 33% by Mr. Wang Kai, an Independent Third Party).

Having considered (i) Juzhi Technology is principally engaged in the development of intelligent-computing acceleration network interface cards and related software and hardware while our Company is an industrial cybersecurity and energy digitalisation solutions provider; (ii) Juzhi Technology had not commenced any substantive business as of the Latest Practicable Date; and (iii) Juzhi Technology has voluntarily applied for deregistration and expected to be deregistrated before the Listing, the Directors are of the view that the our Single Largest Group of Shareholders’ interests in the aforesaid company do not compete, and are not likely to compete, directly or indirectly with the business of our Group.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Each member of our Single Largest Group of Shareholders confirmed that, as of the Latest Practicable Date, he or it did not have any interest in any business, other than our business, which compete, or is likely to compete, either directly or indirectly, with our business.

INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independent from our Single Largest Group of Shareholders after the [REDACTED].

Management Independence

Our daily operational and management decisions are made collectively by our executive Directors and our senior management, with our Board having an overall supervision of our management. Our Board consists of three executive Directors, four non-executive Directors, and four independent non-executive Directors.

Save as disclosed in the following table and in “Directors and Senior Management”, none of our Directors or our senior management members holds any directorship or senior management position in any of the companies in which our Single Largest Group of Shareholders are interested in, other than those within our Group. Mr. Wang and Ms. Tong Tianyi (佟天頤) will continue to hold certain positions in our Single Largest Group of Shareholders and/or their close associates upon the [REDACTED].

Name	Positions in our Company	Position(s) held within our Single Largest Group of Shareholders
Mr. Wang	Executive Director, Chairman of our Board	• Director and general manager of Tianjin Zhichuang
Ms. Tong Tianyi	Vice president and chief financial officer of our Company	• Supervisor of Tianjin Zhichuang

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Notwithstanding the overlapping positions of Mr. Wang and Ms. Tong Tianyi in our Company and our Single Largest Group of Shareholders and their close associates mentioned above, we believe that our Directors and senior management, including Mr. Wang and Ms. Tong Tianyi, are able to perform their roles in our Company independently. Our Company is capable of managing its business independently from our Single Largest Group of Shareholders for the following reasons:

- (i) Mr. Wang, Mr. Jiang Bingsi (江炳思先生) and Mr. Yang Xiaoshuai (楊小帥先生) as our executive Directors devotes substantially all their time to discharge their duties of the positions held at our Group;
- (ii) Mr. Xiang Renpeng (向人鵬先生), Mr. Li Peixin (李培信先生), Mr. Zhao Kebai (趙克白先生) and Mr. Zhou Zhe (周喆先生) are our non-executive Directors. Each of them does not participate in the day-to-day management and operations of our business. Although they are not involved in our daily operation management, they would keep up to date with our business affairs and assist in supervising and scrutinising our business performance to fulfil their obligation as a director through providing professional advice and attending business update meetings;
- (iii) during the Track Record Period and up to the Latest Practicable Date, none of our Directors, senior management and employees have received cash remuneration or other economic benefits for the performance of their services to our Group without being recharged to our Group;
- (iv) 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;
- (v) we have four independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review. They have diverse knowledge and experience in areas of accounting, finance, investment and law to provide professional and experienced advice to us. In addition, each of the independent non-executive Directors has read the document to have a thorough understanding of our industry and business. They have also obtained the relevant industry experience through their participation in our Board meetings. As a result, our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgement to the decision-making process of our Board if all the executive and non-executive Directors are required to abstain from voting and protect the interest of our Company and our Shareholders as we whole;
- (vi) 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 matters relating to our Company due to potential conflict of interests; and
- (vii) we have adopted sufficient and effective control mechanisms to ensure that our Directors shall discharge their duties appropriately and safeguard the interests of our Shareholders as a whole.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Based on the above, our Directors are satisfied that our 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 Single Largest Group of Shareholders and their respective close associates after the [REDACTED].

Operational Independence

Our Directors consider that our operations do not depend on our Single Largest Group of Shareholders for the following reasons:

- (i) we possesses sufficient capital, property, equipment and technology to operate our business independently, and holds all the relevant material licences, qualifications, intellectual properties and permits required for conducting that are necessary for our business;
- (ii) we have an established and complete organisational structure, comprising various separate departments each charged with specific responsibilities;
- (iii) we have independent access to, among others, customers, and suppliers required for our 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. For details on the internal control procedures, see “Business – Risk Management and Internal Control”; 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 finance staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Company, independent from our Single Largest Group of Shareholders. We can make financial decisions independently according to our business needs. We maintain our bank accounts independently and does not share any bank account with our Single Largest Group of Shareholders who do not intervene with our use of funds. We have also established an independent and sound internal audit system, a standardised financial and accounting system and a complete financial management system. We have sufficient capital to operate our business independently, and have adequate internal resources and a strong credit profile to support our daily operations. We have access to independent third-party financing and are capable of obtaining such financing without the need to rely on any guarantee or security provided by our Single Largest Group of Shareholders or their respective close associates. We will not rely on our Single Largest Group of Shareholders for financing after the [REDACTED] and we will have sufficient working capital to operate our business independently.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

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 Single Largest Group of Shareholders and their respective close associates after the Listing.

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance to protect the interest of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Single Largest Group of Shareholders:

- (i) where a general meeting is held for considering proposed transactions in which any member of our Single Largest Group of Shareholders has a material interest, he or it shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (ii) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (iii) in the event that our independent non-executive Directors are requested to review any conflict of interest between our Group and any of our Single Largest Group of Shareholders, he or it shall provide the independent non-executive Directors with all necessary information and we shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;
- (iv) our Directors (including our independent non-executive Directors) will seek independent and professional opinions from external advisers at our cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 of the Listing Rules;
- (v) any transactions between our Company and its connected persons shall be in compliance with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, annual reporting and independent Shareholders’ approval requirements (if applicable) under the Listing Rules; and
- (vi) We have appointed Maxa Capital Limited as our compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to directors’ duties and corporate governance.

Based on above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Single Largest Group of Shareholders and/or other Directors to protect our minority Shareholders’ rights after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board of Directors is the primary decision-making body of our Company, setting fundamental business strategies and policies for the management and operation of our business and monitoring their implementation. Our Board will consist of 11 Directors, comprising three executive Directors, four non-executive Directors, and four independent non-executive Directors upon the [REDACTED]. All of our executive Directors, non-executive Directors and independent non-executive Directors are elected to serve an initial term of three years, which are renewable upon re-election and/or re-appointment.

The following table sets out certain information of our Directors:

Name	Age	Position(s)	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Director	Relationship with other Directors and members of senior management
Executive Directors						
Mr. Wang (王小東先生) (formerly known as Wang Dong (王東))	54	Chairman and executive Director	Strategic development plans of our Group	14 August 2007	24 October 2011	None
Mr. Jiang Bingsi (江炳思先生)	57	Executive Director, and chief executive officer	Overall operations and management of our Group	1 November 2019	1 November 2019	None
Mr. Yang Xiaoshuai (楊小帥先生)	44	Executive Director, vice president and the head of R&D	Management of our product R&D system	20 September 2017	17 September 2018	None
Non-executive Directors						
Mr. Xiang Renpeng (向人鵬先生) (formerly known as Xiang Yangwei (向楊威))	35	Non-executive Director, vice president and the head of marketing	Oversight of our marketing management	13 October 2015	7 June 2017	None
Mr. Li Peixin (李培信先生)	40	Non-executive Director and the head of engineering services	Management of engineering delivery and project implementation	9 March 2017	31 December 2025	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Principal roles and responsibilities	Date of joining our Group	Date of appointment as Director	Relationship with other Directors and members of senior management
Mr. Zhao Kebai (趙克白先生)	36	Non-executive Director	Supervising overall development of our Group	16 January 2024	16 January 2024	None
Mr. Zhou Zhe (周喆先生)	44	Non-executive Director	Supervising overall development of our Group	25 December 2019	25 December 2019	None
Independent Non-executive Directors						
Ms. Wang Xiaolei (王曉蕾女士)	56	Independent non-executive Director	Supervising and providing independent judgement to our Board	the [REDACTED]	the [REDACTED]	None
Ms. Lin Qin (林勤女士)	54	Independent non-executive Director	Supervising and providing independent judgement to our Board	the [REDACTED]	the [REDACTED]	None
Mr. Tso Siu Lun (曹肇倫先生)	43	Independent non-executive Director	Supervising and providing independent judgement to our Board	the [REDACTED]	the [REDACTED]	None
Dr. Yang Xiuqing (楊秀清博士)	60	Independent non-executive Director	Supervising and providing independent judgement to our Board	the [REDACTED]	the [REDACTED]	None

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Wang (王小東先生), aged 54, is the chairman of our Board, an executive Director and the chairman of Nomination Committee. Mr. Wang is primarily responsible for providing overall strategic leadership, supervising our Group’s business operations and management, and overseeing corporate governance matters. Mr. Wang has around 20 years of experience in the power automation and communications industries, and has a deep understanding of the development direction and policy guidance of the industrial cybersecurity industry. He joined our Group in August 2007 and served as the general manager of the Company from August 2007 to August 2008. He has served as an executive Director and the chairman of the Board since August 2008.

Mr. Wang also holds positions within other members of our Group and has been primarily responsible for their strategic decision-making and management, including serving as the executive director of Nanjing Tiandi Hexing Information Technology Co., Ltd. (南京天地和興信息技術有限公司) since January 2020, the director and chairman of Tiandi Hexing (Shanghai) Technology Development Co., Ltd. (天地和興(上海)科技發展有限公司) since October 2020, the executive director of Tianjin Zhichuang Xin’an Technology Co., Ltd. (天津智創新安科技有限公司) since April 2021, and the executive director and general manager of Chongqing Tiandi Hexing Technology Co., Ltd. (重慶天地和興科技有限公司) since August 2022.

Mr. Wang has extensive experience in corporate management and the technology and industrial sectors. Before founding the Company, Mr. Wang worked at thermal power plant and communication company in the 1990s including Hulunbuir Power Supply Bureau (呼倫貝爾電業局) and China Unicom Shenyang Mobile Telecom Branch (中國聯合通信有限公司瀋陽移動通信分公司) where he gained technical knowledge of power plant operation and GSM network construction. In the 2000s, Mr. Wang served as a supervisor and vice general manager of Beijing Wangrunrong Investment Advisory Co., Ltd. (北京網潤融投資顧問有限公司).

Mr. Wang served as an executive member of Technical Committee (專業委員會) of the China Computer Federation (中國計算機學會) for the term from October 2024 to January 2028. In November 2024, Mr. Wang received the 9th China Management Science Society (中國管理科學學會) “Management Science Award (管理科學獎)”. In January 2025, Mr. Wang was appointed as a member of the Network and Data Security Committee (網絡與數據安全委員會) of All-China Federation of Industry and Commerce (中華全國工商業聯合會).

Mr. Wang graduated from Northeast Electric Power University (東北電力大學) majoring in Electric Power Systems and Automation in July 1997. He completed postgraduate studies in Business Administration at The University of Malaya in May 2022 through online study.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Jiang Bingsi (江炳思先生), aged 57, is an executive Director, our chief executive officer and a member of remuneration committee. Mr. Jiang joined the Company in November 2019 and is responsible for the overall strategic planning and day-to-day management of our Group, implementing the Board’s decisions and overseeing our overall development. Prior to joining the Company, Mr. Jiang had long been engaged in corporate operations and industrial investment and has extensive experience in industrial organisation, strategy and team management.

He has extensive experience in corporate management and energy and industrial sectors, having once served as a director of Fujian Huadian Kemen Power Generation Co., Ltd. (福建華電可門發電有限公司), Fujian Huadian Zhangping Coal-fired Power Company Limited (福建華電漳平火電有限公司) and Fujian Zhangping Power Company Limited (福建漳平發電有限公司), subsidiaries of Huadian Fuxin Energy Corporation Limited (華電福新能源股份有限公司) (“**Huadian Fuxin**”). He was the chairman of the board of directors of Fujian Huadian Yong’an Generation Company Limited (福建華電永安發電有限公司) and Huadian (Xiamen) Energy Company Limited (華電(廈門)能源有限公司), the president of Fujian branch of Huadian Fuxin, held various positions at the human resource department of China Huadian Corporation and at the Fujian branch of China Huadian Corporation. He also served in various positions with Fujian Electric Power Company Limited (福建省電力有限公司) and the thermal power branch of Fujian Yong’an Coal-fired Power Plant (福建永安火電廠熱力分場). He subsequently served as the president of Huadian Fuxin from April 2013 to May 2015, while also serving as its executive director from June 2013 to June 2016. From May 2015 to March 2016, He served as chairman of Guodian Nanjing Automation Co., Ltd. (國電南京自動化股份有限公司).

Mr. Jiang obtained a technical secondary school diploma (中專文憑) (thermal power) from Quanzhou Electric Power School (泉州電力學校) in July 1989, an associate degree (專科文憑) and a undergraduate degree (本科學歷) in economics and management from the Correspondence Institute of the Central Party School (中央黨校函授學院) in June 1998 and December 2004, respectively. Mr. Jiang obtained a master’s degree in business administration from The Asia (Macau) International Open University in November 2010.

Mr. Yang Xiaoshuai (楊小帥先生), aged 44, is an executive Director and a vice president of the Group. Mr. Yang joined the Company in September 2017 and is responsible for the organisational build-up of our product R&D system and R&D management.

He has over 15 years of experience spanning software engineering, wireless communications and industrial network security, having served as software engineer at Hangzhou ECI Communication Co., Ltd. (杭州依賽通信有限公司) from April 2008 to March 2010, engineer team leader at Wuhan Hongxin Technology Development Co., Ltd. (武漢虹信科技發展有限責任公司) from May 2011 to September 2014, technical manager at MediaTek Software (Wuhan) Co., Ltd. (聯發科軟件(武漢)有限公司) from September 2014 to March 2015, and product line R&D director at Beijing Kuang’en Network Technology Co., Ltd. (北京匡恩網絡科技有限責任公司) from May 2015 to October 2017.

Mr. Yang obtained a bachelor’s degree in Electronic Information Engineering from South-Central Minzu University (中南民族大學) in June 2005 and a master’s degree in Electronic Science and Technology from Xidian University (西安電子科技大學) in March 2008. He obtained the qualification of Project Management Professional (PMP) from Project Management Institute in March 2018, and the qualification of Certified Information Security Engineer from China Information Technology Security Evaluation Centre in April 2021. In September 2020, he obtained the qualification of Information Security Assurance Certification from China Cybersecurity Review Technology and Certification Centre, and he is recognised as a Senior Engineer by Department of Human Resources and Social Security of Hubei Province in August 2024.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Xiang Renpeng (向人鵬先生), aged 35, is a non-executive Director and a vice president of the Group. Mr. Xiang joined the Company in October 2015 as vice president of the Group and has undertaken sales and marketing management responsibilities for our energy industry verticals. He currently oversees our marketing and the energy industry sales management.

Before joining the Group, from July 2013 to September 2015, he served as project manager in the engineering and technology department at Qingdao Haitian Weiye Process Control Technology Co., Ltd. (青島海天煒業過程控制技術股份有限公司), focusing on automation systems integration and industrial control safety project management. Mr. Xiang graduated from Qingdao University of Science and Technology (青島科技大學) with a bachelor’s degree in computer science and technology in July 2013. In November 2017, Mr. Xiang obtained the Information Security Assurance Certification (信息安全保障認證資格) issued by the China Cybersecurity Review and Technology Certification Centre (中國網絡安全審查與技術認證中心). In July 2020, Mr. Xiang was recognised as a Registered Information Security Professional (註冊信息安全專業人員) by the China Information Security Evaluation Centre (中國信息安全測評中心). In December 2025, Mr. Xiang was selected as an expert in the Physical Protection Expert Group (實體防護專家組) of the China Security and Protection Industry Association (中國安全防範產品行業協會).

Mr. Li Peixin (李培信先生), aged 40, is a non-executive Director and the head of engineering services of our Group. Mr. Li joined the Company in March 2017 and has successively served as project manager and director of engineering services of our Group, responsible for delivery of industrial cybersecurity projects and the management of our engineering services business.

He has extensive experience in information security operations and IT systems management, having previously held technical support and maintenance roles at Beijing Zhong’an Xunye Technology Co., Ltd. (北京中安訊業科技有限公司) from April 2010 to September 2012; he then served as information security management engineer at GoerTek Inc. (歌爾聲學股份有限公司) (stock code: 002241.SZSE) from August 2014 to October 2014 and IT manager at Shandong Xinbanghuizhong Co., Ltd (山東興邦惠眾電子商務有限公司) from October 2015 to September 2016.

Mr. Li obtained a bachelor’s degree in Physics from Heze University (荷澤學院) in June 2008. He obtained the qualification of Project Management Professional (PMP) of Project Management Institute in March 2019, and recognised as a Certified Information Security Professional (CISP) by China Information Security Evaluation Centre (中國信息安全測評中心) in August 2018. He obtained a professional-level Risk Management certification issued by the China Cybersecurity Review Technology and Certification Centre (中國網絡安全審查技術與認證中心) in September 2020.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhao Kebai (趙克白先生), aged 36, is a non-executive Director. Mr. Zhao joined the Company in 16 January 2024 and is responsible for supervising overall development of our Group.

Mr. Zhao currently serves as senior vice president of Beijing Jingguorui Equity Investment Fund Management Co., Ltd. (北京京國瑞股權投資基金管理有限公司), responsible for fund management and project investments. From July 2014 to December 2021, he served successively as investment officer and investment manager in the fund investment divisions of Beijing State-owned Capital Operation and Management Co., Ltd. (北京國有資本運營管理有限公司). Mr. Zhao also serves as a director of Qidi Guoxin Technology Co., Ltd. (啓迪國信科技有限公司) since 2021 and Beijing Chuangye Gongshe Industrial Operation Management Co., Ltd. (北京創業公社產業運營管理股份有限公司) since 2021, responsible for corporate management, and served as the legal representative of Beijing Woyi Management Consulting Co., Ltd. (北京沃益管理諮詢有限公司) since 2023, responsible for overall management.

Mr. Zhao graduated from Beijing Technology and Business University (北京工商大學) with a bachelor’s degree in economics in July 2012 and a master’s degree in finance in July 2014, and obtained a master’s degree in management (MBA) from Peking University (北京大學) in June 2023.

Mr. Zhou Zhe (周喆先生), aged 44, is a non-executive Director. Mr. Zhou joined the Company in 25 December 2019 and is responsible for supervising overall development of our Group.

Mr. Zhou is a partner of Jiangsu Addor Equity Investment Fund Management Co., Ltd. (江蘇毅達股權投資基金管理有限公司) since November 2014 and has long been engaged in venture capital and industrial investment management. He previously held international business and solutions sales management roles at Huawei Technologies Co., Ltd. (華為技術有限公司) from April 2009 to January 2014, UCweb Inc. (UC優視科技有限公司) from January 2014 to June 2014 and Glarun Technology Co., Ltd. (國睿科技股份有限公司) (stock code: 600562.SSE) from June 2014 to November 2014.

Mr. Zhou obtained a bachelor’s degree in Physics in June 2005 and a master’s degree in Microelectronics and Solid-State Electronics in June 2009 from Nanjing University (南京大學), and holds the Fund Practitioner Qualification issued by the Asset Management Association of China in June 2017.

Independent Non-executive Directors

Ms. Wang Xiaolei (王曉蕾女士), aged 56, is an independent non-executive Director of our Company. She joined our Company and was appointed as an independent non-executive Director on 31 December 2025 and with effect from the [REDACTED]. She is primarily responsible for providing independent advice and judgement to our Board. Ms. Wang is the chairman of our Remuneration Committee and a member of our Audit Committee.

Ms. Wang has led investment and portfolio management, fundraising and post-investment value creation across multiple firms. From May 2024 to the present, she has served as the chairwoman of Shanghai Shangchuang Xinde Investment Management Co., Ltd. (上海上創新微投資管理有限公司), after having been deputy general manager of Shanghai Shangchuang Xinwei Investment Management Co., Ltd. (上海上創新微投資管理有限公司) from December 2013 to April 2024 and deputy general manager of Shanghai Shangchuang Xinde Investment Management Co., Ltd. (上海上創信德投資管理有限公司) from January 2011 to November 2013.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wang obtained a bachelor’s degree in Economics (Finance) from Shanghai University of Finance and Economics in July 1992. She holds the intermediate Financial Economist professional qualification issued by Ministry of Personnel of the People’s Republic of China in November 1997, as well as Securities Practitioner Qualifications (including securities issuance and underwriting) from Securities Association of China in February 2004 and the Fund Practitioner Qualification issued by China Asset Management Association in June 2017.

Ms. Lin Qin (林勤女士), aged 54, is an independent non-executive Director of our Company. She joined our Company and was appointed as an independent non-executive Director on 31 December 2025 and with effect from the [REDACTED]. She is primarily responsible for providing independent advice and judgement to our Board. Ms. Lin is the chairwoman of our Audit Committee.

Ms. Lin is an experienced finance executive with a background spanning corporate finance, accounting, tax planning, investment and higher-education administration. She has served as vice president of Fujian Jindi Group (福建金帝集團) and executive dean of the German Entrepreneurs College of Xiamen Institute of Technology (廈門工學院德文企業家學院) since January 2011, responsible for financial management, tax planning and investment. From July 2009 to December 2010, she was deputy general manager of Yangguangcheng Xi’an Company (陽光城股份西安公司), overseeing finance, accounting, tax planning and investment and financing. From August 1990 to June 2009, she held various roles at China Huadian Fujian Zhangping Thermal Power Co., Ltd. (中國華電福建發電有限公司) and her last position is director of finance department.

Ms. Lin graduated from The Open University of China (國家開放大學, formerly known as “中央廣播電視大學”) with a bachelor’s degree in accounting in November 2003 and obtained an MBA from Hong Kong Institute of Finance (香港財經學院) in September 2012, and was awarded the International Management Accountant qualification by the Institute of International Accountants in November 2008.

Mr. Tso Siu Lun (曹肇倫先生, also known as “曹肇倫”), aged 43, is an independent non-executive Director of our Company. He joined our Company and was appointed as an independent non-executive Director on 31 December 2025 and with effect from the [REDACTED]. He is primarily responsible for providing independent advice and judgement to our Board. Mr. Tso is a member of our Audit Committee and a member of our Nomination Committee.

Mr. Tso served as a responsible officer (Types 4 and 9) of Vision Group Capital Management Limited (SFC CE No.: BIN929) (願景集團資本管理有限公司) from August 2022 to November 2025. Mr. Tso is the founder of the China Mini Storage Limited (“CMS”). Prior to establishing CMS, based in Beijing, Mr. Tso worked as an investment director of the Everbright Ashmore China Real Estate Fund from December 2008 to March 2012, a joint venture real estate private equity platform sponsored by China Everbright Limited (stock code: 0165), a company listed on the Stock Exchange and Ashmore Group PLC (stock code: ASHM), a company listed on the London Stock Exchange. Previously, based in Hong Kong, Mr. Tso also worked at Merrill Lynch’s Global Commercial Real Estate team where he was principally involved in the firm’s principal investing activities in Asian real estate from November 2006 to June 2007. He also worked at the HSBC’s Global Capital Markets – ABS & Structured Bonds Team where he was principally involved in the bank’s securitisation business from August 2005 to October 2006. As for community services, Mr. Tso served as the 11th session member of the China People’s Political Consultative Conference Beijing Haidian District since December 2021 to present.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Tso currently serves as an independent non-executive director of OCI International Holdings Limited (stock code: 329), a company listed on the Stock Exchange since May 2017 to present.

Mr. Tso graduated from The University of Cambridge (劍橋大學) with a bachelor of arts (Upper Second Class Honours) and master’s degree in Land Economy in July 2005 and July 2009 respectively, and he is licensed as a responsible officer for Type 4 and Type 9 regulated activities by SFC.

Dr. Yang Xiuqing (楊秀清博士), aged 60, is an independent non-executive Director of our Company. He joined our Company and was appointed as an independent non-executive Director on 31 December 2025 and with effect from the [REDACTED]. She is primarily responsible for providing independent advice and judgement to our Board. Dr. Yang is a member of our Remuneration Committee and a member of Nomination Committee.

Dr. Yang is a seasoned legal professional with solid academic and practical experience in procedural law. From July 1996 to August 2002, she served as a lecturer at Faculty of Law of China University of Political Science and Law (中國政法大學). From September 2002 to present, she successively served as lecturer, professor, vice-dean, secretary of Chinese Communist Party Committee, executive dean of Civil, Commercial and Economic Law School of China University of Political Science and Law (中國政法大學).

She served as an independent director of North China Pharmaceutical Co., Ltd. (華北製藥股份有限公司) (stock code: 600812.SSE). From May 2023 to present, She served as vice president of China Law Society Civil Procedure Law Research Association (中國法學會民事訴訟法學研究會).

Ms. Yang graduated with a bachelor’s degree in law from Nankai University (南開大學) in July 1987 and obtained master’s and doctoral degrees in procedural law from China University of Political Science and Law (中國政法大學) in July 1996 and April 1999, respectively. She obtained the Lawyer Qualification Certificate of the People’s Republic of China in May 1991.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our daily business operations and the implementation of our business strategies adopted by our Board.

For the biographical details of Mr. Wang, Mr. Jiang Bingsi, Mr. Yang Xiaoshuai and Mr. Xiang Renpeng, see “– Board of Directors”. Apart from them, Mr. Wang Xiaodong (王曉冬) and Ms. Tong Tianyi (佟天頤) serves as one of our senior management members.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang Xiaodong (王曉冬先生), aged 49, is our vice president, primarily responsible for sales and business development of our Group. Mr. Wang Xiaodong has been serving as our vice president since June 2023.

Mr. Wang has more than 25 years of experience in industrial automation, process control and enterprise solutions sales across the power, energy and process industries. From July 2021 to March 2023, he served as a vice president at Shanghai Quanying Technology Co., Ltd. (上海全應科技有限公司), focusing on commercialising artificial intelligence applications for the thermal power sector. From January 2020 to July 2021, he was a director for process industry transformation at Schneider Electric (China) Co., Ltd. (施耐德電氣(中國)有限公司), following his earlier tenure at Schneider Electric (China) Co., Ltd. (施耐德電氣(中國)有限公司) from September 2015 to December 2019 where he led sales for electrical, instrumentation and control system solutions. From May 2004 to September 2015, he held progressively senior sales roles at Emerson Process Management (China) Co., Ltd. (艾默生過程控制有限公司) including engineer, manager, regional manager and business manager. He commenced his career in July 1998 as an engineer at Baoding Zhongneng Automation Equipment Co., Ltd. (保定中能自控設備有限公司).

Mr. Wang received a bachelor’s degree in engineering in process automation from North China Electric Power University (華北電力大學) in the PRC in July 1998.

Ms. Tong Tianyi (佟天頤女士), aged 52, is our vice president and chief financial officer. She has been serving as our vice president and chief financial officer since January 2021 and oversees the finance centre and the capital markets department. Ms. Tong has over 25 years of experience in financial management, capital markets and corporate governance spanning the healthcare, technology and cultural IP sectors.

In 2019 and 2020, Ms. Tong served at Beijing Beiguang Business Travel Media Technology Co., Ltd. (北京北廣商旅傳媒科技股份有限公司), responsible for group finance and investment and financing management. In 2015, she was finance director and board secretary of Beijing Galaxy Haoxing Culture Co., Ltd. (北京銀河昊星文化股份有限公司), where she was responsible for IPO preparation, ongoing financial management and post-listing disclosure. From January 2007 to May 2013, Ms. Tong served in the healthcare segment of Peking University Founder Group (北京北大方正集團) as finance director, leading budgeting, execution feedback and financial accounting. Earlier in her career, she was finance manager at Beijing Construction Information Source Co., Ltd. (北京建設信源資訊有限公司) from July 2004 to April 2007.

Ms. Tong obtained a junior college diploma in finance and taxation from Inner Mongolia University of Finance and Economics (內蒙古財經大學) in the PRC in July 2001, and completed accounting studies at Baotou Finance Secondary Vocational School (包頭市財經中等專業學校) in 1994. She holds the professional qualification of Intermediate Accountant awarded by the Ministry of Finance and the Ministry of Human Resources and Social Security of the PRC (obtained in May 1996) and a board secretary qualification issued by the Shenzhen Stock Exchange (obtained in November 2016).

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS’ AND SENIOR MANAGEMENT’S INTERESTS

Save as disclosed above, none of our Directors or senior management members has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this document.

Save as disclosed above, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

As of the Latest Practicable Date, save for the interests in the Shares held by Mr. Wang and Mr. Jiang Bingsi, which are disclosed in “Statutory and General Information – C. Further Information about Our Directors and Substantial Shareholders” set out in Appendix IV to this document, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO.

JOINT COMPANY SECRETARIES

Mr. Jiang Bingsi (江炳思先生), aged 57, was appointed as our joint company secretary on 31 December 2025 with effect from [REDACTED]. For details of Mr. Jiang, please refer to “Executive Directors – Mr. Jiang Bingsi (江炳思先生)” in this section.

Mr. So Wing Chun (蘇永俊先生) is a Manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group. Mr. So has over 9 years of experience in the corporate secretarial field. He has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Mr. So is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. So obtained a Bachelor of Business Administration Degree (Honours) from Hong Kong Shue Yan University in 2016.

DIRECTORS’ REMUNERATION

For the details of the service contracts that we have entered into with our Directors, see “Statutory and General Information – C. Further Information about Directors and Substantial Shareholders – 2. Service Contracts” set out in Appendix IV to this document.

DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of fees, salaries, wages and bonus, pension cost-defined contribution plan, other social security costs and housing benefits and share-based compensation expenses we paid to our Directors and then supervisors in respect of the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 were approximately RMB8.0 million, RMB8.0 million and RMB3.4 million, respectively. Further information on the remuneration of each Director and then supervisor during the Track Record Period is set out in Note 13 in the Accountant’s Report set out in Appendix I to this document.

During the Track Record Period, no remuneration was paid to our Directors as an inducement to join or upon joining our Group. No compensation was paid or payable to our Directors, past Directors during the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period.

Under the arrangements currently in force, the aggregate amount of fixed remuneration payable by our Group to our Directors for the financial year ended 31 December 2026 is expected to be RMB3.3 million.

For the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, the five highest paid individuals of our Group included two Directors, two Directors and one Director, and the aggregate amount of fees, salaries, allowances and retirement benefits scheme contributions and share-based compensation expenses we paid to the highest paid individuals who are neither Directors nor chief executive officer of our Company were RMB4.3 million, RMB8.9 million and RMB8.3 million, respectively.

During the Track Record Period, no remuneration was paid to the five highest paid individuals of our Company as an inducement to join or upon joining our Company. No compensation was paid or payable to such individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any member of our Company.

The Company has established employee incentive platform since 2016. For details of our employee incentive platforms, see “History, Development and Corporate Structure – Employee Incentive Platforms” and “Statutory and General Information – E. Employee Incentive Scheme” set out in Appendix IV to this document.

CORPORATE GOVERNANCE

We have established the following three committees in our Board of Directors, representing an Audit Committee, a Nomination Committee and a Remuneration Committee. Each of the said committee operates in accordance with terms of reference established by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. Our Audit Committee consists of three independent non-executive Directors, namely, Ms. Lin Qin, Mr. Tso Siu Lun and Ms. Wang Xiaolei. Ms. Lin Qin, being the chairwoman of our Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of our Audit Committee are to assist our Board by providing an independent view of the effectiveness of our financial reporting process, internal control and risk management systems, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. Our Remuneration Committee consists of two independent non-executive Directors and one executive Director, namely, Ms. Wang Xiaolei, Mr. Jiang Bingsi and Dr. Yang Xiuqing. Ms. Wang Xiaolei is the chairman of our Remuneration Committee. The primary duties of our Remuneration Committee include, but are not limited to, (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. Our Nomination Committee consists of two independent non-executive Directors and one executive Director, namely, Mr. Wang, Dr. Yang Xiuqing and Mr. Tso Siu Lun. Mr. Wang is the chairman of our Nomination Committee. The primary duties of our Nomination Committee include, without limitation, reviewing the structure, size and composition of our Board, promoting diversity, assessing the independence of independent non-executive Directors and making recommendations to our Board on matters relating to the appointment of Directors.

Diversity

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.

DIRECTORS AND SENIOR MANAGEMENT

We have adopted a board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to our board diversity policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural background, educational background, industry experience and professional experience. Our Directors have a well-balanced mix of knowledge and skills spanning industrial cybersecurity and information technology, engineering and product R&D, enterprise operations and strategy, investment and fund management, finance, auditing and accounting, as well as law and corporate governance. They have obtained degrees in diverse disciplines, including computer science and technology, physics, microelectronics and solid-state electronics, electrical power systems and automation, economics and finance, accounting, and law, alongside business administration. Furthermore, the ages of our Board range from 35 to 60. We have also taken, and will continue to take steps to promote gender diversity at all levels of our Company, including but without limitation at our Board and the management levels. While we recognise that the gender diversity at our Board level can be improved given its current composition of predominantly male directors, we will continue to apply the principle of appointments based on merits with reference to our diversity policy as a whole. We aim to maintain the current gender ratio of our Board following [REDACTED]. We have taken and will continue to take steps to promote and enhance gender diversity at all levels of our Company, including but not limited to at our Board and senior management levels. We will also ensure that there is gender diversity when recruiting staff at mid to senior level. It is our objective to maintain an appropriate balance of gender diversity with reference to the stakeholders’ expectation and international and local recommended best practices.

Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant codes governing board diversity under the Corporate Governance Code. After the [REDACTED], our Nomination Committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of our board diversity policy on an annual basis.

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, we expect to comply with the 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.

COMPLIANCE ADVISER

We have appointed Maxa Capital Limited as our compliance adviser (“**Compliance Adviser**”) upon the [REDACTED] pursuant to Rule 3A.19 of the Listing Rules. The material terms of the Compliance Adviser’s agreement are as follows:

- (i) Maxa Capital Limited shall act as our Compliance Adviser for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED], or until the agreement is terminated, whichever is earlier;

DIRECTORS AND SENIOR MANAGEMENT

- (ii) our Compliance Adviser will provide us with certain services, including proper guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, regulations and rules;
- (iii) our Compliance Adviser will, as soon as reasonably practicable, inform us of any amendment or supplement to the Listing Rules announced by the Stock Exchange from time to time, and of any amendment or supplement to the applicable laws, regulations and rules in Hong Kong applicable to our Company; and
- (iv) our Compliance Adviser will act as an additional channel of communication of our Company with the Stock Exchange.

COMPETITION

Some of our Directors also served as a director or management position in other company which is likely to compete, directly or indirectly, with our business, which are summarised as follows:

Name of Director	Name of company	Nature of the business	Nature of interest
Mr. Zhao Kebai	Qidi Guoxin Technology Co., Ltd. (啓迪國信科技有限公司)	Enterprise mobile security, cloud computing and big data services	director
Mr. Zhou Zhe	Jiangsu Yianlian Network Technology Co., Ltd. (江蘇易安聯網絡技術有限公司)	Cybersecurity product development and sales including cloud access security proxy and identity authentication management	director
	Beijing Qingneng Internet Technology Co., Ltd. (北京清能互聯科技有限公司)	Energy AI and optimisation solutions provider for markets, grids, power industry.	director and supervisor

Save as disclosed, each of our Directors confirms that as of the Latest Practicable Date, he/she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules. See “Relationship with our Single Largest Group of Shareholders”.

DIRECTORS AND SENIOR MANAGEMENT

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 16 January 2026 and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a [REDACTED] under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Rule 3.13 of 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 appointment.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and the [REDACTED] of Domestic Shares into H Shares (assuming the [REDACTED] is not exercised), the following persons are expected to have an interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of Interest	Shares held as of the Latest Practicable Date ^(Note 1)		Shares held immediately upon the completion of the [REDACTED] and the [REDACTED] of the Domestic Shares into H Shares (assuming the [REDACTED] is not exercised) ^(Note 2)		Shares held immediately following the completion of the [REDACTED] and the [REDACTED] of the Domestic Shares into H Shares (assuming the [REDACTED] is exercised in full)	
		Number and description of Shares		Number and description of Shares		Number and description of Shares	
		Approximate Percentage		Approximate Percentage		Approximate Percentage	
Mr. Wang ^(Notes 3 - 4)	Beneficial owner and interest held by controlled entities	27,155,344 (L)	34.91%	27,155,344(L)	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. Jiang Bingsi ^(Note 4)	Interest held by controlled entities	7,418,080 (L)	9.54%	7,418,080(L)	[REDACTED]	[REDACTED]	[REDACTED]%
Tianjin Xingyuan ^(Notes 3 - 4)	Beneficial owner	7,418,080 (L)	9.54%	7,418,080(L)	[REDACTED]	[REDACTED]	[REDACTED]%
Beijing State-owned Capital Operation Management Co., Ltd. (北京國有資本運營管理有限公司) (“Beijing State-owned Capital Operation”) ^(Note 5 - 6)	Interest held by controlled corporations	10,015,696 (L)	12.88%	10,015,696(L)	[REDACTED]	[REDACTED]	[REDACTED]%
Beijing Jingguoguan Real Estate Management Co., Ltd. (北京京國管置業管理有限公司) (“Jingguoguan Management”) ^(Note 5 - 6)	Interest held by controlled corporations	10,015,696 (L)	12.88%	10,015,696(L)	[REDACTED]	[REDACTED]	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of Interest	Shares held as of the		Shares held immediately upon		Shares held immediately	
		Latest Practicable Date ^(Note 1)		the completion of the		following the completion of the	
				[REDACTED] and the		[REDACTED] and the	
				[REDACTED] of the Domestic		[REDACTED] of the Domestic	
		Shares into H Shares		(assuming the [REDACTED] is		(assuming the [REDACTED] is	
		not exercised) ^(Note 2)		exercised in full)			
		Number and	Approximate	Number and	Approximate	Number and	Approximate
		description of	Percentage	description of	Percentage	description of	Percentage
		Shares		Shares		Shares	
Beijing Jingguoguan Real Estate Investment Co., Ltd. (北京京國管置業投資有限公司) (“Jingguoguan Investment”) ^(Note 5)	Interest held by controlled corporations	7,388,628 (L)	9.50%	7,388,628(L) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Beijing Jingguorui ^(Note 5)	Interest held by controlled corporations	7,388,628 (L)	9.50%	7,388,628(L) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Beijing Jingguoguan ^(Note 5)	Beneficial owner	7,388,628 (L)	9.50%	7,388,628(L) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Shenzhen Songhe ^(Note 7)	Beneficial owner	3,935,574 (L)	5.06%	3,935,574(L) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Shenzhen Songhe Chuangzhi Private Equity Venture Capital Fund Management Partnership (Limited Partnership) (深圳松禾創智私募創業投資基金管理合夥企業(有限合伙)) (“Songhe Chuangzhi”) ^(Note 7)	Interest held by controlled corporations	3,935,574 (L)	5.06%	3,935,574(L) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Mr. Wang Yang ^(Note 7)	Interest held by controlled corporations	3,935,574 (L)	5.06%	3,935,574(L) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares. The calculation is based on the total number of Shares in issue as of the date of this document, which consists of 77,785,505 Domestic Shares among which, all Domestic Shares will be converted into H Shares upon completion of the [REDACTED] after receipt of the [REDACTED] notice regarding H share “Full circulation” from the CSRC. The calculation is based on the total number of 77,785,505 Shares in issue as of the Latest Practicable Date.
- (2) The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] and the conversion of Domestic Shares into H Shares and without taking into account any Shares which may be issued under the [REDACTED].
- (3) As of the Latest Practicable Date, 17,105,685 Shares are beneficially owned by Mr. Wang. Mr. Wang is the general partner of Tianjin Xingyuan. By virtue of SFO, Mr. Wang is deemed to be interested in the 7,418,080 Shares held by Tianjin Xingyuan. Tianjin Zhichuang, a company wholly-owned by Mr. Wang, is the general partner of Tianjin Xinghui. By virtue of SFO, Mr. Wang is deemed to be interested in 2,631,579 Shares held by Tianjin Xinghui.
- (4) As of the Latest Practicable Date, Mr. Wang is the general partner of Tianjin Xingyuan and Mr. Jiang Bingsi held 35.04% interests in Tianjin Xinyuan as limited partner. As such, Mr. Wang and Mr. Jiang Bingsi is deemed to be interested in the Shares held by Tianjin Xingyuan under the SFO.
- (5) Beijing Jingguorui is a general partner of Beijing Jingguoguan. By virtue of SFO, Beijing Jingguorui is deemed to be interested in the 7,388,628 Shares held by Beijing Jingguoguan. Beijing Jingguorui is owned as to 50% by Jingguoguan Management and 50% by Jingguoguan Investment, thus by virtue of SFO, each of Jingguoguan Management and Jingguoguan Investment is deemed to be interested in the Shares held by Beijing Jingguorui. Each of Jingguoguan Management and Jingguoguan Investment is a wholly-owned subsidiary of Beijing State-owned Capital Operation, a company wholly owned by Beijing State-owned Assets Supervision and Administration Commission.
- (6) Jingguoguan Management is one of the general partners of Beijing Information Industry Development Investment Fund (北京信息產業發展投資基金(有限合夥)) (“**Beijing Information**”). By virtue of SFO, Jingguoguan Management is deemed to be interested in the 2,627,068 Shares held by Beijing Information. By virtue of SFO, Beijing State-owned Capital Operation is interested in the Shares interested by Jingguoguan Management.
- (7) Songhe Chuangzhi is the general partner of Shenzhen Songhe. By virtue of SFO, Songhe Chuangzhi is deemed to be interested in the 3,935,574 Shares held by Shenzhen Songhe. Mr. Wang Yang is the general partner of Songhe Chuangzhi. By virtue of SFO, Mr. Wang Yang is also deemed to be interested in the 3,935,574 Shares held by Shenzhen Songhe.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] are not exercised), without taking into account the [REDACTED] that may be taken up under the [REDACTED], have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, 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.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date and immediately prior to the [REDACTED], the registered capital of our Company is RMB77,785,505, comprising 77,785,505 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Assuming that the [REDACTED] is not exercised, the share capital of our Company immediately following the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the capital after the [REDACTED]
H Shares to be converted from Unlisted Shares	77,785,505	[REDACTED]%
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100%

Assuming that the [REDACTED] is fully exercised, the share capital of our Company immediately following the [REDACTED] and the conversion of certain Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the capital after the [REDACTED]
H Shares to be converted from Unlisted Shares	77,785,505	[REDACTED]%
H Shares to be [REDACTED] under the [REDACTED]	[REDACTED]	[REDACTED]%
H Shares to be [REDACTED] upon full exercise of the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.0%

SHARE CAPITAL

UNLISTED SHARES AND H SHARES

Upon the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares, the Shares will consist of 77,785,505 H Shares only. Unlisted Shares and H Shares are all ordinary Shares in the share capital of our Company and are considered as one class of Shares.

However, apart from certain qualified domestic institutional investors in the PRC, qualified PRC investors under the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to the relevant PRC laws and regulations or upon approvals of any competent authorities, including our existing Shareholders who convert their Unlisted Shares into H Shares upon completion of [REDACTED] with the [REDACTED], H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Unlisted Shares can only be subscribed for by and traded between legal or natural PRC persons, qualified foreign institutional investors and foreign strategic investors. H Shares may only be subscribed for and traded in Hong Kong dollars. Unlisted Shares, on the other hand, may only be subscribed for and transferred in RMB.

RANKING

The Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends for H Shares will be denominated and declared in RMB, and paid in Hong Kong dollars or RMB, whereas all dividends for Unlisted Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF OUR [REDACTED] SHARES INTO H SHARES

According to stipulations by the State Council securities regulatory authority and our Articles, the Unlisted Shares may be converted into H Shares. Such converted Shares may be [REDACTED] or traded on an overseas stock exchange provided that, prior to the conversion and trading of such converted Shares, the requisite internal approval processes have been duly completed and the approvals from the relevant PRC regulatory authorities, including the CSRC, and the relevant overseas stock exchange have been obtained. In addition, such conversion, trading and listing shall in all respects comply with the regulations prescribed by the State Council securities regulatory authority and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted to H Shares and to be traded on the Stock Exchange, such conversion requires the approval of the relevant PRC regulatory authorities, including the CSRC. Approval of the Stock Exchange is required for the listing of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures set out in this section, our Company may apply for the [REDACTED] of all or any portion of the Unlisted Shares on the Hong Kong Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any [REDACTED] of additional Shares after our Company's [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require prior application for [REDACTED] as at the time of our [REDACTED] in Hong Kong.

SHARE CAPITAL

No class Shareholder voting is required for the [REDACTED] and trading of the converted Shares on the Stock Exchange. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and we will [REDACTED] such Shares on the H Share [REDACTED] maintained in Hong Kong and instruct the H Share [REDACTED] to issue H Share certificates. [REDACTED] on the H Share [REDACTED] of our Company will be on the conditions that (i) the H Share [REDACTED] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share [REDACTED] and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [REDACTED] on the Stock Exchange complies with the Listing Rules and the [REDACTED] and the [REDACTED] in force from time to time.

Until the converted Shares are [REDACTED] on the H Share [REDACTED] of our Company, such Shares would not be [REDACTED] as H Shares. For the details of conversion of our Unlisted Shares into H Shares, see “History, Development and Corporate Structure – Full Circulation”.

INCREASE IN SHARE CAPITAL

As advised by our PRC Legal Advisers, pursuant to our Articles and subject to the requirements of the relevant PRC laws and regulations, we, upon the [REDACTED] of our H Shares, are eligible to enlarge its share capital by [REDACTED] either new H Shares or new Unlisted Shares on condition that such proposed issuance shall be approved by a special resolution of Shareholders in general meeting conducted in accordance with the provisions of our Articles and that such issuance complies with the Listing Rules and other relevant laws and regulations of Hong Kong and China. To adopt a special resolution of Shareholders in general meeting, more than two thirds votes represented by the Shareholders (including proxies) present at the general meeting must be exercised in favour of the resolution.

RESTRICTIONS OF SHARE TRANSFER

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to any public offering of shares by a company shall not be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. Accordingly, the Shares issued by our Company prior to the [REDACTED] will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Shares transferred by our Directors and members of the senior management each year during their term of office as determined at the time of their assumption of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

SHARE CAPITAL

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the “Full Circulation” Programme for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) announced by the CSRC, the domestic shareholders of Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the CSDC. Furthermore, H-Share companies should submit the relevant status reports to the CSRC within 15 days after transfer registration with the CSDC of the shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of our Articles, we may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Regulatory Overview” and “Summary of Articles of Association” set out in Appendix III to this document.

FINANCIAL INFORMATION

You should read the following discussion in conjunction with the consolidated financial statements of our Group included in the Accountant’s Report and the notes thereto included in Appendix I to this document, and the selected historical financial information and operating data included elsewhere in this document. The consolidated financial statements of our Group have been prepared in accordance with IFRS.

Our historical results do not necessarily indicate results expected for any future periods. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Risk Factors” and elsewhere in this document.

OVERVIEW

We are a reputable comprehensive industrial cybersecurity and energy digital-intelligence solutions provider in China. According to Frost & Sullivan, we ranked first by market share in China’s industrial cybersecurity market in 2024, capturing an overall market share of approximately 6.7%, and in particular, a market share of approximately 8.4% in the energy field of the industrial cybersecurity market in China. Leveraging our industry-specific technological and regulatory knowhow, we provide customisable solutions that meet the diverse and evolving needs of enterprise users across various sectors. We employ AI-driven technologies to enhance security capabilities for enterprise users under different industrial scenarios. In addition to providing comprehensive industrial cybersecurity solutions, we also provide digital-intelligence solutions to enterprise users in the energy sector, featuring core capabilities such as real-time condition awareness, risk early warning, and process optimisation. For the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, our revenue amounted to RMB473.8 million, RMB726.8 million and RMB438.9 million, respectively.

BASIS OF PREPARATION

Our Company was incorporated in the PRC as a company with limited liabilities on 14 August, 2007. In October 2025, we were converted into a joint stock company with limited liability.

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, we have consistently applied the accounting policies which conform with IFRS accounting standards, which are effective for our accounting period beginning on January 1, 2025, throughout the Track Record Period. See Note 3 as set out in Appendix I to this document for details on application of new and amendments to IFRS accounting standards that are adopted by us.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Factors

Our results of operations and financial performance are influenced by a variety of industry-wide and business-specific drivers. The following discussion sets out the principal factors that management believes are most significant to our results of operations, drawing on industry trends, our service delivery and operational execution during the Track Record Period and beyond.

FINANCIAL INFORMATION

Our Ability to Continue Innovation and Technological Advancements

Our leading market position is built on our sustained leadership in technology innovation and one-stop solution integration. The process for technological platform development and industry-specific solution design involves deep industry insights and long development cycles. As an established pioneer and a recognised leader in China’s industrial cybersecurity and energy digitalisation sector, our ongoing commitment to R&D has already resulted in differentiated platforms and customised solutions, reinforcing our technological leadership in critical infrastructure sectors. We believe our ability to execute R&D initiatives, develop new foundational platforms, launch industry-scenario-specific solutions, and continuously enhance our hardware portfolio, alongside our success in attracting and retaining top R&D talent, is essential in maintaining our market position. We have invested, and plan to continue to invest, further resources in our R&D. Our R&D expenses accounted for 10.9%, 9.0% and 12.5% of our total revenue in 2023, 2024 and the nine months ended September 30, 2025, respectively. Specifically, the progress of our platform evolution and solution development depends largely on our R&D talent. These investments will support our next-generation industrial cybersecurity platform. In order to continue to scale and expand our operations, we will continue to enhance our R&D efficiency, prioritise high-impact projects aligned with our platform strategy, and accelerate the commercialisation of R&D outcomes into scalable, industry-specific solutions.

Our Ability to Expand Customer Base and Strengthen Sales Force

Our success is built on serving a diverse customer base with projects across critical national infrastructure sectors such as power grid, petroleum and petrochemicals, rail transit, smart manufacturing, metallurgy and mining, municipal water, emergency environmental protection, and telecommunications. This extensive and industry-specific coverage has been fundamental to our market leadership. Since our inception and up to the Latest Practicable Date, we had provided industrial cybersecurity solutions in a cumulative total of over 6,000 projects, with our solutions covering various industries, including power, petrochemical, rail transit, smart manufacturing, metallurgy and mining, municipal water services and others and more than 200 application scenarios. Among these enterprise users, a significant proportion are state-owned or state-controlled enterprises, reflecting our trusted role in safeguarding critical infrastructure. During the Track Record Period, we were engaged by either enterprise users or main contractors, depending on the available business opportunities at the relevant time. The enterprise users we serve include large-scale state-owned or state-controlled enterprises in various sectors. The main contractors are generally technology companies or trading companies who may (i) assign us all or part of their project works to the enterprise users by engaging us for the provision of specified solutions; or (ii) purchase hardware and software and standalone technical services from us. Our future success and sustained revenue growth depend significantly on our ability to deepen relationships within existing sectors, continue obtaining projects and acquiring new customers, strategically expand into new industries, and retain our high-stickiness customers base through continuous solution innovation and operational excellence.

FINANCIAL INFORMATION

We possess systematic capability of obtaining projects and enterprise user management. By virtue of market analysis, we identify commercial opportunities, emphasising early and strategic alignment with the investment plans of large-scale enterprises, including SOEs. In parallel, our dedicated key enterprise sales and management team is committed to deepening client relationships, understanding their operational scenarios, and delivering customised offerings. Additionally, we seek to ensure our products are compatible with the complex industrial control systems of leading domestic and international industrial automation suppliers, which creates a significant technological complexity barrier and positions us well to be selected as the specialised industrial cybersecurity solutions provider when enterprise users have existing industrial control systems provided by these leading industrial automation suppliers. Historically and during the Track Record Period, we secured projects through direct coverage of enterprise users as well as through other technology service companies, who would directly contract with us and become our direct customers under these circumstances. See “Business - Overview” for details.

To further strengthen our enterprise user engagement and retention, we place strong emphasis on the development, recruitment, and retention of our sales team. We continuously invest in talent cultivation, training, and team-building initiatives to ensure our sales force is equipped with the industry knowledge, relationship management skills, and technical expertise required to effectively serve and maintain our enterprise user base.

Market Growth of the Markets We Operate in and Our Ability to Compete in China

Our financial performance is significantly influenced by the growth of the industrial cybersecurity market, which was the primary market driving our revenue during the Track Record Period and can be affected by the technological innovation, strict regulatory mandates, and growing recognition of cyber-physical risks. According to Frost & Sullivan, the overall scale of China’s industrial cybersecurity market has maintained steady growth. In 2020, the market size stood at RMB4.1 billion. By 2024, it had surged to RMB9.6 billion, representing a CAGR of 24.2% from 2020 to 2024. Looking ahead, the market is projected to reach RMB29.4 billion by 2029, with an estimated CAGR of 25.0% from 2024 to 2029.

During the Track Record Period, we primarily generated our revenue from the provision of industrial cybersecurity solutions, and since our strategic acquisition of Beijing BKC in September 2024 and acquisition of Haibo Electric in December 2025, the contribution from energy digital-intelligence and backup energy storage power solutions has grown and is expected to account for an increasingly share of our revenue and business operations going forward. The energy digital-intelligent integrated solutions in China has seen steady growth, with a rise in market size from RMB17.2 billion in 2020 to RMB47.6 billion in 2024, representing a CAGR of 17.4% during the years, and is expected to reach RMB118.2 billion by 2029, with a CAGR of 22.9% from 2024 to 2029, according to Frost & Sullivan.

FINANCIAL INFORMATION

Scalability, Cost Efficiency, and Working Capital Management

Our expansion will result in substantial demands on our management, operational, technological, financial and other resources. Controlling costs, optimising working capital, and leveraging economies of scale to secure favourable terms with suppliers and customers are vital to sustaining profitability. However, rapid growth may also heighten the risk of talent attrition, as increased project workloads, organisational scaling, and evolving operational structures could strain employee retention, particularly within our R&D and key engineering teams. Proactive measures, such as competitive compensation, career development opportunities, and a supportive workplace culture, will be critical to mitigating this risk. Additionally, advanced analytics to forecast inventory turnover and sales trends will enhance operational efficiency. Furthermore, we will deploy advanced analytics and operational intelligence systems to enhance forecasting of project cycles, inventory utilisation, and industry trends, thereby improving resource allocation, supply chain resilience, and overall operational efficiency.

Government Policies and Regulatory Framework

Our market development and business performance are driven by national policies and the regulatory framework governing industrial cybersecurity. The PRC Government fundamentally transformed the sector’s compliance landscape by elevating cybersecurity from a recommended guideline to a mandatory legal obligation for enterprises. Specifically, the regulatory system centred on the Net Security Law of the People’s Republic of China, Network Security Level Protection 2.0, and the Regulation for Safe Protection of Critical Information Infrastructure has imposed compulsory requirements on operators of critical information infrastructure. Detailed implementation guidelines and technical assessment requirements issued by industry competent authorities have further standardised security investments and operational practices. This comprehensive policy mechanism has effectively eliminated market uncertainty, creating a sustained and irreversible source of demand for compliant industrial cybersecurity solutions. The establishment and continuous refinement of this regulatory framework have driven the demand for our comprehensive industrial cybersecurity and energy digital-intelligence solutions, providing policy-driven drivers for our business growth.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances.

There has not been any material deviation from our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

FINANCIAL INFORMATION

We set forth below those accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our material accounting policy information, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 4, 5, 6 and 35 of the Accountants’ Report set out in Appendix I to this document.

Revenue from Contracts with Customers

Provision of integrated solutions

We provide integrated solutions, including industrial cybersecurity solutions, energy digital-intelligence solutions whereby we design and implement integrated solutions for our customers by integrating different hardware, software and services to satisfy various requirements and needs of our enterprise users. Revenue from integrated solutions is recognised at a point in time when the solutions are completed and accepted by the customers.

Sale of hardware and software

For sales of hardware and software to customers, revenue is recognised when control of the goods has been transferred, generally being at the point when the goods has been delivered to the customers’ specific location and accepted.

Provision of technical services

Except for maintenance and support services that is recognised over time, other services provided us to the customers such as technology consulting services are recognised when the service is accepted by the customers.

Sales-related warranties associated with products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, we account for warranties in accordance with IAS 37.

All sales of products and related services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Provision of ECL for Trade Receivables and Contract Assets

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. In addition, we use collective assessment in estimating ECL on trade receivables and contract assets which are not assessed individually at the end of each reporting period. The ECL rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The collective assessment is based on our historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL and our trade receivables and contract assets are disclosed in Note 44 to the Accountants’ Report as set out in Appendix I to this document.

FINANCIAL INFORMATION

Deferred Tax

As at 31 December 2023 and 2024, and 30 September 2025, no deferred tax asset has been recognised on the tax losses of RMB32,642,000, RMB167,378,000, and RMB182,974,000, respectively, and no deferred tax asset has been recognised on certain deductible temporary differences of RMB1,039,000, RMB15,834,000 and RMB16,095,000, respectively due to the unpredictability of future profit streams. A deferred tax asset has been recognised in respect of RMB35,576,000, RMB65,825,000 and RMB77,899,000 of remaining deductible temporary differences for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, respectively. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

Redemption Liabilities

The redemption rights granted to the investors constitute as our obligations to repurchase its own equity instruments. These obligations were recognised as redemption liabilities which are initially measured as present value of the redemption amount and subsequently measured at amortised cost. The redemption liabilities are classified as non-current liabilities as we have the right at each reporting date to defer settlement of the liabilities for at least twelve months after that date.

When the contractual terms of a debt instrument are modified, such as extending the tenure, change in redemption price, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed, is recognised in profit or loss. See Note 35 to the Accountants’ Report as set out in Appendix I to this document for details.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

The following table sets out a summary of our consolidated profit or loss and other comprehensive loss for the/periods indicated, as derived from our consolidated statements of comprehensive income set out in the Accountant’s Report included in Appendix I and Condensed Consolidated Financial Statements set out in Appendix IA to this document:

	Year ended December 31,		Nine months ended	
	2023	2024	September 30,	2025
	RMB’000	RMB’000	RMB’000	RMB’000
			(Unaudited)	(Unaudited)
Revenue	473,839	726,800	359,170	438,856
Cost of sales	(185,239)	(360,794)	(187,491)	(225,690)
Gross profit	288,600	366,006	171,679	213,166
Other income	32,693	16,898	10,786	10,757
Other gains and losses	(195,934)	19,311	19,143	(511)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(12,783)	(32,125)	(11,825)	(17,339)
Selling and marketing expenses	(137,473)	(179,848)	(134,786)	(95,126)
Administrative expenses	(37,821)	(50,076)	(32,800)	(51,612)
Research and development expenses	(51,615)	(65,542)	(47,954)	(54,994)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share of results of associates	(36)	(94)	(29)	(949)
Finance costs	(66,557)	(113,693)	(78,648)	(93,934)
Loss before tax	(180,926)	(39,163)	(104,434)	(92,129)
Income Tax (expense)/credit	(11,612)	(6,528)	1,638	(2,543)
Loss and total comprehensive expense for the year/period	(192,538)	(45,691)	(102,796)	(94,672)

FINANCIAL INFORMATION

Non-IFRS Measures

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted profit for the year/period (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year/period (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit for the year/period (a non-IFRS measure) as profit for the year/period adjusted for shared-based payment, modification of redemption liabilities, and interests on redemption liabilities.

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Reconciliation of net profit to adjusted net profit (non-IFRS measure)				
Loss for the year/ period	(192,538)	(45,691)	(102,796)	(94,672)
Add:				
Share-based payment	5,072	11,968	8,975	6,492
Modification of redemption liabilities	191,489	(18,950)	(18,950)	–
Interests on redemption liabilities	66,212	108,076	78,234	92,333
Adjusted net profit (non-IFRS measure)	70,235	55,403	(34,537)	4,153

FINANCIAL INFORMATION

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Our three types of offerings consist of (i) industrial cybersecurity solutions; (ii) energy digital-intelligence solutions; and (iii) backup energy storage power solutions. During the Track Record Period, we primarily generated our revenue from the provision of industrial cybersecurity solutions, and since our strategic acquisition of Beijing BKC in September 2024, from the provision of energy digital-intelligence solutions as well. Our capability in providing backup energy storage power solutions is achieved through our acquisition of Haibo Electric in December 2025. The following table sets out our revenue by offering type for the periods indicated.

	For the Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Industrial cybersecurity solutions	473,839	100.0	643,900	88.6	359,170	100.0	418,797	95.4
Energy digital-intelligence solutions ⁽¹⁾	–	–	82,900	11.4	–	–	20,059	4.6
Backup energy storage power solutions ⁽²⁾	–	–	–	–	–	–	–	–
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

Note:

- (1) We have generated revenue from the provision of energy digital-intelligence solutions since we strategically acquired the Beijing BKC in September 2024.
- (2) We provide backup energy storage power solutions through Haibo Electric, which we strategically acquired in December 2025 and therefore no revenue was recorded for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025.

FINANCIAL INFORMATION

The nature of our offerings encompasses (i) provision of integrated solutions, (ii) sales of hardware and software, and (iii) provision of technical services. The following table sets forth a breakdown of our revenue by different nature of our [REDACTED] in absolute amounts and as a percentage of revenue for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	% (Unaudited)	RMB'000 (Unaudited)	%
Provision of integrated solutions	388,212	81.9	523,208	72.0	210,643	58.6	255,680	58.3
Sales of hardware and software	49,059	10.4	159,319	21.9	134,525	37.5	160,071	36.5
Provision of technical services	36,568	7.7	44,273	6.1	14,002	3.9	23,105	5.2
Total	473,839	100.0	726,800	100.0	359,170	100.0	438,856	100.0

Cost of Sales

Our cost of sales primarily consists of (i) procurement costs, representing expenses directly attributable to the manufacturing and procurement of our proprietary hardware portfolio, including costs of key components, assembly, testing, and quality assurance, and (ii) project implementation costs, representing expenses associated with on-site deployment, system integration, configuration, and customisation of our hardware and platform solutions, and (iii) technology service costs, representing expenses related to the provision of ongoing technical support, software updates, cybersecurity monitoring, operational maintenance, and other services as stipulated in our contracts with customers.

FINANCIAL INFORMATION

The following table sets forth a breakdown of our cost of sales by offering categories in absolute amounts and as a percentage of revenue for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	% (Unaudited)	RMB'000 (Unaudited)	% (Unaudited)
Provision of integrated solutions	136,767	35.2	192,963	36.9	54,902	26.1	70,732	27.7
Sales of hardware and software	35,198	71.7	151,091	94.8	130,524	97.0	150,176	93.8
Provision of technical services	13,274	36.3	16,740	37.8	2,065	14.7	4,782	20.7
Total	185,239	39.1	360,794	49.6	187,491	52.2	225,690	51.4

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit and gross profit margin by offering categories in absolute amounts and as a percentage of revenue, or gross profit margin, for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	% (Unaudited)	RMB'000 (Unaudited)	% (Unaudited)
Provision of integrated solutions	251,445	64.8	330,245	63.1	155,741	73.9	184,948	72.3
Sales of hardware and software	13,861	28.3	8,228	5.2	4,001	3.0	9,894	6.2
Provision of technical services	23,294	63.7	27,533	62.2	11,937	85.3	18,324	79.3
Total	288,600	60.9	366,006	50.4	171,679	47.8	213,166	48.6

During the Track Record Period, we had a gross profit of RMB288.6 million, RMB366.0 million, RMB171.7 million and RMB213.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Our gross profit margin was 60.9%, 50.4%, 47.8% and 48.6% in 2023, 2024, and the nine months ended September 30, 2024 and 2025, respectively.

FINANCIAL INFORMATION

Other Income

Our other income mainly consists of (i) value-added tax refunds, (ii) interest income from bank, (iii) interest income from third parties and non-controlling shareholders, and (iv) government grants. Our other income amounted to RMB32.7 million and RMB16.9 million for the years ended 31 December 2023 and 2024, representing 6.9% and 2.3% of our revenue in the respective years. Our other income remained stable at RMB10.8 million and RMB10.8 million in the nine months ended 30 September 2024 and 2025, respectively, accounting for 3.0% and 2.5% of our revenue in the respective periods.

Other Gains and Losses

Our other gains and losses primarily consist of (i) fair value changes of financial assets at FVTPL, (ii) gain on disposal of property and equipment, (iii) modification of redemption liabilities in connection with different rounds of financing, and (iv) impairment of investment in an associate. The following table sets forth a breakdown of our other gains and losses by nature in absolute amounts and as a percentage of total other gains and losses for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Fair value changes of financial assets at FVTPL	281	(0.1)	2,962	15.3	2,370	12.4	862	(168.7)
Gain on disposal of property and equipment	16	0.0	14	0.1	–	–	–	–
Modification of redemption liabilities	(191,489)	97.7	18,950	98.1	18,950	99.0	–	–
Impairment of investment in an associate	(4,691)	2.4	(2,458)	(12.7)	(2,094)	(10.9)	(198)	38.7
Others	(51)	0.0	(157)	(0.8)	(83)	(0.5)	(1,175)	230.0
Total	(195,934)	100.0	19,311	100.0	19,143	100.0	(511)	100.0

Impairment losses under expected credit loss (“ECL”) model, net of reversal

Our impairment losses under the expected credit loss model (“ECL”), net of reversal, consist of impairment losses recognised (reversed) on trade receivables, contract assets and other receivables. Our impairment loss amounted to RMB12.8 million, RMB32.1 million, RMB11.8 million and RMB17.3 million in the years ended 31 December 2023 and 2024, and in the nine months ended 30 September 2024 and 2025, respectively.

FINANCIAL INFORMATION

Selling and Marketing Expenses

Our selling and marketing expenses mainly consist of (i) employee benefit expenses mainly for our sales and marketing personnel; (ii) service fees for marketing initiatives paid to third parties in relation to our marketing and pre-sales activities, which are primarily the costs of preliminary testing, research and analysis conducted at the early stage of project engagement, often on a non-chargeable basis, to secure project opportunities; (iii) marketing and promotion expenses for targeted campaigns; (iv) travelling expenses; (v) depreciation and amortisation; and (vi) rental expenses.

The following table sets forth a breakdown of our selling and marketing expenses by nature in absolute amounts and as a percentage of total selling and marketing expenses for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(Unaudited)		(Unaudited)	
Employee benefit expenses	48,957	35.6	63,915	35.5	44,591	33.1	54,927	57.7
Service fees for marketing initiatives	59,653	43.4	64,146	35.7	56,872	42.2	18,611	19.6
Marketing and promotion expenses	17,762	12.9	39,249	21.8	23,780	17.6	12,413	13.0
Travelling expense	6,124	4.5	7,865	4.4	6,054	4.5	5,654	5.9
Depreciation & Amortisation	2,696	2.0	2,500	1.4	1,915	1.4	1,634	1.7
Rental expenses	1,338	1.0	1,325	0.7	939	0.7	1,390	1.5
Others	943	0.6	848	0.5	635	0.5	497	0.6
Total	137,473	100.0	179,848	100.0	134,786	100.0	95,126	100.0

FINANCIAL INFORMATION

Administrative Expenses

Our administrative expenses primarily consist of (i) employee benefit expenses related to our administrative personnel; (ii) travelling expenses; (iii) professional agency fees; (iv) depreciation & amortisation; (v) business development expenses; (vi) rental expense, and (vii) others. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of total administrative expenses for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(Unaudited)		(Unaudited)	
Employee benefit expenses	22,416	59.3	32,504	64.9	21,230	64.7	34,201	66.3
Travelling expense	2,308	6.1	4,333	8.7	2,693	8.2	4,224	8.2
Professional agency fees	3,628	9.6	4,599	9.2	4,201	12.8	2,626	5.1
Depreciation & Amortisation	2,885	7.6	3,019	6.0	1,945	5.9	3,037	5.9
Business development expenses	2,981	7.9	2,307	4.6	1,236	3.8	2,508	4.9
Rental expense	459	1.2	551	1.1	144	0.4	1,157	2.2
Others	3,144	8.3	2,763	5.5	1,351	4.2	3,859	7.4
Total	37,821	100.0	50,076	100.0	32,800	100.0	51,612	100.0

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses consist of (i) employee benefit expenses related to our R&D personnel, (ii) technical services expenses related to basic technical jobs which are outsourced to third parties; (iii) depreciation and amortisation, (iv) laboratory and testing fees, (v) travelling expenses, (vi) rental expenses, and (vii) others. The following table sets forth a breakdown of our research and development expenses by nature in absolute amounts and as a percentage of total research and development expenses for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000 (Unaudited)	%
Employee benefit expenses	33,762	65.4	38,219	58.3	24,981	52.1	35,417	64.4
Technical services expenses	5,992	11.6	11,339	17.3	11,235	23.4	4,373	8.0
Depreciation & Amortisation	5,925	11.5	7,076	10.8	5,118	10.7	6,629	12.1
Laboratory and testing fees	2,018	3.9	2,178	3.3	1,642	3.4	1,613	2.9
Travelling expense	1,804	3.5	1,178	1.8	822	1.7	836	1.5
Rental expense	401	0.8	438	0.7	364	0.8	413	0.8
Others	1,713	3.3	5,114	7.8	3,792	7.9	5,713	10.3
Total	51,615	100.0	65,542	100.0	47,954	100.0	54,994	100.0

FINANCIAL INFORMATION

Finance Costs

Our finance costs primarily include (i) interests on redemption liabilities, (ii) interests on bank borrowing, (iii) interests on lease liabilities, and (iv) other interest expenses. The following table sets forth a breakdown of our finance costs in absolute amounts and as a percentage of total finance costs for the years/periods indicated.

	Year ended 31 December				Nine months ended 30 September			
	2023		2024		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
					(Unaudited)		(Unaudited)	
Interests on redemption liabilities	66,212	99.5	108,076	95.1	78,234	99.5	92,333	98.3
Interests on bank borrowing	–	–	417	0.4	86	0.1	1,272	1.4
Interest on lease liabilities	345	0.5	471	0.4	328	0.4	329	0.3
Other interest expenses	–	–	4,729	4.1	–	–	–	–
Total	66,557	100.0	113,693	100.0	78,648	100.0	93,934	100.0

Income Tax Expenses/(credits)

We are subject to income tax on an entity basis on profits arising in, or derived from, tax jurisdictions in which members of our Group are domiciled and operate.

	Year ended 31 December		Nine months ended	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Current income tax	12,961	10,697	25	5,184
Deferred tax	(1,349)	(4,169)	(1,663)	(2,641)
Income tax expense/(credit)	11,612	6,528	(1,638)	2,543

Under the Law of the PRC on Enterprise Income Tax and Implementation Regulation of the EIT Law, the tax rate of our Company and subsidiaries was 25% during the Track Record Period. However, during the Track Record Period, the effective tax rate applicable to our Company and certain of our subsidiaries were subject to preferential treatments as further detailed below.

FINANCIAL INFORMATION

The Company obtained the “High and New Technology Enterprise” (“**HNTE**”) certification in December 2021, and was therefore entitled to a preferential tax rate of 15% for a period of three years from 2021 to 2023. The Company renewed the HNTE qualification in October 2024, and was further entitled to a preferential tax rate of 15% for a period of three years from 2025 to 2027.

Our subsidiary Beijing BKC also has obtained the HNTE certification and was therefore entitled to a preferential tax rate since it was acquired by our Group. Beijing BKC also renewed HNTE qualification in October 2024, and was further entitled to a preferential tax rate of 15% for a period of three years from 2025 to 2027.

Besides, certain subsidiaries of our Group were qualified as small-scale and low-profit enterprises and were subject to EIT rate at 20% during the Track Record Period. Pursuant to prevailing EIT Law, small-scale and low-profit enterprise is further eligible for taxable income reduction to enjoy a lower effectively applicable EIT rate. As such, effectively applicable tax rate of those subsidiaries of us is 5% during the Track Record Period. We are entitled to claim 200% of qualified research and development expenses so incurred as tax deductible expenses when determining its assessable profits for that year since 1 January 2023, pursuant to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Nine months Ended 30 September 2025 Compared to Nine months Ended 30 September 2024

Revenue

Our revenue increased by 22.2% from RMB359.2 million in the nine months ended 30 September 2024 to RMB438.9 million in the nine months ended 30 September 2025, primarily attributable to (i) the increase in revenue from provision of industrial cybersecurity solutions as the our product lines expanded and our solutions covered more sectors, and (ii) the increase in revenue from energy digital-intelligence solutions, which was launched after our acquisition of Beijing BKC, the financial statements of which were consolidated into ours since October 2024.

Cost of Sales

Our cost of sales increased by 20.4% from RMB187.5 million in the nine months ended 30 September 2024 to RMB225.7 million in the nine months ended 30 September 2025, which was in line with our growth in revenue in the same period.

Gross Profit and Gross Profit Margin

Our gross profit increased by 24.2% from RMB171.7 million in the nine months ended 30 September 2024 to RMB213.2 million in the nine months ended 30 September 2025, which is in line with our business expansion. Our gross profit margin remained relatively stable at 47.8% in the nine months ended 30 September 2024 and at 48.6% in the nine months ended 30 September 2025.

FINANCIAL INFORMATION

Other Income

Our other income remained relatively stable at RMB10.8 million and RMB10.8 million in the nine months ended 30 September 2024 and 2025, respectively.

Other Gains and Losses

Our other gains and losses decreased by 102.6% from a gain of RMB19.1 million in the nine months ended 30 September 2024 to a loss of RMB0.5 million in the nine months ended 30 September 2025, mainly because the gains recognised from the modification of redemption liabilities in the 2024, which were driven by the extension of redemption date as stipulated in the [REDACTED] we entered into in March 2024.

Impairment Losses under Expected Credit Loss (“ECL”) Model, Net of Reversal

We recorded impairment losses under ECL model, net of reversal at a loss of RMB11.8 million in the nine months ended 30 September 2024 and a loss of RMB17.3 million in the nine months ended 30 September 2025, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 29.4% from RMB134.8 million in the nine months ended 30 September 2024 to RMB95.1 million in the nine months ended 30 September 2025, primarily due to the decrease in service fees for marketing initiatives and other selling and marketing expenses, as we commenced certain major marketing initiatives by providing technical services such as preliminary testing, research and analysis at the early stage of project engagement, often on a non-chargeable basis, to secure project opportunities, since 2023 to expand our coverage of industries and customer base, leading to relatively higher selling and marketing expenses in 2023 and 2024. The selling and marketing expenses in the nine months ended 30 September 2025 showed a moderate decrease as the strategic objectives of the aforesaid marketing initiatives were achieved.

Administrative Expenses

Our administrative expenses increased by 57.3% from RMB32.8 million in the nine months ended 30 September 2024 to RMB51.6 million in the nine months ended 30 September 2025, primarily because we incurred higher employee expenses for administrative personnel since our acquisition of Beijing BKC.

Research and Development Expenses

Our research and development expenses increased by 14.6% from RMB48.0 million in the nine months ended 30 September 2024 to RMB55.0 million in the nine months ended 30 September 2025, primarily because we incurred higher employee expenses for R&D personnel since our acquisition of Beijing BKC.

FINANCIAL INFORMATION

[REDACTED]

Our [REDACTED] increased from [REDACTED] in the nine months ended 30 September 2024 to [REDACTED] million in the nine months ended 30 September 2025, as we incurred costs in relation to our proposed [REDACTED] in 2025.

Share of Results of Associates

We recorded loss in share of results of associates of RMB29,000 in the nine months ended 30 September 2024 and RMB0.9 million in the nine months ended 30 September 2025, respectively.

Finance Costs

Our loss finance costs increased by 19.5% from RMB78.6 million in the nine months ended 30 September 2024 to RMB93.9 million in the nine months ended 30 September 2025, primarily due to increase in interests on redemption liabilities followed the new round of [REDACTED] in March 2024.

Income Tax (Expense)/Credit

We recorded income tax credit of RMB1.6 million in the nine months ended 30 September 2024 and income tax expense of RMB2.5 million in the nine months ended 30 September 2025, as we incurred taxable income driven by the improved operational results of our Company.

Loss for the Period

As a result of the foregoing, our loss for the period decreased by 7.9% from RMB102.8 million in the nine months ended 30 September 2024 to RMB94.7 million in the nine months ended 30 September 2025.

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

Revenue

Our revenue increased by 53.4% from RMB473.8 million in 2023 to RMB726.8 million in 2024, primarily because (i) increase in revenue from provision of industrial cybersecurity solutions as the our product lines expanded and our solutions covered more industries, and (ii) the increase in energy digital-intelligence solutions followed our acquisition of Beijing BKC, the financial statements of which were consolidated into ours since October 2024.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales increased by 94.8% from RMB185.2 million in 2023 to RMB360.8 million in 2024, which was in line with our growth in revenue in the same year.

Gross Profit and Gross Profit Margin

Our gross profit increased by 26.8% from RMB288.6 million in 2023 to RMB366.0 million in 2024, which is in line with our business expansion. Our gross profit margin decreased from 60.9% in 2023 to 50.4% in 2024, primarily (i) because we introduced a new major enterprise user in 2024, which engaged us for two new projects under our offering of sales of hardware and software with relatively higher costs. The projects were strategically undertaken to strengthen and maintain the relationship with this major enterprise user, despite the higher cost structure of the relevant projects, aligning with our long-term account retention objectives, and (ii) because of the relatively lower margin contributed by the business line of energy digital-intelligence solutions that we commenced in 2024.

Other Income

Our other income decreased by 48.3% from RMB32.7 million in 2023 to RMB16.9 million in 2024 primarily because the decrease in value-added tax refunds and partially offset by increase in interest income from bank during the year.

Impairment Losses under ECL Model, Net of Reversal

We recorded impairment losses under ECL model, net of reversal of RMB12.8 million in 2023 and RMB32.1 million in 2024, respectively.

Other Gains and Losses

We recorded other losses of RMB195.9 million in 2023 as there was a share transfer coupled with a substantial modification of redemption terms leading to loss recognised from the modification, and other gains of RMB19.3 million in 2024 mainly because of the gains recognised from the modification of redemption liabilities in the 2024, driven by the extension of redemption date as stipulated in the [REDACTED] we entered into in March 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 30.8% from RMB137.5 million in 2023 to RMB179.8 million in 2024, primarily attribute to the increase in employee benefit expenses due to expansion of our marketing team. The increase was also attributed to the increase in marketing and promotion expenses which was in line with our business expansion.

FINANCIAL INFORMATION

Administrative Expenses

Our administrative expenses increased by 32.5% from RMB37.8 million in 2023 to RMB50.1 million in 2024, primarily due to the increase in employee benefit expenses contributed by expansion of our administrative team after acquisition of Beijing BKC, and partially offset by the decrease in professional agency fees to professional agencies we engaged for our [REDACTED] financing activities were largely recognised in 2023.

Research and Development Expenses

Our research and development expenses increased by 26.9% from RMB51.6 million in 2023 to RMB65.5 million in 2024, primarily due to the increase in technical service expenses as we outsourced more basic technical jobs to third parties.

Share of Results of Associates

Our loss in share of results of associates remained less than RMB0.1 million in both 2023 and 2024.

Finance Costs

Our loss finance costs increased by 70.7% from RMB66.6 million in 2023 to RMB113.7 million in 2024, primarily due to increase in interests on redemption liabilities followed the new round of [REDACTED] in March 2024, as well as interests on bank borrowing and other interest expenses.

Income Tax Expense

We recorded income tax expense of RMB11.6 million in 2023 and RMB6.5 million in 2024, respectively, as a result of decrease in current income tax and increase in deferred tax.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 76.3% from RMB192.5 million in 2023 to RMB45.7 million in 2024.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of 31 December		As of 30 September	As of 30 November
	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Current assets				
Inventories	11,807	17,479	35,239	147,937
Trade receivables	639,781	904,072	1,036,642	1,088,865
Notes receivables measured at fair value through other comprehensive income (“FVTOCI”)	8,505	8,712	11,903	8,653
Contract assets	13,241	26,616	21,435	35,522
Contract costs	98	19,092	51,070	40,933
Prepayments, deposits and other receivables	26,560	45,956	212,797	68,198
Financial assets at FVTPL	80,067	60,262	80,145	30,000
Restricted bank deposits	952	5,273	9,265	9,519
Time deposits	–	50,183	–	–
Cash and cash equivalents	179,728	234,195	133,005	186,940
Total current assets	<u>960,739</u>	<u>1,371,840</u>	<u>1,591,501</u>	<u>1,616,567</u>
Current liabilities				
Trade and notes payables	141,713	203,611	230,360	249,729
Other payables and accruals	55,709	56,969	47,732	53,082
Income tax payable	10,009	5,228	2,868	4,856
Bank borrowings	–	2,069	60,525	80,000
Lease liabilities	3,146	8,575	4,419	4,378
Contract liabilities	–	8,392	175,297	94,791
Total current liabilities	<u>210,577</u>	<u>284,844</u>	<u>521,201</u>	<u>486,836</u>
Net current assets	<u>750,162</u>	<u>1,086,996</u>	<u>1,070,300</u>	<u>1,129,731</u>

FINANCIAL INFORMATION

Our net current assets decreased from RMB1,087.0 million as of 31 December 2024 to RMB1,070.3 million as of 30 September 2025, primarily due to (i) the decrease in cash and cash equivalents of RMB101.2 million, and (ii) the increase in bank borrowings of RMB58.5 million, partially offset by the increase in trade receivables of RMB132.6 million.

Our net current assets increased from RMB750.2 million as of 31 December 2023 to RMB1,087.0 million as of 31 December 2024, primarily due to (i) the increase in trade receivables of RMB264.3 million, (ii) the increase in cash and cash equivalents of RMB54.5 million, (iii) the increase in time deposits of RMB50.2 million and (iv) the decrease in financial assets at FVTPL of RMB19.8 million.

Inventories

Our inventories consisted of raw materials and finished goods. Raw materials primarily represent various hardware we purchase from our suppliers. Finished products primarily represent fully assembled systems, after embedding our self-developed software into the hardware we purchased. Our inventories increased from RMB11.8 million as of 31 December 2023 to RMB17.5 million as of 31 December 2024 and further increased to RMB 35.2 million as of 30 September 2025. Our inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first out method for our business line of energy digital-intelligence solutions and weighted average method for our business line of industrial cybersecurity solutions. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

The following table sets forth the breakdown of our inventories by nature during the Track Record Period.

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(unaudited)
Raw materials	9,667	14,225	10,894
Finished goods	2,140	3,254	24,345
	<u>11,807</u>	<u>17,479</u>	<u>35,239</u>

Our inventory turnover days were 26, 15 and 32 days in 2023, 2024 and nine months ended 30 September 2025. Inventory turnover days for a given period are equal to the average inventory balances as of the beginning and the end of the period divided by total procurement costs during the period and multiplied by the number of days during the period (i.e., the actual number of days in a given year for calculating turnover days in such year or 90 days for calculating turnover days in a given quarter).

FINANCIAL INFORMATION

We assess impairment to inventories from time to time during the Track Record Period and may make provision to write down our inventories to their net realisable value if they become expired or damaged, or their prices go down, and their net realisable value substantially decreases. During the Track Record Period, we made provision for impairment at each balance sheet date, primarily considering (i) the carrying value of the products in stock; (ii) the selling prices of relevant products and services; and (iii) the estimated selling costs.

As of the Latest Practicable Date, RMB20.4 million, or 57.8% of our inventory as of 30 September 2025 had been utilised.

Trade receivables/Notes receivables measured at FVTOCI

Our trade receivables primarily consisted of amounts due from our customers in relation to the solutions we provided. The following table sets forth our trade and other receivables as of the dates indicated.

	As of 31 December		As of 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Trade receivables	663,558	956,320	1,107,742
Less: allowance for credit losses	(23,777)	(52,248)	(71,100)
	639,781	904,072	1,036,642
Notes receivables measured at FVTOCI	8,505	8,712	11,903

When determining the amount of allowance for credit losses, we applied IFRS9 to measure the expected credit losses (“ECL”) on trade receivables using a provision matrix. Trade receivables are grouped based on credit risk characteristics, including customer types (such as state-owned enterprises and non state-owned enterprises) and aging categories (based on the number of days past due for relevant amounts). The provision rates are determined with reference to historical credit loss rates derived from our recovery records, which are then adjusted for forward-looking information, including forecasts of future macroeconomic conditions, to reflect the impact of current and expected economic environment without undue cost or effort.

FINANCIAL INFORMATION

We determine whether to grant credit limits or credit periods to our customers based on a number of factors, including the registered capital amount and financial condition of customers, sales volume, and the track record of their cooperation with us. Trade receivables are generally settled upon the completion of internal payment approval process of our customers. The following table sets forth an ageing analysis of trade receivables, net of impairment loss allowance, presented based on the dates on which the revenue was recognised.

	As of 31 December		As of 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Within 1 year	409,402	468,908	501,061
1 – 2 years	193,996	277,271	376,141
2 – 3 years	28,528	145,799	149,707
3 – 4 years	7,855	12,094	9,733
	<u>639,781</u>	<u>904,072</u>	<u>1,036,642</u>

As of 31 December 2023, 2024 and nine months ended 30 September 2025, our trade receivables amounted to RMB639.8 million, RMB904.1 million and RMB1,036.6 million, respectively. The increase in trade and other receivables at each year end during the Track Record Period was due to the increase in sales of our goods and service and the gradual extension of customers' payment cycles due to their lengthy internal payment approval process.

Our trade receivables turnover days were 414, 389 and 597 days in 2023, 2024 and nine months ended 30 September 2025. Trade receivables turnover days for a given period are equal to the average trade receivables balances as of the beginning and the end of the period divided by revenue during the period and multiplied by the number of days during the period (i.e., the actual number of days in a given year for calculating turnover days in such year or 90 days for calculating turnover days in a given quarter).

According to Frost & Sullivan, our trade receivables turnover days is consistent with industry norms, as enterprise users typically require an extended period of time for completing their internal procedures before they can settle with us, due to the nature of our business operations. For customers which are our main contractors, their payment to us is generally made after they receive the payment from their respective customers that are enterprise users, and therefore resulting in a longer turnover period.

FINANCIAL INFORMATION

We have implemented a suite of internal controls and credit management policies to manage our trade receivables. This includes conducting thorough credit assessments for customers, establishing appropriate credit limits, regularly monitoring the aging of receivables, and systematically following up on overdue accounts. Furthermore, we have strengthened performance evaluation for our sales team. Our sales management policy provides that the compensation and evaluation of our sales personnel would be tied to the collection performance, resulting in the repayment status of a salesperson’s assigned clients a key factor in their overall assessment. To ensure ongoing oversight, we have designated dedicated personnel to continuously monitor the status of trade receivables. These personnel provide regular and detailed reports to management, enabling proactive identification and management of our credit risks.

As of the Latest Practicable Date, RMB82.7 million, or 7.9%, of our trade and other receivables as of 30 September 2025 had been settled.

Financial assets at fair value through profit or loss (“FVTPL”)

Our financial assets at FVTPL recorded as current and non-current assets, representing wealth management products and unlisted company investment.

Our financial assets at FVTPL decreased from RMB80.1 million as of 31 December 2023 to RMB60.3 million as of 31 December 2024, and further increased to RMB80.1 million as of 30 September 2025, mainly as a result of our purchase of investment products at major commercial banks.

Under our investment policy on the purchase of financial assets, we established a comprehensive set of internal policies and guidelines to manage our investments in order to monitor the investment risks associated with our portfolio of financial assets. According to our internal capital management policy, payments for investment operations shall be processed following the relevant approval authority. It is strictly prohibited to invest in high-risk ventures such as stocks or futures without following the prescribed procedures. Additionally, under our investment policy, we monitor the levels of idle cash and bank balances and use idle cash to increase our returns based on our working capital requirements at the relevant time. Under our internal control policies, our board of Directors sets the general guidance for the purchase of financial assets at the beginning of each financial year. Our finance department is responsible for making decisions to purchase financial assets as outlined in the guidance, as well as managing and monitoring the risks associated with our portfolio of financial assets. We also periodically evaluate the fair value of our financial assets. This assessment includes measuring fair value, assessing profitability and considering risk conditions related to our investments. If any issues or problems are identified during the evaluation, they should be promptly reported to our board of Directors along with details of the corrective actions taken. Our management, including our finance department, has extensive experience in managing the financial aspects of our operations. Our investment strategy related to such products focuses on minimising financial risks, including market, credit and liquidity risk, while generating desirable investment returns.

FINANCIAL INFORMATION

Upon the [REDACTED], we intend to continue our purchase of structured deposits and banking financial products with relatively low risks strictly in accordance with our internal control policy and our Articles of Association. After the [REDACTED], our investments in financial assets at FVTPL will be subject to compliance with Chapter 14 of the Listing Rules. Our finance department will ensure that all investment decisions adhere to the relevant provisions of the Listing Rules. Our investment strategies upon the [REDACTED] will emphasis our focus on minimising financial risks while generating desirable investment returns.

Trade and notes payables

Our trade and other payables primarily consist of (i) trade payables to relevant suppliers; (ii) notes payables to relevant suppliers. The following table sets forth a breakdown of our trade and other payables as of the dates indicated.

	As of 31 December		As of 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Trade payables	141,713	196,074	227,098
Notes payables ^(note)	—	7,537	3,262
	<u>141,713</u>	<u>203,611</u>	<u>230,360</u>

Note: These relate to trade payables in which we have issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. We continue to recognise these trade payables as the we are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statement of cash flows, settlements of these bills by us are included within operating cash flows based on the nature of the arrangements.

Our trade and notes payables increased from RMB141.7 million as of 31 December 2023 to RMB203.6 million as of 31 December 2024, and further increased to RMB230.4 million as of 30 September 2025, primarily reflecting an increase in payables in line with our increased revenue.

FINANCIAL INFORMATION

The following table sets forth an ageing analysis of trade payables presented based on invoice dates.

	As of 31 December		As of 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Less than 1 year	115,447	126,315	157,256
1 – 2 years	11,874	41,796	43,018
2 – 3 years	14,211	11,598	6,454
Over 3 years	181	16,365	20,370
	<u>141,713</u>	<u>196,074</u>	<u>227,098</u>

Our trade payables turnover days were 231, 175 and 260 days in 2023, 2024 and nine months ended 30 September 2025. Trade payables turnover days for a given period are equal to the average trade payables balances as of the beginning and the end of the period divided by cost of sales during the period and multiplied by the number of days during the period (i.e., the actual number of days in a given year for calculating turnover days in such year or 90 days for calculating turnover days in a given quarter). The increase in our trade payables turnover days during the Track Record Period was mainly due to fluctuations in the procurement and payment schedule.

As of the Latest Practicable Date, RMB59.1 million, or 25.6%, of our trade and notes payables as of 30 September 2025 had been settled.

FINANCIAL INFORMATION

Non-current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated.

	As of 31 December		As of 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Non-current assets			
Property and equipment	13,250	26,204	25,745
Right-of-use assets	4,604	14,539	9,584
Intangible assets	14,751	21,186	16,496
Investments in associates	3,012	1,760	5,593
Goodwill	–	12,252	12,252
Restricted bank deposits	–	127	–
Time deposits	–	10,142	10,179
Deferred tax assets	4,740	8,827	12,029
Prepayments, deposits and other receivables	538	2,082	2,090
Financial assets at fair value through profit or loss (“FVTPL”)	–	893	2,893
Contract assets	8,171	11,685	15,700
Total non-current assets	49,066	109,697	112,561
Non-current liabilities			
Bank borrowings	–	36,186	39,326
Lease liabilities	1,386	5,897	5,397
Deferred tax liabilities	–	1,568	2,128
Redemption liabilities	1,181,538	1,429,582	1,528,415
Total non-current liabilities	1,182,924	1,473,233	1,575,266
Net liabilities	(383,696)	(276,540)	(392,405)

FINANCIAL INFORMATION

Property and Equipment

Our property and equipment are mainly associated with construction in progress, leasehold improvement, office furniture, electronic equipment, buildings and machinery equipment. Our property and equipment increased from RMB13.3 million as of 31 December 2023 to RMB26.2 million as of 31 December 2024, primarily because our acquisition of Beijing BKC, which has its own properties. We also made purchase of properties in Yunnan for our office use at the beginning of 2024. Our property and equipment decreased to RMB25.7 million as of 30 September 2025 primarily because of the depreciation of our property and equipment.

Right-of-use Assets

Our right-of-use assets are mainly associated with leasehold office and warehouse. Our right-of-use assets increased from RMB4.6 million as of 31 December 2023 to RMB14.5 million as of 31 December 2024, primarily attributable to increases in the value of buildings as we leased additional office space in Wuhan for office use and acquired Beijing BKC in 2024. Our right-of-use assets decreased to RMB9.6 million as 30 September 2025, primarily because of the amortisation of right-of-use assets according to the terms in lease agreements of the relevant offices and warehouses.

Intangible Assets

Our intangible assets are mainly associated with the technology, patents and software we own. Our intangible assets increased from RMB14.8 million as of 31 December 2023 to RMB21.2 million as of 31 December 2024, primarily attributable to acquisition of BioTest in 2024. Our intangible assets decreased to RMB16.5 million as 30 September 2025, primarily because of the amortisation of our relevant intangible assets.

Deferred Tax Assets

Our deferred tax assets are mainly associated with recognition of deferred tax assets corresponding to provisions for expected credit losses and accrued expenses. Our deferred tax assets increased from RMB4.7 million as of 31 December 2023 to RMB8.8 million as of 31 December 2024, and further increased to RMB12.0 million as of 30 September 2025.

Lease Liabilities

Our lease liabilities are in connection with the properties we leased primarily for warehousing and office use. Our lease liabilities (including current and non-current portions) increased from RMB4.5 million as of 31 December 2023 to RMB14.5 million as of 31 December 2024, as we leased additional office in Wuhan for office use and acquired Beijing BKC in 2024. Our lease liabilities decreased to RMB9.8 million as of 30 September 2025 as the remaining lease period of our leased properties decreased in 2025.

FINANCIAL INFORMATION

Redemption Liabilities

Our redemption liabilities are related to the preferred shares we issued to our [REDACTED]. Our redemption liabilities increased from RMB1,181.5 million as of 31 December 2023 to RMB1,429.6 million as of 31 December 2024 in connection with the modification of redemption liabilities and interests on redemption liabilities, and further increased to RMB1,528.4 million as of 30 September 2025 in connection with the interests on redemption liabilities.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

We have historically funded our cash requirements principally from bank borrowings, cash from operations and equity financings.

Our cash and cash equivalents generally consist of demand deposits and short time deposits.

We believe that our current levels of cash balances and existing credit facilities will be sufficient to meet our anticipated cash needs to fund our operations for at least the next 12 months. Although our incurred negative net operating cash flow during the Track Record Period, which was primarily attributable to timing misalignment between our trade receivables collection cycles and trade payables settlement terms, we expect that our available banking facilities and [REDACTED] from the [REDACTED] would provide sufficient liquidity coverage. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand, we may seek to issue debt or equity securities or obtain additional credit facilities.

FINANCIAL INFORMATION

Cash Flow

The following table sets forth a summary of our cash flows for the years/periods indicated.

	Year ended 31 December		Nine months ended
	2023	2024	30 September
	RMB'000	RMB'000	2025
			RMB'000
			(Unaudited)
Operating activities			
Loss before tax	(180,926)	(39,163)	(92,128)
Adjustments for:			
Finance costs	66,557	113,693	93,943
Interest income	(893)	(2,846)	(2,155)
Share of results of associates	36	94	949
Loss/(gain) from modification of redemption liabilities	191,489	(18,950)	–
Depreciation of property and equipment	3,008	5,756	3,941
Depreciation of right-of-use assets	6,860	7,295	5,557
Amortization of intangible assets	3,985	4,604	4,689
Write-down of inventories	1,002	1,565	(346)
Impairment losses under ECL model, net of reversal	12,783	32,125	17,339
Share-based payment expenses	5,072	11,968	6,491
Loss from disposal of an associate	–	70	–
Gain on disposal of property and equipment	(16)	(14)	–
Fair value changes of financial assets at FVTPL	(281)	(2,962)	(862)
Impairment of investment in an associate	4,691	2,458	198
Gain on lease termination	(4)	(69)	–

FINANCIAL INFORMATION

	Year ended 31 December		Nine months ended
	2023	2024	30 September 2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Operating cash flows before movements in working capital	113,363	115,624	37,607
Decrease/(increase) in inventories	1,574	(2,490)	(17,415)
Increase in trade receivables	(218,096)	(265,730)	(149,911)
(Increase)/decrease in notes receivables measured at FVTOCI	(5,320)	2,966	(3,190)
(Increase)/decrease in prepayments and other receivables	(14,383)	10,892	(172,156)
Decrease/(increase) in contract costs	5,360	31,358	(31,976)
Decrease/(increase) in contract assets	(7,453)	(10,309)	1,167
Increase in trade payables	46,642	46,153	26,750
Increase/(decrease) in contract liabilities	(88)	(21,830)	166,906
Increase/(decrease) in other payables	3,039	17,211	(9,193)
Cash used in operations	(75,362)	(76,155)	(151,411)
Income tax paid	(8,158)	(15,479)	(7,544)
Net cash used in operating activities	(83,520)	(91,634)	(158,955)
Investing Activities			
Interest received	844	1,909	1,383
Placement of restricted bank deposits	(952)	(853)	(9,156)
Withdrawal of restricted bank deposits	1,485	1,170	5,291
Purchase of financial assets at FVTPL	(130,000)	(1,193,990)	(178,000)
Maturity of financial assets at FVTPL	50,220	1,216,757	156,978
Purchases of time deposits	(30,000)	(127,000)	(100,000)
Maturity of time deposits	30,000	67,000	150,325
Purchases of property and equipment	(602)	(11,739)	(3,485)
Net cash inflow on acquisition of a subsidiary	–	36,387	–
Loan to third-parties, non-controlling shareholders and employee	(20,400)	(32,000)	(1,300)
Payments for right-of-use assets	–	(103)	(67)
Repayments of loan to third parties, non-controlling shareholders and employee	16,500	24,230	800
Acquisition of investment in associates	(7,740)	(1,500)	(4,980)
Withdrawal of investment in associates	–	130	–

FINANCIAL INFORMATION

	Year ended 31 December		Nine months ended
	2023	2024	30 September 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Net cash (used in)/from investing activities	(90,645)	(19,602)	17,789
Financing activities			
Proceeds from borrowings	227	38,219	64,344
Repayments of borrowings	–	–	(2,921)
Principal portion of lease payments	(6,688)	(6,905)	(5,520)
Interest paid	(345)	(5,581)	(1,100)
Issue cost of shares with preferred rights	(5,860)	(23,530)	6,500
Acquisition of partial interest of a subsidiary	–	–	(23,917)
Prepayment of issue cost for [REDACTED]	–	–	(42)
Proceeds from paid-in capital	–	–	2,632
Proceeds from shares with preferred rights	240,000	163,500	6,500
Net cash from financing activities	227,334	165,703	39,976
Net increase/(decrease) in cash equivalents	53,169	54,467	(101,190)
Cash and cash equivalents at beginning of the year/period	126,559	179,728	234,195
Cash and cash equivalents at end of the year/period	179,728	234,195	133,005

FINANCIAL INFORMATION

Net Cash Used in Operating Activities

During the Track Record Period, our cash flows generated from or used in operating activities primarily comprised our loss before tax adjusted by (i) non-cash items, such as loss/(gain) from modification of redemption liabilities, finance cost, depreciation of property and equipment, depreciation of right-of-use assets, amortisation of intangible assets, share-based payment expenses, impairment losses under the ECL model, and changes in the fair value of financial assets at FVTPL; and (ii) changes in working capital, such as inventories, trade and notes receivables, contract assets, contract costs, prepayments and other receivables, trade payables, other payables, and contract liabilities.

In the nine months ended 30 September 2025, our net cash used in operating activities was RMB159.0 million. This was primarily driven by our loss before tax of RMB92.1 million, as adjusted by (i) finance costs of RMB93.9 million, along with other non-cash expenses including impairment losses under the ECL model, net of reversal of RMB17.3 million; and (ii) a net use of cash from working capital changes, primarily due to an increase in contract liabilities of RMB166.9 million, an increase in prepayments and other receivables of RMB172.2 million, and an increase in trade and note receivables of RMB153.1 million.

In 2024, our net cash used in operating activities was RMB91.6 million, which was primarily driven by our loss before tax of RMB39.2 million, as adjusted by (i) finance costs of RMB113.7 million and impairment losses under the ECL model, net of reversal of RMB32.1 million, along with other non-cash items including share-based payment expenses, depreciation, and amortisation totaling RMB29.6 million, which were partially offset by a gain from modification of redemption liabilities of RMB19.0 million; and (ii) substantial use of cash from working capital changes, primarily due to a large increase in trade receivables of RMB265.7 million, a decrease in contract costs of RMB31.4 million, a decrease in contract liabilities of RMB21.8 million, and an increase in contract assets of RMB10.3 million, partially offset by an increase in inventories of RMB2.5 million, an increase in trade payables of RMB46.2 million, and a decrease in prepayments and other receivables of RMB10.9 million.

In 2023, our net cash used in operating activities was RMB83.5 million. This was primarily driven by our loss before tax of RMB180.9 million, as adjusted by (i) a loss from modification of redemption liabilities of RMB191.5 million and finance costs of RMB66.6 million, along with other non-cash expenses including impairment losses under the ECL model, net of reversal of RMB12.8 million, depreciation of right-of-use assets of RMB6.9 million, and amortisation of intangible assets of RMB4.0 million; and (ii) a net use of cash from working capital changes, primarily due to a large increase in trade receivables of RMB218.1 million, an increase in contract assets of RMB7.5 million, and an increase in prepayments and other receivables of RMB14.4 million, and partially offset by a decrease in inventories of RMB1.6 million, and an increase in trade payables of RMB46.6 million.

FINANCIAL INFORMATION

Net Cash From (Used in) Investing Activities

During the Track Record Period, our cash flows used in investing activities primarily reflected our purchase of financial assets at FVTPL and purchases of time deposits. Our cash flows generated from investing activities primarily reflected maturity proceeds from financial assets at FVTPL and time deposits, as well as interest received.

In the nine months ended 30 September 2025, our net cash from investing activities was RMB17.8 million, which was primarily attributable to the maturity proceeds from financial assets at FVTPL of RMB157.0 million and the maturity of time deposits of RMB150.3 million, partially offset by the purchase of financial assets at FVTPL of RMB178.0 million and placement of restricted bank deposits of RMB9.2 million.

In 2024, our net cash used in investing activities was RMB19.6 million, which was primarily attributable to the purchase of financial assets at FVTPL of RMB1,194.0 million, partially offset by the maturity proceeds from financial assets at FVTPL of RMB1,216.8 million and the maturity of time deposits of RMB67.0 million.

In 2023, our net cash used in investing activities was RMB90.6 million, which was primarily attributable to the purchase of financial assets at FVTPL of RMB130.0 million and purchases of time deposits of RMB30.0 million, partially offset by the maturity proceeds from financial assets at FVTPL of RMB50.2 million and the maturity of time deposits of RMB30.0 million.

Net Cash from Financing Activities

During the Track Record Period, our cash flows generated from financing activities primarily reflected the proceeds from the issuance of new shares and new bank borrowings. Our cash flows used in financing activities primarily reflected the repayments of bank borrowings and lease liabilities, and the payment of share issuance costs.

In the nine months ended 30 September 2025, our net cash from financing activities was RMB40.0 million, which was primarily attributable to proceeds from new bank borrowings of RMB64.3 million and the issuance of paid-in capital of RMB2.6 million, partially offset by the acquisition of a partial interest in a subsidiary of RMB23.9 million, repayments of bank borrowings of RMB2.9 million, and principal and interest payments on lease liabilities and borrowings totaling RMB9.5 million.

In 2024, our net cash from financing activities was RMB165.7 million, which was primarily attributable to the proceeds from a new issue of shares with preferred rights of RMB163.5 million and new bank borrowings of RMB38.2 million, partially offset by the payment of issue costs of RMB23.5 million and interest paid on lease liabilities and borrowings totalling RMB5.6 million.

In 2023, our net cash from financing activities was RMB227.3 million, which was primarily attributable to the proceeds from a new issue of shares of RMB240.0 million, partially offset by the payment of share issuance costs of RMB5.9 million and principal payments on lease liabilities of RMB6.7 million.

FINANCIAL INFORMATION

INDEBTEDNESS

The following table sets forth the details of our indebtedness as of the dates indicated.

	As of 31 December		As of 30 September	As of 30 November
	2023	2024	2025	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Current liabilities				
Bank borrowings	–	2,069	60,525	80,000
Lease liabilities	3,146	8,575	4,419	4,378
Non-current liabilities				
Bank borrowings	–	36,186	39,326	49,514
Lease liabilities	1,386	5,897	5,397	3,972
Redemption liabilities	1,181,538	1,429,582	1,528,415	1,550,007
Total	1,186,070	1,482,309	1,638,082	1,687,871

Bank Borrowings

We had bank borrowings of nil, RMB38.3 million and RMB99.9 million as of 31 December 2023, 2024, and as of 30 September 2025, respectively. Our bank borrowings primarily comprise bank loans with effective interest rates during the Track Record Period. These bank borrowings were at a floating interest rate linked to 1-year loan prime rate (“LPR”) plus 5 basis points, or less 15 to 70 basis points, per annum. See Note 36 of the Accountants’ Report in Appendix I to this document.

As of 30 November 2025, our unutilised banking facilities were RMB352.2 million. As of 30 November 2025, being our indebtedness statement date, we did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities. We currently do not have any plans for material external debt financing. Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt, and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. After due and careful consideration, our Directors further confirm that there had been no material change in our indebtedness since 30 November 2025 and up to the date of this document.

FINANCIAL INFORMATION

Lease Liabilities

Our current and non-current lease liabilities amounted to RMB4.5 million, RMB14.5 million and RMB9.8 million as of 31 December 2023, 2024 and 30 September 2025, respectively. During the Track Record Period, our lease liabilities were mainly related to our leased properties primarily used for offices and warehouses. See “Business – Properties” in this document for details.

CONTINGENT LIABILITIES

We did not have any material contingent liabilities during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

Our capital expenditures paid in 2023, 2024, and the nine months ended 30 September 2025 were RMB8.3 million, RMB13.2 million and RMB8.5 million, respectively, mainly representing purchases of property and equipment, and acquisition of investment in associates. We funded our capital expenditure requirements mainly from cash from operating activities, bank borrowings, and equity financing.

We expect that our capital expenditures in 2026 will primarily consist of payments for property, plant and equipment, which is in line with our business growth. We intend to fund our future capital expenditures and long-term investments with borrowings, cash from sales and equity financing. See “Future Plans and [REDACTED]” for details.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions. During the Track Record Period, our related party transactions mainly included our purchases of hardware and services from and our sales of products to related parties. For details and compensation paid or payable to senior management (including Directors) during the Track Record Period classified as related party transactions, see Note 47 to the Accountants’ Report in Appendix I and Note 25 to the Condensed Consolidated Financial Statements in Appendix IA to this document.

These related party transactions were conducted in accordance with terms as agreed between us and the respective related parties. Our Directors confirm that all material related party transactions during the Track Record Period were conducted on an arm’s length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

FINANCIAL INFORMATION

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio as of the balance sheet dates indicated.

	As of 31 December		As of 30 September
	2023	2024	2025
Gross profit margin ⁽¹⁾ (%)	60.9	50.4	48.6
Net profit margin ⁽²⁾ (%)	(42.0)	(6.3)	(21.6)
Adjusted net margin (a non-IFRS measure) ⁽³⁾ (%)	13.5	7.6	0.9
Current ratio ⁽⁴⁾	4.6	4.8	3.1
Quick ratio ⁽⁵⁾	4.5	4.8	3.0

Notes:

- (1) Gross profit margin equals gross (loss)/profit divided by revenue for the year/period and multiplied by 100%.
- (2) Net profit margin equals net (loss)/profit divided by revenue for the year/period and multiplied by 100%.
- (3) Adjusted net margin (a non-IFRS measure) is calculated as adjusted profit for the year/period (a non-IFRS measure) divided by revenue for the corresponding year/period and multiplied by 100%.
- (4) Current ratio equals total current assets divided by total current liabilities.
- (5) Quick ratio equals total current assets less inventories divided by total current liabilities.

See “Consolidated Statements of Financial Position – Current Assets and Liabilities” in this section for details of changes in our current assets and current liabilities over the Track Record Period.

FINANCIAL RISKS

Market Risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. We are exposed primarily to interest rate risk. There has been no change in our exposure to the risk or this manner in which we manage and measure the risk.

Credit Risk and impairment assessment

Our maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position (including trade and notes receivables, other receivables, restricted bank deposits, time deposits and cash and cash equivalents) and contract assets.

FINANCIAL INFORMATION

Liquidity Risk

In management of the liquidity risk, We monitor and maintains levels of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. See Note 44 to the Accountant’s Report set out in Appendix I to this document for details.

To manage liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations. Our management monitors rolling forecasts of our liquidity reserve on the basis of expected cash flow.

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents and the ability to apply for credit facilities if necessary. See Note 44 to the Accountant’s Report set out in Appendix I to this document for details.

WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, the available banking facilities and the estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document. Our Directors further confirm that we did not have any material defaults on trade and non-trade payables and borrowings, and/or breaches of covenants during the Track Record Period and up to the Latest Practicable Date.

DIVIDEND

No dividends have been paid or declared by the Company in respect of the Track Record Period.

DISTRIBUTABLE RESERVES

As of 30 September 2025, we did not have any distributable reserves.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] stated in this document), the [REDACTED] which are payable by us are estimated to amount in aggregate to be approximately RMB[REDACTED] million (equivalent to approximately HK\$[REDACTED] million), accounting for approximately [REDACTED] of the [REDACTED] from the [REDACTED].

FINANCIAL INFORMATION

The total [REDACTED] consist of (i) approximately RMB[REDACTED] million [REDACTED] fees (including [REDACTED] commission, incentive fee, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy) and (ii) approximately RMB[REDACTED] million non-[REDACTED] fees mainly comprising (a) fees paid to legal adviser(s) and accountant(s) of approximately RMB[REDACTED] million, and (b) other fees and expenses and fees paid to other professional parties of approximately RMB[REDACTED] million. Among the total [REDACTED], [REDACTED], [REDACTED] and RMB[REDACTED] million was charged to our consolidated statements of comprehensive income for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025, respectively, and approximately RMB[REDACTED] million is expected to be charged to profit or loss, and approximately RMB[REDACTED] million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the [REDACTED]. Our total [REDACTED] are estimated to account for [REDACTED] of the [REDACTED] of the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See “Unaudited [REDACTED] Financial Information” in Appendix II to this document for further details of our unaudited [REDACTED] statement of adjusted consolidated net tangible assets.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and as of the Latest Practicable Date, we had no off-balance sheet arrangements.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, having performed reasonable due diligence on our Group, there has been no material adverse change in our financial or trading position or prospects since 30 September 2025 and up to the date of this document.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business – Our Strategies” for a detailed description of our future plans and strategies.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million after deducting professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED] at the [REDACTED] of HK\$[REDACTED] per [REDACTED].

We intend to use the net [REDACTED] we receive from the [REDACTED] as follows:

- Approximately [[REDACTED]%] or approximately HK\$[REDACTED] million of the net [REDACTED] will be used for the further R&D of our technologies to advance our industrial cybersecurity and energy digital-intelligence solutions, as well as for the improvement of our production capabilities. Specifically:
 - o approximately [[REDACTED]%] or approximately HK\$[REDACTED] million of the net [REDACTED] will be allocated to the R&D of industrial cybersecurity offerings, and in particular, industrial cybersecurity products, representing both security hardware and software products, and the enhancement of our offerings. Specifically, we plan to purchase industry-leading industrial automation equipment and control software. By way of leveraging of capabilities of reversing industrial control protocols and conducting vulnerability analysis for enterprise users, we aim to enhance our capabilities of parsing industrial cybersecurity protocols for enterprise users accordingly. In parallel, we will strengthen our security research team’s configuration to focus on targeted vulnerability mining for industrial automation equipment, reinforcing our competitive advantage in the industrial cybersecurity market, thereby solidifying our existing market leadership. We will increase our R&D investment in applying artificial intelligence to detect malicious activities in industrial networks, reduce noise in massive log files, and automate security operations for enterprise users. Additionally, we plan to expand our R&D team and invest in developing Industrial Internet of Things (IIoT) security products. Our focus will include research on data acquisition protocols, domestic commercial cryptography, 5G-Redcap, and edge computing. By the end of 2026, we intend to launch a secure IoT data access solution for the power industry, integrating data acquisition capabilities, encrypted communication, edge computing, and wireless communication.
 - o approximately [[REDACTED]%] or approximately HK\$[REDACTED] million of the net [REDACTED] will be allocated to the enhancement of intelligent business solutions for energy enterprises. This initiative will enhance the productisation of our operation and maintenance systems by leveraging data perception and fusion technologies, combined with artificial intelligence algorithms and expert models, to improve the intelligence of equipment fault diagnosis for enterprise users. Meanwhile, we aim to advance our existing modelling technologies. Our goal is to achieve “full-time, full-parameter, and full-system” intelligent perception and analysis, coupled with advanced warning and decision-making capabilities for enterprise users.

FUTURE PLANS AND [REDACTED]

- o Approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be used to enhance industrial power supply products and offerings for enterprise users. In particular, we have identified key needs within the enterprise users’ application scenarios that can be addressed through improvements to our offerings:
 - *Durable Lithium Iron Phosphate Battery Systems:* We will develop customised battery management systems (BMS) and corrosion-resistant structures for marine power and offshore energy storage, ensuring high reliability and adaptability in complex application scenarios;
 - *Emergency Energy Storage in Coal Mines:* In respect of traditional coal mining industry, to ensure production safety in coal mines, we will create tailored emergency power systems for both underground and surface applications. Our aim is to address safety risks associated with hazardous conditions, including gas accumulation during power outages; and
 - *Sodium-Ion Backup Energy Storage Systems:* We will develop backup energy storage solutions using sodium-ion batteries, which offer low costs and excellent performance at low temperatures. This will enhance safety and reduce the overall cost of energy storage systems.

We believe these enhancements will strengthen our partnerships with enterprise users while advancing safety and efficiency in their operations.

- o approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be allocated to enhancing our development of intelligent operations and maintenance (O&M) technology. This includes improving the foundational performance and automated capabilities of our IT O&M platform. We will increase our R&D expenditure and expand our R&D team to focus on integrating multi-source, heterogeneous data from infrastructure, networks, applications, security, and business systems. This will enable unified noise reduction, correlation, and storage. The O&M system will be transitioned to a microservices architecture to ensure high availability, elastic scalability, and agile updates. Additionally, we will enhance the integration of large language model with the IT O&M platform, incorporating features such as natural language interaction, intelligent root cause analysis, and automated playbook generation and optimisation. These technological advancements aim to provide our customers with more efficient and intelligent O&M services.
- o approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be used for an Industrial Power Supply Product Capacity Expansion Project. We plan to build a fully automated battery pack production system spanning over 5,000 sq.m.. The project consists of upgrading essential production equipment, including automated welding lines, testing equipment, and charging systems. We will also set up an intelligent control system to improve production accuracy and coordination. With the completion of this project, we believe we will become able to modernise our production process to increase efficiency and ensure our optimised offering capability.

FUTURE PLANS AND [REDACTED]

- Approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be used to further expand the our commercialisation capabilities domestically and on an international scale in the next five years. Specifically speaking:
 - o approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be allocated to strengthening commercialisation capabilities within China. We will focus our investment on team building and channel expansion in the domestic market to enhance core client coverage and market penetration, representing (i) expansion our strategic sales team in serving large-scale enterprise users, (ii) establishing a channel marketing team, and (iii) fortifying our existing relationship with expert teams.
 - o approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be allocated to strengthening the commercialisation capabilities and footprint in overseas markets. The Company will focus its expansion efforts on three core regions, Southeast Asia, Central Asia, and the Middle East, to accelerate localised market presence and business implementation, representing (i) establishing localised sales and technical delivery teams in the relevant regions, and (ii) establishing regional sales offices to support our expansion. Additionally, we will market research tailored to the evolving industry characteristics, technical standards, and compliance requirements of target regions.
 - o approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be used for marketing and brand building enhancement. We will increase investment in marketing and promotional activities to elevate its global brand influence and market visibility for the purpose of (i) gaining market recognition by participating in well-accredited domestic and international industry association and professional organisations, and (ii) implementing diversified brand promotions.
- Approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be allocated to potential investment and acquisition opportunities, taking into our existing success in acquiring Beijing BKC and Haibo Electric; and we aim to replicate such success by another investment. Through such investment, we aim to strengthen our core technical capabilities, consolidate our technological prowess, and expand our client base or achieving synergies with our clients accordingly. Our focus for potential investments and acquisitions will be on companies possessing solutions complementary to our existing products and offerings, with the potential to create synergies. As of the Latest Practicable Date, while we were actively conducting market analysis, we did not identify any suitable target(s).
- Approximately [[REDACTED]]% or approximately HK\$[REDACTED] million of the net [REDACTED] will be used for working capital and other general corporate purposes.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

FUTURE PLANS AND [REDACTED]

We currently have no specific plans as to how the net [REDACTED] from this [REDACTED] will be allocated beyond the uses specified above, and therefore management will retain discretion to allocate the remainder of the net [REDACTED] of this [REDACTED] among these uses.

We will issue an appropriate announcement if there is any material change in the above-mentioned use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages [I-1] to I-[80], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[•]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING TIANDI HEXING TECHNOLOGY CO., LTD., CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED AND ORIENT CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Beijing Tiandi Hexing Technology Co., Ltd. (北京天地和興科技股份有限公司) (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages [I-3] to [I-80], which comprises the consolidated statements of financial position of the Group as at 31 December 2023 and 2024, the statements of financial position of the Company as at 31 December 2023 and 2024, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the two years ended 31 December 2024 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages [I-3] to [I-80] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “[**REDACTED**]”) in connection with the [**REDACTED**] of H shares of the Company on the [**REDACTED**] of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

APPENDIX I

ACCOUNTANTS’ REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s financial position as at 31 December 2023 and 2024, the Company’s financial position as at 31 December 2023 and 2024, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which states that no dividend was declared or paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]
Certified Public Accountants
Hong Kong
[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “**IASB**”) and were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA (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.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December	
		2023	2024
		<i>RMB’000</i>	<i>RMB’000</i>
Revenue	6	473,839	726,800
Cost of sales		<u>(185,239)</u>	<u>(360,794)</u>
Gross profit		288,600	366,006
Other income	7	32,693	16,898
Other gains and losses	8	(195,934)	19,311
Impairment losses under expected credit loss (“ECL”) model, net of reversal	9	(12,783)	(32,125)
Selling and marketing expenses		(137,473)	(179,848)
Administrative expenses		(37,821)	(50,076)
Research and development expenses		(51,615)	(65,542)
Share of results of associates		(36)	(94)
Finance costs	10	<u>(66,557)</u>	<u>(113,693)</u>
Loss before tax		(180,926)	(39,163)
Income tax expense	11	<u>(11,612)</u>	<u>(6,528)</u>
Loss and total comprehensive expense for the year	12	<u>(192,538)</u>	<u>(45,691)</u>
(Loss)/profit and total comprehensive (expense)/income for the year attributable to:			
– Owners of the Company		(189,756)	(58,987)
– Non-controlling interests		<u>(2,782)</u>	<u>13,296</u>
		<u>(192,538)</u>	<u>(45,691)</u>
Loss per share			
Basic and diluted (RMB)	16	<u>(7.74)</u>	<u>(2.41)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December	
	Notes	2023	2024
		RMB'000	RMB'000
Non-current assets			
Property and equipment	17	13,250	26,204
Right-of-use assets	18	4,604	14,539
Intangible assets	19	14,751	21,186
Investments in associates	20	3,012	1,760
Goodwill	22	–	12,252
Deferred tax assets	21	4,740	8,827
Contract assets	26	8,171	11,685
Prepayments, deposits and other receivables	28	538	2,082
Financial assets at fair value through profit or loss (“FVTPL”)	29	–	893
Restricted bank deposits	30	–	127
Time deposits	30	–	10,142
		<u>49,066</u>	<u>109,697</u>
Current assets			
Inventories	24	11,807	17,479
Trade receivables	25	639,781	904,072
Notes receivables measured at fair value through other comprehensive income (“FVTOCI”)	25	8,505	8,712
Contract assets	26	13,241	26,616
Contract costs	27	98	19,092
Prepayments, deposits and other receivables	28	26,560	45,956
Financial assets at FVTPL	29	80,067	60,262
Restricted bank deposits	30	952	5,273
Time deposits	30	–	50,183
Cash and cash equivalents	30	179,728	234,195
		<u>960,739</u>	<u>1,371,840</u>
Current liabilities			
Trade and notes payables	31	141,713	203,611
Other payables and accruals	32	55,709	56,969
Income tax payable		10,009	5,228
Bank borrowings	36	–	2,069
Lease liabilities	33	3,146	8,575
Contract liabilities	34	–	8,392
		<u>210,577</u>	<u>284,844</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December	
	Notes	2023	2024
		RMB'000	RMB'000
Net current assets		750,162	1,086,996
Total assets less current liabilities		799,228	1,196,693
Non-current liabilities			
Bank borrowings	36	–	36,186
Lease liabilities	33	1,386	5,897
Deferred tax liabilities	21	–	1,568
Redemption liabilities	35	1,181,538	1,429,582
		1,182,924	1,473,233
Net liabilities		(383,696)	(276,540)
Capital and reserves			
Paid-in capital	37	66,066	73,816
Reserves		(445,565)	(493,834)
Deficits attributable to owners of the Company		(379,499)	(420,018)
Non-controlling interests		(4,197)	143,478
Total deficits		(383,696)	(276,540)

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December	
	Notes	2023	2024
		RMB'000	RMB'000
Non-current assets			
Property and equipment	17	12,923	9,610
Right-of-use assets	18	3,910	6,717
Intangible assets	19	14,751	10,704
Investments in subsidiaries	45	125,320	205,954
Investments in associates	20	3,012	1,760
Deferred tax assets	21	4,740	8,827
Contract assets	26	8,152	8,593
Prepayments, deposits and other receivables	28	193	1,423
Time deposits	30	—	10,142
		<u>173,001</u>	<u>263,730</u>
Current assets			
Inventories	24	11,807	14,109
Trade receivables	25	637,251	843,903
Notes receivables measured at FVTOCI	25	8,505	5,051
Contract assets	26	13,104	19,992
Contract costs	27	98	1,914
Prepayments, deposits and other receivables	28	58,078	82,786
Financial assets at FVTPL	29	80,067	60,262
Restricted bank deposits	30	952	60
Cash and cash equivalents	30	122,385	110,934
		<u>932,247</u>	<u>1,139,011</u>
Current liabilities			
Trade and notes payables	31	141,564	196,942
Other payables and accruals	32	126,285	112,483
Income tax payable		10,009	5,228
Bank borrowings	36	—	2,069
Lease liabilities	33	2,303	6,112
Contract liabilities	34	—	324
		<u>280,161</u>	<u>323,158</u>
Net current assets		<u>652,086</u>	<u>815,853</u>
Total assets less current liabilities		<u>825,087</u>	<u>1,079,583</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	As at 31 December	
		2023	2024
		<i>RMB’000</i>	<i>RMB’000</i>
Non-current liabilities			
Bank borrowings	36	–	36,186
Lease liabilities	33	1,386	782
Redemption liabilities	35	1,181,538	1,429,582
		<u>1,182,924</u>	<u>1,466,550</u>
Net liabilities		<u>(357,837)</u>	<u>(386,967)</u>
Capital and reserves			
Paid-in capital	37	66,066	73,816
Reserves	38	(423,903)	(460,783)
Total deficits		<u>(357,837)</u>	<u>(386,967)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interests	Total deficits
	Paid-in capital	Capital and other reserves	Statutory reserves	Share-based payments reserve	Accumulated losses	Sub-total		
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(Note i)	(Note ii, iii)	(Note iv)					
At 1 January 2023	63,045	(113,522)	9,094	15,316	(162,248)	(188,315)	(1,415)	(189,730)
Loss and total comprehensive expense for the year	-	-	-	-	(189,756)	(189,756)	(2,782)	(192,538)
Issue shares for Series E investments (Note 35)	3,021	105,479	-	-	-	108,500	-	108,500
Recognition of redemption liabilities for the redemption rights newly granted to Series E investors	-	(115,000)	-	-	-	(115,000)	-	(115,000)
Recognition of equity-settled share-based payments	-	-	-	5,072	-	5,072	-	5,072
At 31 December 2023	<u>66,066</u>	<u>(123,043)</u>	<u>9,094</u>	<u>20,388</u>	<u>(352,004)</u>	<u>(379,499)</u>	<u>(4,197)</u>	<u>(383,696)</u>
(Loss)/profit and total comprehensive (expense)/income for the year	-	-	-	-	(58,987)	(58,987)	13,296	(45,691)
Issue shares for Series E investments (Note 35)	7,750	287,250	-	-	-	295,000	-	295,000
Recognition of redemption liabilities for the redemption rights newly granted to Series E investors	-	(288,500)	-	-	-	(288,500)	-	(288,500)
Recognition of equity-settled share-based payments	-	-	-	11,968	-	11,968	-	11,968
Acquisition of a subsidiary (Note 45)	-	-	-	-	-	-	134,379	134,379
At 31 December 2024	<u>73,816</u>	<u>(124,293)</u>	<u>9,094</u>	<u>32,356</u>	<u>(410,991)</u>	<u>(420,018)</u>	<u>143,478</u>	<u>(276,540)</u>

Notes:

- (i) To the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into joint stock limited liability company.
- (ii) Prior to the Track Record Period, the terms attached to certain ordinary shares were modified with redemption rights and accordingly, redemption liabilities were recognized as financial liabilities initially at fair value and subsequently measured at amortized cost. The fair value of the financial liabilities at initial recognition amounting to RMB52,871,000 was debited to capital and other reserves.

Prior to the Track Record Period, capitalization issues to the shareholders were made out of the capital and other reserves. This issuance increased the total paid-in capital by RMB33,024,000 and the capital and other reserves decreased by RMB33,024,000, correspondingly.
- (iii) Capital and other reserve includes share premium and other reserve mainly arising from equity instrument’s modification and capitalization issues.
- (iv) In accordance with the relevant laws of the People’s Republic of China (the “PRC”), the Company and its subsidiaries established in the PRC shall transfer 10% of its profits after income tax to the statutory reserve, except where the reserve balance has reached 50% of the registered capital of the Company and the respective subsidiaries. The reserve can be applied either to set off accumulated losses or to increase capital.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
OPERATING ACTIVITIES		
Loss before tax	(180,926)	(39,163)
Adjustments for:		
Finance costs	66,557	113,693
Interest income	(893)	(2,846)
Share of results of associates	36	94
Loss/(gain) from modification of redemption liabilities	191,489	(18,950)
Depreciation of property and equipment	3,008	5,756
Depreciation of right-of-use assets	6,860	7,295
Amortization of intangible assets	3,985	4,604
Write-down of inventories	1,002	1,565
Impairment losses under ECL model, net of reversal	12,783	32,125
Share-based payment expenses	5,072	11,968
Loss from disposal of an associate	–	70
Gain on disposal of property and equipment	(16)	(14)
Fair value changes of financial assets at FVTPL	(281)	(2,962)
Impairment of investment in an associate	4,691	2,458
Gain on lease termination	(4)	(69)
Operating cash flows before movements in working capital	<u>113,363</u>	<u>115,624</u>
Decrease/(increase) in inventories	1,574	(2,490)
Increase in trade receivables	(218,096)	(265,730)
(Increase)/decrease in notes receivables measured at FVTOCI	(5,320)	2,966
(Increase)/decrease in prepayments and other receivables	(14,383)	10,892
Decrease in contract costs	5,360	31,358
Increase in contract assets	(7,453)	(10,309)
Increase in trade payables	46,642	46,153
Decrease in contract liabilities	(88)	(21,830)
Increase in other payables	<u>3,039</u>	<u>17,211</u>
Cash used in operations	<u>(75,362)</u>	<u>(76,155)</u>
Income taxes paid	<u>(8,158)</u>	<u>(15,479)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(83,520)</u>	<u>(91,634)</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		Year ended 31 December	
		2023	2024
	Note	RMB’000	RMB’000
INVESTING ACTIVITIES			
Interest received		844	1,909
Placement of restricted bank deposits		(952)	(853)
Withdrawal of restricted bank deposits		1,485	1,170
Purchase of financial assets at FVTPL		(130,000)	(1,193,990)
Maturity of financial assets at FVTPL		50,220	1,216,757
Purchases of time deposits		(30,000)	(127,000)
Maturity of time deposits		30,000	67,000
Purchases of property and equipment		(602)	(11,739)
Payments for right-of-use assets		–	(103)
Net cash inflow on acquisition of a subsidiary	45	–	36,387
Loan to third-parties, non-controlling shareholders and employee		(20,400)	(32,000)
Repayments of loan to third parties, non-controlling shareholders and employee		16,500	24,230
Acquisition of investment in associates		(7,740)	(1,500)
Withdrawal of investment in associates		–	130
NET CASH USED IN INVESTING ACTIVITIES		<u>(90,645)</u>	<u>(19,602)</u>
FINANCING ACTIVITIES			
Proceeds from borrowings		227	38,219
Principal portion of lease payments		(6,688)	(6,905)
Interest paid		(345)	(5,581)
Issue costs of shares with preferred rights		(5,860)	(23,530)
Proceeds from shares with preferred rights		240,000	163,500
NET CASH FROM FINANCING ACTIVITIES		<u>227,334</u>	<u>165,703</u>
NET INCREASE IN CASH EQUIVALENTS		53,169	54,467
Cash and cash equivalents at the beginning of the year		<u>126,559</u>	<u>179,728</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		<u><u>179,728</u></u>	<u><u>234,195</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

1. GENERAL INFORMATION

The Company, formerly known as Beijing Tiandi Hexing Technology Co., Ltd. was established and registered in the PRC on 14 August 2007 as a limited liability company and was converted into a joint stock company in October 2025 with limited liability. The registered office and principal place of business of the Company are set out in the section head “Corporate Information” to the Document. As of the report date, Mr. Wang Xiaodong (“**Mr. Wang**”), who is also the founder, executive director, chairman of the board (the “**Board**”), together with the entities controlled by him, namely, Tianjin Xingyuan Enterprise Management Consulting Partnership (Limited Partnership)* (“**Tianjin Xingyuan**”) (天津興遠企業管理諮詢合夥企業(有限合夥)), Tianjin Xinghui Zhiyuan Enterprise Management Consulting Center (Limited Partnership) (“**Tianjin Xinghui**”) (天津興輝致遠企業管理諮詢中心(有限合夥)) and Tianjin Zhichuang Xinan Technology Co., Ltd. (天津智創新安科技有限公司), are the controlling shareholders of the Company.

The Group is a reputable comprehensive industrial cybersecurity and energy digital-intelligence solutions provider in China. The Group provides customizable solutions that meet the diverse and evolving needs of enterprise users across various sectors. The Group also employs technologies to enhance security capabilities for enterprise users under different industrial scenarios. In addition to providing comprehensive industrial cybersecurity solutions, the Group also provide digital-intelligence solutions to enterprise users in the energy sector, featuring core capabilities such as real-time condition awareness, risk early warning, and process optimisation.

This Historical Financial Information is presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries.

* The English translation of the Chinese names of PRC entities in the Historical Financial Information are provided for identification purpose only.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies which conform with IFRS Accounting Standards. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Pengsheng Certified Public Accountants (Special General Partnership), certified public accountants registered in the Shenzhen.

As at 31 December 2024, the Group had net liabilities of RMB276,540,000. The net liabilities primarily arise from the redemption liabilities amounting RMB1,429,582,000 as at 31 December 2024. As disclosed in Note 35, on 31 December 2025, the Company and the holders of the shares with preferential rights have entered into a supplemental agreement, pursuant to which the holders waived the preferred rights during the Company’s [REDACTED] process and extended the trigger event of redemption liability associated with requirement of a [REDACTED] (the “[REDACTED]”) from 31 December 2026 to 31 October 2027. Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, financial assets at FVTPL and the supplementary agreement on the shares with preferential rights as above, the directors of the Company (the “**Directors**”) believe that the Group will have sufficient cash resources to satisfy its future working capital in the next twelve months from the [reporting date]. Accordingly, the Directors consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with the IFRS Accounting Standards, which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the following new and amendments to IFRS accounting standards have been issued which are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

APPENDIX I

ACCOUNTANTS’ REPORT

- ¹ Effective for annual periods beginning on or after a date to be determined
- ² Effective for annual periods beginning on or after 1 January 2026
- ³ Effective for annual periods beginning on or after 1 January 2027

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. The new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statements of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Basis of Preparation of Financial Statements* and IFRS 7 *Financial Instruments: Disclosures*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the new standard is not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statements of profit or loss. Additional disclosures required for the Group’s management-defined performance measures will be disclosed in a separate note to the consolidated financial statements.

Except as described above, the Directors anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information in the foreseeable future.

4. MATERIAL ACCOUNTING POLICY INFORMATION

For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The Historical Financial Information have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

APPENDIX I

ACCOUNTANTS’ REPORT

Changes in the Group’s interests in existing subsidiaries

Changes in the Group’s interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organized workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) except for transactions and events within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC-Int 21 *Levies*, in which the Group applies IAS 37 or IFRIC-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognized.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see the accounting policy below);
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and
- lease liabilities are recognized and measured at the present value of the remaining lease payments (as defined in IFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognized and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary’s net assets in the event of liquidation are initially measured at fair value.

APPENDIX I

ACCOUNTANTS’ REPORT

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (“CGU”s) (or group of CGUs) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the CGU (or group of CGUs) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs).

The Group’s policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group’s share of losses of an associate or joint venture exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Changes in the Group’s interests in associates

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Acquisition of additional interests in associates

When the Group increases its ownership interest in an associate but the Group continues to use the equity method, goodwill is recognized at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates acquired over the consideration paid are recognized in the profit or loss in the period in which the additional interest are acquired.

APPENDIX I

ACCOUNTANTS’ REPORT

Revenue from contracts with customers

Information about the Group’s accounting policies relating to contracts with customers is provided in Notes 6, 26, 27 and 34.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to 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 recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date, less any lease incentives received.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term and start date of the lease and is determined based on a series of inputs.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

APPENDIX I

ACCOUNTANTS’ REPORT

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognized at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognized as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognized for benefits accruing to employees (such as wages and salaries, annual leave) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to share capital/capital and other reserve. When the share options are forfeited after the vesting date or are lapsed, the amount previously recognized in share-based payments reserve will continue to be held in share-based payments reserve.

APPENDIX I

ACCOUNTANTS’ REPORT

Modification to the terms and conditions of the share-based payment arrangements

When the terms and conditions of an equity-settled share-based payment arrangement are modified, the Group recognizes, as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, if the Group modifies the vesting conditions (other than a market condition) in a manner that is beneficial to the employees, for example, by reducing the vesting period, the Group takes the modified vesting conditions into consideration over the remaining vesting period.

If the modification reduces the total fair value of the share-based arrangement, or is not otherwise beneficial to the employee, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from loss before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognizes a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress as described below). Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group’s accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost of assets other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortization and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment on property and equipment, right-of-use assets, contract costs and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives and contract costs to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the CGU to which the asset belongs.

APPENDIX I

ACCOUNTANTS’ REPORT

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Before the Group recognizes an impairment loss for assets capitalized as contract costs under IFRS 15, the Group assesses and recognizes any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalized as contract costs is recognized to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognized as expenses. The assets capitalized as contract costs are then included in the carrying amount of the CGU to which they belong for the purpose of evaluating impairment of that CGU.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognized immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position and the consolidated statements of cash flow include:

- (a) cash, which comprises of cash on hand and demand deposits; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined on a first-in, first out method for the energy digital-intelligence segment and weighted average method for the industrial cybersecurity segment. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

APPENDIX I

ACCOUNTANTS’ REPORT

Provisions for the expected cost of assurance-type warranty obligations under the relevant contracts with customers are recognized at the date of sale of the relevant products or services, at the Directors’ best estimate of the expenditure required to settle the Group’s obligation.

Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place concerned. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

(i) Amortized cost and interest income

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) Debt receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for debt receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments/receivables had been measured at amortised cost. All other changes in the carrying amount of these debt receivables are recognized in other comprehensive income. Impairment allowances are recognized in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these debt receivables. When these debt receivables are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and notes receivables, cash and cash equivalents, time deposits, restricted bank deposits and other receivables), and contract assets which is subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and the current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group rebutted the presumption that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, as the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

The Group rebutted the presumption that default has occurred when a financial asset is more than 90 days past due, as the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

Lifetime ECL for certain trade receivables/contract assets/lease receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

APPENDIX I

ACCOUNTANTS’ REPORT

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Repayment history;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognized through a loss allowance account.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost

Financial liabilities including trade and notes payables, other payables, amounts due to subsidiaries, bank borrowings and redemption liabilities are subsequently measured at amortized cost, using the effective interest method.

Modification of financial liabilities

When the contractual terms of a debt instrument are modified, such as extending the tenure, change in redemption price, the revised terms would result in a substantial modification from the original terms, after taking into account all relevant facts and circumstances including qualitative factors, such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognized and the fair value of consideration paid or payable, including any liabilities assumed, is recognized in profit or loss (as detailed in Note 35).

APPENDIX I

ACCOUNTANTS’ REPORT

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Principal versus agent consideration (principal)

The Group engages in sales of hardware and software. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as the Group is primarily responsible for fulfilling the promise to provide the goods, the Group has inventory risk, and the Group has discretion in establishing the price for the specified good or service. When the Group satisfies the performance obligation, the Group recognises sales of hardware and software in the gross amount of consideration to which the Group expects to be entitled as specified in the contracts.

During the year ended 31 December 2023 and 2024, the Group recognised revenue relating to sales of hardware and software amounted to RMB49,059,000 and RMB159,319,000, respectively.

Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses collective assessment in estimating ECL on trade receivables and contract assets which are not assessed individually at the end of each reporting period. The ECL rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The collective assessment is based on the Group’s historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group’s trade receivables and contract assets are disclosed in Note 44.

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax

As at 31 December 2023 and 2024, no deferred tax asset has been recognized on the tax losses of RMB32,642,000 and RMB167,378,000, respectively and no deferred tax asset has been recognized on certain deductible temporary differences of RMB1,039,000 and RMB15,834,000, respectively due to the unpredictability of future profit streams. A deferred tax asset has been recognized in respect of RMB35,576,000 and RMB65,825,000 of remaining deductible temporary differences for the years ended 31 December 2023 and 2024, respectively. The realizability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal or further recognition takes place.

6. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

For the year ended 31 December 2023

Types of goods or service	Industrial cybersecurity RMB'000	Energy digital-intelligence RMB'000	Total RMB'000
Provision of integrated solution services	388,212	—	388,212
Sales of hardware and software	49,059	—	49,059
Provision of technical services	36,568	—	36,568
	<u>473,839</u>	<u>—</u>	<u>473,839</u>

For the year ended 31 December 2024

Types of goods or service	Industrial cybersecurity RMB'000	Energy digital-intelligence RMB'000	Total RMB'000
Provision of integrated solution services	456,206	67,002	523,208
Sales of hardware and software	157,249	2,070	159,319
Provision of technical services	30,445	13,828	44,273
	<u>643,900</u>	<u>82,900</u>	<u>726,800</u>

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Timing of revenue recognition		
A point in time	470,587	723,119
Over time	<u>3,252</u>	<u>3,681</u>
	<u>473,839</u>	<u>726,800</u>

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) Performance obligations for contracts with customers and revenue recognition policies

Provision of integrated solution services

The Group provides integrated solution services, including industrial cybersecurity and energy digital-intelligence whereby the Group designs and implements integrated solutions for the Group’s customers by integrating different hardware, software and services to satisfy various requirements and needs of enterprise users. Revenue from integrated solutions is recognized at a point in time when the solutions are completed and accepted by the customers.

Sales of hardware and software

For sales of hardware and software to customers, revenue is recognized when control of the goods has been transferred, generally being at the point when the goods has been delivered to the customers’ specific location and accepted.

Provision of technical services

Except for maintenance and support services that is recognized over time, other services provided by the Group to the customers such as technology consulting services are recognized when the service is completed and accepted by the customers.

Sales-related warranties associated with products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37.

All sales of products and related services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iii) Segment information

During the year ended 31 December 2023, information reported to Mr. Wang, chairman of the Board and the chief operating decision maker (“**CODM**”) of the Company, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment financial information is reviewed by the CODM. Accordingly, no operating segment information is presented.

During the year ended 31 December 2024, the Group commenced the business engaging in energy digital-intelligence solution business along with the acquisition of Beijing BKC Technology Co., Ltd. (“**Beijing BKC**”) (as detailed in Note 45), and it is considered as a new operating and reportable segment provided to the CODM for the purpose of resources allocation and performance assessment. Specifically, the Group’s reportable segments under IFRS 8 Operating Segments become as follows:

1. Industrial cybersecurity solution
2. Energy digital-intelligence solution

APPENDIX I

ACCOUNTANTS’ REPORT

The following is an analysis of the Group’s revenue and results by reportable segments:

For the year ended 31 December 2024

	Industrial cybersecurity solution <i>RMB’000</i>	Energy digital- intelligence solution <i>RMB’000</i>	Total reportable segments <i>RMB’000</i>	Adjustments and eliminations <i>RMB’000</i>	Total <i>RMB’000</i>
External sales	643,900	82,900	726,800	–	726,800
Inter-segment sales	15	–	15	(15)	–
Total	<u>643,915</u>	<u>82,900</u>	<u>726,815</u>	<u>(15)</u>	<u>726,800</u>
Segment results:	52,720	18,964	71,684	–	71,684
Interest income	2,513	333	2,846	–	2,846
Finance costs	<u>(113,659)</u>	<u>(34)</u>	<u>(113,693)</u>	<u>–</u>	<u>(113,693)</u>
Segment (loss)/profit	<u>(58,426)</u>	<u>19,263</u>	<u>(39,163)</u>	<u>–</u>	<u>(39,163)</u>
Segment assets	<u>1,297,676</u>	<u>249,736</u>	<u>1,547,412</u>	<u>(65,875)</u>	<u>1,481,537</u>
Segment liabilities	<u>1,727,939</u>	<u>32,530</u>	<u>1,760,469</u>	<u>(2,392)</u>	<u>1,758,077</u>

The CODM makes decisions according to operating results of each segment. No analysis of other segment information is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results, segment assets and segment liabilities are presented.

(iv) Geographical information

The Group’s revenue is primarily derived its activities in the PRC and non-current assets are all located in the PRC.

(v) Information about major customers

During the years ended 31 December 2023 and 2024, revenue from a major customer of nil and RMB97,908,000, respectively, was derived from sales of hardware and software. Except for this, there was no revenue derived from transactions with other single external customer which amounting to 10% or more of the Group’s revenue during the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

7. OTHER INCOME

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Value-added tax refunds (<i>note (i)</i>)	31,474	13,446
Interest income from bank	635	2,233
Interest income from third parties and non-controlling shareholders	258	613
Government grants (<i>note (ii)</i>)	166	94
Others	160	512
	<u>32,693</u>	<u>16,898</u>

Notes:

- (i) According to the “Notice of the Ministry of Finance and the State Administration of Taxation on the Value added Tax Policy for Software Products” (Caishui [2011] No. 100), general taxpayers of value-added tax who sell software products they develop and produce independently shall be subject to a 13% tax rate for value-added tax. For the portion of their actual value-added tax burden exceeding 3%, a policy of immediate collection and refund shall be implemented.
- (ii) Governments grants received during the Track Record Period primarily comprised the financial subsidies received from various local government authorities in the mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

8. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Fair value changes of financial assets at FVTPL	281	2,962
Gain on disposal of property and equipment	16	14
Modification of redemption liabilities (<i>Note 35</i>)	(191,489)	18,950
Impairment of investment in an associate (<i>Note 20</i>)	(4,691)	(2,458)
Others	(51)	(157)
	<u>(195,934)</u>	<u>19,311</u>

APPENDIX I

ACCOUNTANTS’ REPORT

9. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Impairment losses recognized on:		
– Trade receivables	12,335	31,631
– Contract assets	448	494
	<u>12,783</u>	<u>32,125</u>

Details of impairment assessment are set out in Note 44.

10. FINANCE COSTS

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Interests on redemption liabilities	66,212	108,076
Interests on bank borrowing	–	417
Interests on lease liabilities	345	471
Other interest expenses	–	4,729
	<u>66,557</u>	<u>113,693</u>

11. INCOME TAX EXPENSE

The income tax expense of the Group for the years ended 31 December 2023 and 2024 are analysed as follows:

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Current income tax	12,961	10,697
Deferred tax (<i>Note 21</i>)	<u>(1,349)</u>	<u>(4,169)</u>
Income tax expense	<u>11,612</u>	<u>6,528</u>

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% for the Track Record Period.

The Company obtained the “High and New Technology Enterprise” (the “**HNTE**”) certification in December 2021, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from 2021 to 2023. The Company renewed the HNTE qualification in October 2024. The subsidiary Beijing BKC also has obtained the HNTE certification and was therefore entitled to a preferential tax rate since acquired by the Group. Beijing BKC also renewed HNTE qualification in October 2024. Besides, certain subsidiaries of the Group were qualified as small-scale and low-profit enterprises and were subject to EIT rate at 20% during the Track Record Period. Pursuant to prevailing EIT Law, small-scale and low-profit enterprise is further eligible for taxable income reduction to enjoy a lower effectively applicable EIT rate. As such, effectively applicable tax rate of those subsidiaries of the Group is 5% during the Track Record Period.

The Group is entitled to claim 200% of qualified research and development expenses so incurred as tax deductible expenses when determining its assessable profits for that year (“**Super Deduction**”) since 1 January 2023, pursuant to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC.

APPENDIX I

ACCOUNTANTS’ REPORT

The taxation for the years can be reconciled to the loss before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Loss before tax	(180,926)	(39,163)
Tax at the PRC EIT rate of 25%	(45,232)	(9,791)
Tax effect of share of results of associates	9	24
Tax effect of expenses not deductible for tax purpose	68,304	30,360
Super Deduction for research and development expenses and others	(10,288)	(11,460)
Tax effect of tax losses not recognized	6,678	5,529
Utilization of tax losses previously not recognized	–	(4,135)
The effect of deductible temporary differences not recognized	7	500
Income tax at concessionary rate	(7,866)	(4,499)
Income tax expenses for the year	11,612	6,528

12. LOSS FOR THE YEAR

Loss for the year for the Track Record Period has been arrived at after charging:

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Cost of inventories recognised as expenses	100,589	311,046
Write-down of inventories	1,002	1,565
Total cost of inventories	101,591	312,611
Depreciation of property and equipment	3,008	5,756
Depreciation of right-of-use assets	6,860	7,295
Amortization of intangible assets	3,985	4,604
Total depreciation and amortization expenses	13,853	17,655
Auditor’s remuneration	426	398
Staff costs (include directors and supervisors):		
– Salaries, bonus and other benefits	96,236	118,470
– Retirement benefits	7,490	9,578
– Share-based payment expenses	5,072	11,968
Total staff costs	108,798	140,016
Less: capitalized in inventories	(3,662)	(5,379)
	105,136	134,637

APPENDIX I

ACCOUNTANTS’ REPORT

13. EMOLUMENTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Details of the emoluments paid or payable to the Directors and chief executive of the Company during the Track Record Period for their services rendered to the entities comprising the Group are as follows:

For the year ended 31 December 2023

	Salaries and other benefits <i>RMB'000</i>	Share-based payments expenses <i>RMB'000</i>	Bonus <i>RMB'000</i>	Retirement benefits <i>RMB'000</i>	Total <i>RMB'000</i>
A) EXECUTIVE DIRECTORS					
Mr. Wang ^(v)	808	1	120	65	994
Mr. Jiang Bingsi	537	2,010	600	55	3,202
Mr. Xiang Renpeng	808	23	144	65	1,040
Mr. Yang Xiaoshuai	549	630	300	46	1,525
Total	2,702	2,664	1,164	231	6,761
B) NON-EXECUTIVE DIRECTORS					
Mr. Fang Ming ^{(i)(iv)}	–	–	–	–	–
Mr. Jiang Xin ^(iv)	–	–	–	–	–
Mr. Zhou Zhe ^(iv)	–	–	–	–	–
Total	–	–	–	–	–
C) SUPERVISORS					
Mr. Li Peixin	493	88	110	42	733
Mr. Han Fei ⁽ⁱⁱⁱ⁾	445	3	65	41	554
Mr. Li Peng ^{(iii)(iv)}	–	–	–	–	–
Total	938	91	175	83	1,287
Subtotal	3,640	2,755	1,339	314	8,048

APPENDIX I

ACCOUNTANTS’ REPORT

For the year ended 31 December 2024

	Salaries and other benefits RMB'000	Share-based payments expenses RMB'000	Bonus RMB'000	Retirement benefits RMB'000	Total RMB'000
A) EXECUTIVE DIRECTORS					
Mr. Wang ^(v)	814	1	200	68	1,083
Mr. Jiang Bingsi	800	2,010	200	59	3,069
Mr. Xiang Renpeng	819	23	100	68	1,010
Mr. Yang Xiaoshuai	807	630	200	59	1,696
Total	3,240	2,664	700	254	6,858
B) NON-EXECUTIVE DIRECTORS					
Mr. Fang Ming ^{(i)(iv)}	–	–	–	–	–
Mr. Jiang Xin ^(iv)	–	–	–	–	–
Mr. Zhao Kebai ^{(ii)(iv)}	–	–	–	–	–
Mr. Zhou Zhe ^(iv)	–	–	–	–	–
Total	–	–	–	–	–
C) SUPERVISORS					
Mr. Li Peixin	497	63	37	44	641
Mr. Han Fei	452	1	20	44	517
Mr. Li Peng ^(iv)	–	–	–	–	–
Total	949	64	57	88	1,158
Subtotal	4,189	2,728	757	342	8,016

Notes:

- (i) Mr. Fang Ming resigned as non-executive director in January 2024.
- (ii) Mr. Zhao Kebai was appointed as non-executive director in January 2024.
- (iii) Mr. Han Fei and Mr. Li Peng were appointed as supervisor in December 2023.
- (iv) These non-executive directors and the supervisor, Mr. Li Peng were appointed by investor shareholders and no emoluments were paid by the Group during the Track Record Period.
- (v) Mr. Wang was the executive Director, the chief executive and chairman of the Board during the Track Record Period.

The emoluments of the executive Directors shown above were mainly for their management services rendered to the Company and the Group. Certain Supervisors’ emoluments shown above were paid for their services as Supervisors of the Company during the Track Record Period. The executive Directors and certain Supervisors of the Company are entitled to bonus payments which was determined by the managements of the Group having regard to the performance of individuals and the performance of the the Group.

During the Track Record Period, certain Directors and Supervisors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 39 to the Historical Financial Information.

None of the Directors or Supervisors waived or agreed to waive any remuneration during the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

14. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group the Track Record Period included 2 and 2 Directors, respectively, details of whose remuneration are set out in Note 13 above. Details of the remuneration for the year of the remaining 3 and 3 highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December	
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Salaries and other benefits	2,555	2,438
Bonus	288	200
Share-based payments expenses	1,292	6,121
Retirement benefits	156	167
	<u>4,291</u>	<u>8,926</u>

The number of the highest paid employees who are not the Directors whose remuneration fell within the following bands is as follows:

	2023	2024
	<i>No. of employees</i>	<i>No. of employees</i>
HK\$1,000,001 to HK\$1,500,000	2	1
HK\$1,500,001 to HK\$2,000,000	1	–
HK\$3,500,001 to HK\$4,000,000	–	1
HK\$4,500,001 to HK\$5,000,000	–	1
	<u>3</u>	<u>3</u>

During the Track Record Period, certain highest paid employees who are not Directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 39 to the Historical Financial Information.

During the Track Record Period, no emoluments were paid by the Group to any of the Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

15. DIVIDENDS

No dividends have been paid or declared by the Company in respect of the Track Record Period.

16. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Year ended 31 December	
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>(189,756)</u>	<u>(58,987)</u>
Number of shares		
Number of ordinary shares for the purpose of basic and diluted loss per share	<u>24,523,765</u>	<u>24,523,765</u>

APPENDIX I

ACCOUNTANTS’ REPORT

On 17 October 2025, the Company was converted into a joint stock company with limited liability under the company law of the PRC. Paid-in capital of RMB76,448,000 were converted into 76,448,000 ordinary shares of the Company at RMB1.00 each. For the purpose of calculating loss per share, the weighted average number of shares were calculated as if the conversion were completed prior to the Track Record Period at RMB1.00 paid-in capital for one ordinary share.

The computation of diluted loss per share for the years ended 31 December 2023 and 2024 has not taken into consideration the exercise of redemption option as the effect is anti-dilutive.

17. PROPERTY AND EQUIPMENT

The Group

	Office furniture RMB'000	Electronic equipment RMB'000	Vehicles RMB'000	Buildings RMB'000	Leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
COST							
At 1 January 2023	490	2,816	1,315	–	3,379	11,976	19,976
Additions	33	364	77	–	342	339	1,155
Transfers	–	–	–	–	12,315	(12,315)	–
Disposals	(48)	(335)	–	–	–	–	(383)
At 31 December 2023	475	2,845	1,392	–	16,036	–	20,748
Additions	362	794	425	–	1,223	9,026	11,830
Transfers	–	–	–	–	1,146	(1,146)	–
Acquired on acquisition of a subsidiary (Note 45)	24	1,117	117	5,649	52	–	6,959
Disposals	(72)	(39)	(531)	–	–	–	(642)
At 31 December 2024	789	4,717	1,403	5,649	18,457	7,880	38,895
DEPRECIATION							
At 1 January 2023	(147)	(1,938)	(1,161)	–	(1,592)	–	(4,838)
Provided for the year	(81)	(480)	(90)	–	(2,357)	–	(3,008)
Disposals	30	318	–	–	–	–	348
At 31 December 2023	(198)	(2,100)	(1,251)	–	(3,949)	–	(7,498)
Provided for the year	(97)	(501)	(96)	(118)	(4,944)	–	(5,756)
Disposals	25	22	516	–	–	–	563
At 31 December 2024	(270)	(2,579)	(831)	(118)	(8,893)	–	(12,691)
CARRYING VALUES							
At 31 December 2023	277	745	141	–	12,087	–	13,250
At 31 December 2024	519	2,138	572	5,531	9,564	7,880	26,204

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Office furniture <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Vehicles <i>RMB'000</i>	Leasehold improvement <i>RMB'000</i>	Construction in progress <i>RMB'000</i>	Total <i>RMB'000</i>
COST						
At 1 January 2023	472	2,756	1,315	3,259	11,976	19,778
Additions	33	183	–	342	270	828
Transfers	–	–	–	12,246	(12,246)	–
Disposals	(48)	(335)	–	–	–	(383)
At 31 December 2023	457	2,604	1,315	15,847	–	20,223
Additions	146	200	336	1,223	–	1,905
Disposals	(72)	(39)	(543)	–	–	(654)
At 31 December 2024	531	2,765	1,108	17,070	–	21,474
DEPRECIATION						
At 1 January 2023	(144)	(1,905)	(1,161)	(1,520)	–	(4,730)
Provided for the year	(78)	(455)	(87)	(2,298)	–	(2,918)
Disposals	30	318	–	–	–	348
At 31 December 2023	(192)	(2,042)	(1,248)	(3,818)	–	(7,300)
Provided for the year	(77)	(291)	(61)	(4,698)	–	(5,127)
Disposals	25	22	516	–	–	563
At 31 December 2024	(244)	(2,311)	(793)	(8,516)	–	(11,864)
CARRYING VALUES						
At 31 December 2023	265	562	67	12,029	–	12,923
At 31 December 2024	287	454	315	8,554	–	9,610

The above items of property and equipment, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis on the following bases:

Office furniture	5 years
Electronic equipment	3–5 years
Vehicles	4–5 years
Buildings	20 years
Leasehold improvement	Over the shorter of the expected life of leasehold improvement or the lease term

APPENDIX I

ACCOUNTANTS’ REPORT

18. RIGHT-OF-USE ASSETS

The Group

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Carrying amount at the beginning of the year	11,097	4,604
Additions	566	15,512
Depreciation charge	(6,860)	(7,295)
Modification and early termination	(199)	(1,668)
Acquired on acquisition of a subsidiary (<i>Note 45</i>)	–	3,386
	<u>4,604</u>	<u>14,539</u>
Carrying amount at the end of the year	<u>4,604</u>	<u>14,539</u>

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Expense relating to short-term leases	2,199	2,314
Total cash outflow for leases	<u>9,232</u>	<u>9,793</u>

The Company

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Carrying amount at the beginning of the year	9,758	3,910
Additions	566	9,821
Depreciation charge	(6,215)	(5,346)
Modification and early termination	(199)	(1,668)
	<u>3,910</u>	<u>6,717</u>
Carrying amount at the end of the year	<u>3,910</u>	<u>6,717</u>

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Expense relating to short-term leases	1,620	1,522
Total cash outflow for leases	<u>6,928</u>	<u>8,463</u>

For the Track Record Period, the Group leases various offices, warehouses and vehicles for its operations and lease contracts are entered into for fixed term of 14 months to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Restrictions or covenants on leases

In addition, lease liabilities of RMB4,532,000 and RMB14,472,000 are recognized with related right-of-use assets of RMB4,604,000 and RMB14,539,000 as at 31 December 2023 and 2024, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

APPENDIX I

ACCOUNTANTS’ REPORT

19. INTANGIBLE ASSETS

The Group

	Software <i>RMB'000</i>	Patent <i>RMB'000</i>	Technology <i>RMB'000</i>	Total <i>RMB'000</i>
COST				
At 1 January 2023	1,550	18,038	–	19,588
Additions	–	700	–	700
At 31 December 2023	1,550	18,738	–	20,288
Acquired on acquisition of a subsidiary (<i>Note 45</i>)	39	–	11,000	11,039
At 31 December 2024	1,589	18,738	11,000	31,327
AMORTISATION				
At 1 January 2023	(125)	(1,427)	–	(1,552)
Charge for the year	(307)	(3,678)	–	(3,985)
At 31 December 2023	(432)	(5,105)	–	(5,537)
Charge for the year	(306)	(3,748)	(550)	(4,604)
At 31 December 2024	(738)	(8,853)	(550)	(10,141)
CARRYING VALUES				
At 31 December 2023	1,118	13,633	–	14,751
At 31 December 2024	851	9,885	10,450	21,186

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Software <i>RMB'000</i>	Patent <i>RMB'000</i>	Total <i>RMB'000</i>
COST			
At 1 January 2023	1,550	18,038	19,588
Additions	—	700	700
	<u>1,550</u>	<u>18,738</u>	<u>20,288</u>
At 31 December 2023 and 2024	<u>1,550</u>	<u>18,738</u>	<u>20,288</u>
AMORTISATION			
At 1 January 2023	(125)	(1,427)	(1,552)
Charge for the year	(307)	(3,678)	(3,985)
	<u>(432)</u>	<u>(5,105)</u>	<u>(5,537)</u>
At 31 December 2023	<u>(432)</u>	<u>(5,105)</u>	<u>(5,537)</u>
Charge for the year	(299)	(3,748)	(4,047)
	<u>(731)</u>	<u>(8,853)</u>	<u>(9,584)</u>
At 31 December 2024	<u>(731)</u>	<u>(8,853)</u>	<u>(9,584)</u>
CARRYING VALUES			
At 31 December 2023	<u>1,118</u>	<u>13,633</u>	<u>14,751</u>
At 31 December 2024	<u>819</u>	<u>9,885</u>	<u>10,704</u>

The above intangible assets have finite useful lives. Such intangible assets are amortized on a straight-line basis over the following periods:

Software	5 years to 10 years
Patent	5 years
Technology	5 years

APPENDIX I

ACCOUNTANTS’ REPORT

20. INVESTMENTS IN ASSOCIATES

The Group and the Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Cost of investments	7,739	9,039
Share of post-acquisition results	(36)	(130)
Impairment (<i>note(i)</i>)	(4,691)	(7,149)
	<u>3,012</u>	<u>1,760</u>
Loans to associates	2,200	2,200
Less: share of post-acquisition losses that are in excess of the cost of the investments	(2,200)	(2,200)
	<u>—</u>	<u>—</u>
	<u>3,012</u>	<u>1,760</u>

Details of each of the Group’s principal associates at the end of the reporting period are as follows:

Name of associates	Country of establishment/ registration	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			2023 %	2024 %	2023 %	2024 %	
Nanjing Yijia'an Science & Technology Ltd.	PRC	PRC	40	Nil	40	Nil	Science research and technical services
Wuhan Secway Network Technology Co., Ltd. (“Wuhan Secway”)	PRC	PRC	19	21	19	21	Computer and auxiliary equipment repair
Jiangsu Tiandi Hexing Science & Technology Ltd.	PRC	PRC	40	40	40	40	Science research and technical services

APPENDIX I

ACCOUNTANTS’ REPORT

Note:

- (i) The Group and the Company invested RMB7,200,000 in Wuhan Secway and paid a consulting fee of RMB340,000 directly related to the investments treated as the initial investment amount on 17 November 2023 and obtained ownership interest in Wuhan Secway of 19.23%. The Group is able to exercise significant influence because it has the right to appoint two out of the five directors of Wuhan Secway in accordance to its articles of association during the Track Record Period. During the year ended 31 December 2024, the Group and the Company further invest RMB700,000 in Wuhan Secway.

Wuhan Secway is a company listed on the National Equities Exchange and Quotations System (“NEEQ”). The quoted price in the NEEQ indicated that there was impairment indicator for the investment in Wuhan Secway, and the management of the Group conducted impairment assessment on the investment in Wuhan Secway with carrying amounts of RMB7,503,000 and RMB8,412,000 as at 31 December 2023 and 2024, respectively.

The recoverable amounts of the investment in Wuhan Secway have been determined based on the fair value less costs of disposal. The Group uses direct comparison to estimate the fair value less costs of disposal of the assets which is based on the recent transaction prices adjusted for discount for lack of marketability. The fair value measurement is categorised into Level 2 fair value hierarchy. The relevant assets were impaired to their recoverable amount of RMB2,812,000 and RMB1,263,000 as at 31 December 2023 and 2024, respectively, and the impairment of RMB4,691,000 and RMB2,458,000 has been recognised in “other gains and losses” for the years ended 31 December 2023 and 2024, respectively.

The Directors considered that all associates are not individually material and their aggregate information are as below:

	Years ended 31 December	
	2023	2024
	RMB’000	RMB’000
The Group’s share of losses and total comprehensive expense	(36)	(94)
Aggregate carrying amount of the Group’s interests in these associates	3,012	1,760

21. DEFERRED TAXATION

For the purpose of presentation in the Group’s consolidated statements of financial position and the Company’s statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

The Group

	As at 31 December	
	2023	2024
	RMB’000	RMB’000
Deferred tax assets	4,740	8,827
Deferred tax liabilities	–	(1,568)
	4,740	7,259

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Deferred tax assets	4,740	8,827
Deferred tax liabilities	—	—
	<u>4,740</u>	<u>8,827</u>

The following are the major deferred tax assets/(liabilities) recognized and movements thereon during the Track Record Period:

The Group

	Inventories			Financial			
	ECL impairment	Right-of-	Lease	assets at	Intangible	Total	
	provision	use assets	liabilities	FVTPL	assets		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2023	2,345	1,077	(1,504)	1,474	(1)	—	3,391
Credit/(charge) to profit or loss	<u>1,212</u>	<u>150</u>	<u>877</u>	<u>(881)</u>	<u>(9)</u>	<u>—</u>	<u>1,349</u>
At 31 December 2023	3,557	1,227	(627)	593	(10)	—	4,740
Credit/(charge) to profit or loss	<u>3,975</u>	<u>121</u>	<u>(585)</u>	<u>605</u>	<u>(29)</u>	<u>82</u>	<u>4,169</u>
Acquired on acquisition of a subsidiary	<u>18</u>	<u>—</u>	<u>(442)</u>	<u>424</u>	<u>—</u>	<u>(1,650)</u>	<u>(1,650)</u>
At 31 December 2024	<u>7,550</u>	<u>1,348</u>	<u>(1,654)</u>	<u>1,622</u>	<u>(39)</u>	<u>(1,568)</u>	<u>7,259</u>

The Company

	Inventories			Financial			
	ECL impairment	Right-of-	Lease	assets at		Total	
	provision	use assets	liabilities	FVTPL			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
At 1 January 2023	2,345	1,077	(1,464)	1,434	(1)	—	3,391
Credit/(charge) to profit or loss	<u>1,212</u>	<u>150</u>	<u>877</u>	<u>(881)</u>	<u>(9)</u>	<u>—</u>	<u>1,349</u>
At 31 December 2023	3,557	1,227	(587)	553	(10)	—	4,740
Credit/(charge) to profit or loss	<u>3,935</u>	<u>121</u>	<u>(421)</u>	<u>481</u>	<u>(29)</u>	<u>—</u>	<u>4,087</u>
At 31 December 2024	<u>7,492</u>	<u>1,348</u>	<u>(1,008)</u>	<u>1,034</u>	<u>(39)</u>	<u>—</u>	<u>8,827</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

As at 31 December 2023 and 2024, the Group has deductible temporary differences of RMB36,615,000 and RMB81,659,000 respectively. A deferred tax asset has been recognized in respect of RMB35,576,000 and RMB65,825,000 of such deductible temporary differences for the years ended 31 December 2023 and 2024, respectively. No deferred tax asset has been recognized in relation to the remaining deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences.

As at 31 December 2023 and 2024, the Group has unused tax losses of RMB32,642,000 and RMB167,378,000 respectively, available for offset against future profits. No deferred tax asset has been recognized in respect of the tax losses due to the unpredictability of future profit streams.

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
2024	608	–
2025	977	977
2026	980	980
2027	3,364	3,364
2028	26,713	36,720
2029	–	49,838
2030	–	7,377
2031	–	1,002
2032	–	18,938
2033	–	34,494
2034	–	13,688
	32,642	167,378

The Company

As at 31 December 2023 and 2024, the Company has no unused tax losses and no unrecognized temporary differences.

APPENDIX I

ACCOUNTANTS’ REPORT

22. GOODWILL

	As at 31 December 2024 RMB’000
COST	
At 1 January 2023 and 31 December 2023	–
Arising on acquisition of a subsidiary (Note 45)	12,252
At 31 December 2024	12,252
IMPAIRMENT	
At 1 January 2023, 31 December 2023 and 2024	–
CARRYING VALUES	
At 31 December 2023	–
At 31 December 2024	12,252

Particulars regarding impairment testing on goodwill are disclosed in Note 23.

23. IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill set out in Note 22 has been allocated to one individual CGU, comprising one subsidiary in the energy digital-intelligence solution segment. The carrying amounts of goodwill allocated to this CGU is as follows:

	Goodwill As at 31 December 2023 RMB’000	2024 RMB’000
Energy digital-intelligence solution segment		
Beijing BKC	–	12,252

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets that generate cash flows together with the related goodwill are also included in the respective CGU for the purpose of impairment assessment.

The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and discount rate of 16.78% as at 31 December 2024. Beijing BKC’s cash flows beyond the five-year period are extrapolated using a steady 2.00% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit’s past performance and management’s expectations for the market development.

During the year ended 31 December 2024, management of the Group determines that there is no impairment on Beijing BKC.

The recoverable amount is significantly above the carrying amount of Beijing BKC. Management believes that any reasonably possible change in any of these assumptions would not result in impairment.

APPENDIX I

ACCOUNTANTS’ REPORT

24. INVENTORIES

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Raw materials	9,667	14,225
Finished goods	2,140	3,254
	<u>11,807</u>	<u>17,479</u>

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Raw materials	9,667	10,855
Finished goods	2,140	3,254
	<u>11,807</u>	<u>14,109</u>

25. TRADE RECEIVABLES/NOTES RECEIVABLES MEASURED AT FVTOCI

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Trade receivables	663,558	956,320
Less: allowance for credit losses	(23,777)	(52,248)
	<u>639,781</u>	<u>904,072</u>
Notes receivables measured at FVTOCI	<u>8,505</u>	<u>8,712</u>

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Trade receivables	660,832	893,728
Less: allowance for credit losses	(23,581)	(49,825)
	<u>637,251</u>	<u>843,903</u>
Notes receivables measured at FVTOCI	<u>8,505</u>	<u>5,051</u>

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the time when customer accepts the products and services or the date of contract assets transferred to trade receivables.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Within 1 year	409,402	468,908
1-2 years	193,996	277,271
2-3 years	28,528	145,799
3-4 years	7,855	12,094
	<u>639,781</u>	<u>904,072</u>

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Within 1 year	406,869	426,081
1-2 years	194,074	266,070
2-3 years	28,528	143,944
3-4 years	7,780	7,808
	<u>637,251</u>	<u>843,903</u>

Trade Receivables

The Group and the Company entered a factoring arrangement with trade receivables amounting to RMB100,267,000 as of 31 December 2024, which was transferred to other financial institution and received a note receivable. As the Group and the Company have not transferred significant risks and rewards, it continues to recognize the full carrying amount of the trade receivables.

As at 31 December 2023 and 2024, included in the Group’s trade receivables balance are debtors with aggregate carrying amount of RMB445,922,000 and RMB814,316,000, respectively, which are past due as at the reporting date.

The normal credit term to the customers ranged between 0 to 180 days. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade receivables are set out in Note 44.

Notes Receivables measured at FVTOCI

The Group and the company

Notes received are primarily bank acceptance note and are held by the Group for settlement of trade receivables, of which certain notes were further discounted/endorsed by the Group. For those discounted/endorsed notes that did not transfer substantially all the risks and rewards of ownership, the Group continues to recognize their full carrying amounts at the end of each Track Record Period. As the notes receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, the notes receivables are measured at FVTOCI. All notes received by the Group are with a maturity period of less than one year.

The following were the Group’s financial assets as at 31 December 2023 and 2024 that were transferred to banks or suppliers by discounting/endorsing on a full recourse basis. As the Group has not transferred the significant risks and rewards for the endorsed notes, it continues to recognize the full carrying amount and has recognized the cash received on the transfer as a secured borrowing (Note 36).

APPENDIX I

ACCOUNTANTS’ REPORT

As at 31 December 2023

	Notes discounted to bank with full recourse RMB'000	Notes endorsed to suppliers with full recourse RMB'000	Total RMB'000
Carrying amount of transferred assets	–	2,782	2,782
Carrying amount of associated liabilities	–	(2,782)	(2,782)
Net position	–	–	–

As at 31 December 2024

	Notes discounted to bank with full recourse RMB'000	Notes endorsed to suppliers with full recourse RMB'000	Total RMB'000
Carrying amount of transferred assets	129	3,362	3,491
Carrying amount of associated liabilities	(129)	(3,362)	(3,491)
Net position	–	–	–

Details of impairment assessment of notes receivables are set out in Note 44.

26. CONTRACT ASSETS

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Warranty retention receivables	21,412	38,301
Analyzed as:		
Current	13,241	26,616
Non-current	8,171	11,685
	21,412	38,301

As at 1 January 2023, contract assets amounted to RMB13,976,000.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Warranty retention receivables	21,256	28,585
Analyzed as:		
Current	13,104	19,992
Non-current	8,152	8,593
	21,256	28,585

As at 1 January 2023, contract assets amounted to RMB13,352,000.

The contract assets primarily relate to the Group’s right to consideration for work completed and not billed because the rights are conditioned on the Group’s future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract assets, that are not expected to be settled within the Group’s normal operating cycle, are classified as current and non-current based on expected settlement dates.

Typical payment terms which impact on the amount of contract assets recognized are as follows:

The Group typically agrees to a retention period ranging from 1 year to 3 years for 3% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group’s entitlement to this final payment is conditioned on warranty period expiration. The Group typically transfers the contract assets to trade receivables upon the end of the retention period.

27. CONTRACT COSTS

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Costs to fulfill contracts	98	19,092

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Costs to fulfill contracts	98	1,914

During the Track Record Period, capitalized contract costs primarily comprise direct materials, direct labor, and attributable overheads that are incurred in fulfilling a contract with a customer. Amortization of capitalized contract costs is charged to profit or loss on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate.

APPENDIX I

ACCOUNTANTS’ REPORT

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Value-added tax refunds	10,788	–
Loan to third-parties, non-controlling shareholders and employee (note (i))	7,373	15,756
Deposits	4,484	8,997
Receivable from an investor	–	6,500
Input tax amount of value-added tax payable	1,926	3,372
Prepayments to suppliers and service providers	1,064	7,813
Others	1,463	5,600
	<u>27,098</u>	<u>48,038</u>
Analyzed as:		
Current	26,560	45,956
Non-current	538	2,082
	<u>27,098</u>	<u>48,038</u>

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Due from subsidiaries	35,425	42,037
Value-added tax refunds	10,788	–
Loan to third-parties, non-controlling shareholders and employee (note (i))	4,143	15,756
Receivable from an investor	–	6,500
Deposits	3,974	5,855
Input tax amount of value-added tax payable	1,730	2,846
Prepayments to suppliers and service providers	1,020	9,169
Others	1,191	2,046
	<u>58,271</u>	<u>84,209</u>
Analyzed as:		
Current	58,078	82,786
Non-current	193	1,423
	<u>58,271</u>	<u>84,209</u>

Note:

- (i) The terms of loan to third-parties, non-controlling shareholders and employee are one year or less, with an fixed annual interest rate of 5% and unsecured.

APPENDIX I

ACCOUNTANTS’ REPORT

29. FINANCIAL ASSETS AT FVTPL

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Wealth management products (<i>note (i)</i>)	80,067	60,262
Unlisted equity investment (<i>note (ii)</i>)	—	893
	<u>80,067</u>	<u>61,155</u>
Analyzed as:		
Current	80,067	60,262
Non-current	—	893
	<u>80,067</u>	<u>61,155</u>

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Wealth management products (<i>note (i)</i>)	<u>80,067</u>	<u>60,262</u>
Analyzed as:		
Current	<u>80,067</u>	<u>60,262</u>

Notes:

- (i) Wealth management products purchased by the Group are issued by commercial banks without guaranteed returns. The expected rates of return for such wealth management products held by the Group as at 31 December 2023 and 2024 ranging from 1.60% to 3.10% and nil to 3.30%, respectively. The Group managed and evaluated the performance of investments on a fair value basis in accordance with the Group’s risk management and investment strategy. The major assumptions used in the valuation for wealth management products are set out in Note 40.
- (ii) The above unlisted equity investment represents the Group’s equity interest in a private entity established in the PRC. The Group has no intention to sell this investment in short term and thus the investment is classified as non-current asset.

APPENDIX I

ACCOUNTANTS’ REPORT

30. CASH AND CASH EQUIVALENTS/ RESTRICTED BANK DEPOSITS/TIME DEPOSITS

(a) Cash and cash equivalents

Cash and cash equivalents include demand deposits and bank deposits with original maturity less than three months at fixed interest rates for the purpose of meeting the Group’s short term cash commitments. As at 31 December 2023 and 2024, these deposits accrue interest at market rates, with interest rates ranging from 0.20% to 1.85% per annum and 0.10% to 1.15% per annum, respectively.

(b) Restricted bank deposits

Restricted cash was mainly cash deposited in designated bank accounts reserved for issuance of letter of guarantee. As at 31 December 2023 and 2024, the restricted bank balances accrue interest at the prevailing market interest rates, with interest rates of 0.20% per annum and ranging from 0.10% to 1.65% per annum, respectively.

(c) Time deposits

Time deposits represent bank deposits with original maturity over three months are at fixed interest rates ranging from 1.30% to 2.40% per annum as at 31 December 2024.

31. TRADE AND NOTES PAYABLES

The Group

	As at 31 December	
	2023	2024
	RMB’000	RMB’000
Trade payables	141,713	196,074
Notes payables (<i>Note</i>)	—	7,537
	<u>141,713</u>	<u>203,611</u>

The Company

	As at 31 December	
	2023	2024
	RMB’000	RMB’000
Trade payables	141,564	189,405
Notes payables (<i>Note</i>)	—	7,537
	<u>141,564</u>	<u>196,942</u>

Note: These relate to trade payables in which the Group and the Company has issued bank notes to the relevant suppliers for settlement of trade payables. The suppliers receive the invoice amounts from the bank upon the maturity date of the bank notes. The Group and the Company continues to recognize these trade payables as the Group and the Company are obliged to pay to the relevant banks on due dates of the bank notes, under the same conditions as agreed with the suppliers without further extension. Settlements of these bank notes by the Group and the Company are included in the Group’s consolidated statement of cash flows and the Company’s statement of cash flows within operating cash flows based on the nature of the arrangements.

The following is an aged analysis of trade payables presented based on the invoice date.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Less than 1 year	115,447	126,315
1-2 years	11,874	41,796
2-3 years	14,211	11,598
Over 3 years	181	16,365
	<u>141,713</u>	<u>196,074</u>
	<u><u>141,713</u></u>	<u><u>196,074</u></u>

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Less than 1 year	115,302	127,357
1-2 years	11,870	39,069
2-3 years	14,211	9,060
Over 3 years	181	13,919
	<u>141,564</u>	<u>189,405</u>
	<u><u>141,564</u></u>	<u><u>189,405</u></u>

Trade payables are majority with a credit term of 0 to 90 days.

32. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Other tax payables	18,249	38,274
Salary and welfare payables	14,644	12,639
Professional fee	14,375	–
Warranty provision (<i>Note</i>)	1,196	2,853
Others	7,245	3,203
	<u>55,709</u>	<u>56,969</u>
	<u><u>55,709</u></u>	<u><u>56,969</u></u>

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Amounts due to subsidiaries	73,660	61,255
Other tax payables	18,135	36,601
Professional fee	14,375	–
Salary and welfare payables	11,640	10,633
Warranty provision (<i>Note</i>)	1,196	1,253
Others	7,279	2,741
	<u>126,285</u>	<u>112,483</u>
	<u><u>126,285</u></u>	<u><u>112,483</u></u>

Note: The warranty provision represents management’s best estimate of the Group’s liability under one year assurance-type warranty granted on certain contracts, based on prior experience and industry averages.

APPENDIX I

ACCOUNTANTS’ REPORT

33. LEASE LIABILITIES

The Group

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	3,146	8,575
Within a period of more than one year but not exceeding two years	548	2,953
Within a period of more than two years but not exceeding five years	838	2,944
	4,532	14,472
Less: Amount due for settlement within 12 months shown under current liabilities	(3,146)	(8,575)
Amount due for settlement after 12 months shown under non-current liabilities	1,386	5,897

As at 31 December 2023 and 2024, the weighted average incremental borrowing rate applied to lease liabilities were 4.83% and 3.74%, respectively.

The Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	2,303	6,112
Within a period of more than one year but not exceeding two years	548	534
Within a period of more than two years but not exceeding five years	838	248
	3,689	6,894
Less: Amount due for settlement within 12 months shown under current liabilities	(2,303)	(6,112)
Amount due for settlement after 12 months shown under non-current liabilities	1,386	782

As at 31 December 2023 and 2024, the weighted average incremental borrowing rate applied to lease liabilities were 5.02% and 3.74%, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

34. CONTRACT LIABILITIES

Contract liabilities represent the Group’s and the Company’s obligation to transfer goods or services to a customer for which the Group and the Company has received consideration from the customer before the performance obligation is satisfied. These amounts are recognized as revenue when the Group and the Company satisfies the performance obligation by transferring the promised goods or services.

All contract liabilities of the Group and the Company are classified as current as they are expected to be settled within the Group’s and the Company’s normal operating cycle.

The Group

	As at 31 December	
	2023	2024
	RMB’000	RMB’000
Provision of integrated solution services	–	7,181
Provision of technical services	–	1,205
Sales of hardware and software	–	6
	<u>–</u>	<u>8,392</u>

The Company

	As at 31 December	
	2023	2024
	RMB’000	RMB’000
Provision of technical services	–	269
Provision of integrated solution services	–	55
	<u>–</u>	<u>324</u>

As at 1 January 2023, contract liabilities of the Group and the Company amounted to RMB88,000.

Revenue of the Group recognized during the years ended 31 December 2023 and 2024 that was previously included in the contract liabilities balance as at the beginning of each year amounted to RMB88,000 and nil, respectively.

35. REDEMPTION LIABILITIES

	Year ended 31 December	
	2023	2024
	RMB’000	RMB’000
Redemption liabilities	<u>1,181,538</u>	<u>1,429,582</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Since the date of incorporation, the Company has completed several rounds of financing through issuing shares with preferential rights, mainly including redemption rights, anti-dilution rights and liquidation preference rights. The details of these financing are set out below:

Series of financing	Issue date	Subscription price per RMB1.00 of paid-in capital RMB	Amount of paid-in capital RMB	Total consideration RMB'000
Series angel	September 2016	7.84	701,858	5,500
Series A*	April 2017	11.63	1,934,984	22,500
Series B	July 2018	26.44	1,760,925	46,560
Series C	October 2019	38.88	2,314,884	90,000
Series D1	July 2021	22.80	4,166,667	95,000
Series D2	November 2021	22.80	4,078,949	93,000
Series D3	April 2022	22.80	2,763,158	63,000
Series D4	September 2022	25.54	2,036,341	52,000
Series E1	August 2023	38.07	3,021,127	115,000
Series E2	December 2023/January 2024/August 2025	38.07	4,728,722	180,000
Series E3	March 2024	38.07	3,021,128	115,000
Total			30,528,743	877,560

* Prior to the Track Record Period, all Series A shares have been transferred out.

During the year ended 31 December 2020, capitalization issues to the then shareholders were made out of the capital and other reserves. This issuance increased the total paid-in capital by RMB33,024,000, from RMB16,976,000 to RMB50,000,000. The table above set out the original subscription price and amount of paid-in capital on the issue date.

Key terms of preferential rights granted

(i) Redemption right

Series Angel, Series B, Series C, Series D, Series E, investors have rights to require the Company to redeem their investments if:

- The Company fails to (i) submit a [REDACTED] application and obtain the official acceptance notice from the relevant regulatory authority by 31 December 2025; or (ii) complete a [REDACTED] by 31 December 2026; or (iii) it is determined that, under the [REDACTED] rules then in effect, it has become impossible for the Company to submit such application or complete such [REDACTED] within the aforementioned timeframes; or
- The founders or the Company violate the agreements in the investment transaction documents (including but not limited to the representations and warranties, post-closing obligations, etc.) or the provisions of laws and regulations, and fail to effectively resolve or remedy the violation within a reasonable period as required by the [REDACTED] investors (such period shall be no less than thirty (30) business days); or
- The founders or the Company has other material legal or financial defects that prevent it from completing the [REDACTED] (“[REDACTED]”); or
- The de facto controller of the Company ceases to be employed by the Company, or ceases to provide substantial services to the Company, or a change of control of the Company occurs; except for any such circumstances that have been unanimously consented to by all investors; or
- In any fiscal year, the auditing firm recognized by the investors issues an audit opinion on the Company’s financial statements that is not an unqualified opinion;

APPENDIX I

ACCOUNTANTS’ REPORT

- (f) Any investor requests to exercise the investor’s redemption right.

The redemption price is the highest of (a) the total investment price paid by the investors plus simple interest accrued at a 10% annual rate from the capital contribution dates to the redemption date, along with any declared but unpaid dividends; (b) the net asset value of the Company attributable to the equity interest being redeemed, as per the latest audited financial statements or an audit by a firm acceptable to the investors; or (c) the sum of the total investment price and the pro-rata share of the increase in the Company’s shareholders’ equity attributable to the equity interest during the holding period, based on audited financial statements.

The investments shall carry redemption right that is senior to the order of: Series E, Series D, Series C, Series B, and Series Angel. If the Company’s assets or funds which are legally available on the date that any redemption payment is due are insufficient to pay in full all redemption payments, the founder shall bear the redemption obligation limited to their shareholdings of the Company.

(ii) Liquidation preferences

In the event of the Company’s liquidation, dissolution, closure, cessation of business, or a sale of the Company undertaken for the purpose of a merger or acquisition (collectively, “**Liquidation Events**”), all remaining assets of the Company (“**Distributable Assets**”) – after the full payment of all liquidation expenses, employee wages, social insurance contributions, statutory compensation, outstanding taxes, and all other Company debts as required by applicable laws – shall be distributed in the following:

First, to the investors, an amount equal to: $A + B$

where:

A= 100% of the original investment amount corresponding to the series of equity held by each investor (which includes the sum of the capital increase contribution paid to the Company and the consideration paid for acquiring Company equity via transfer), plus simple interest accrued thereon at an annualized rate of 10% (for Series E, D, and C) or 8% (for Series B);

B= the pro-rata accumulated undistributed profits attributable to the investors.

In liquidation, the Series E investors shall have the most senior liquidation preference, followed in descending order by: Series D, Series C, Series B and Series Angel.

After the liquidation preference amounts of all investor shares are fully paid, any remaining funds and assets of the Company available for distribution among shareholders will be distributed among all shareholders (including but not limited to investors) in proportion to their shareholdings.

(iii) Anti-dilution right

If the Company increases its share at a price lower than the price paid by the Anti-dilution Right Holders (the Series E, Series D, Series C, Series B and Series Angel Round investors with preferential rights referred) on a per share basis, the Anti-dilution Right Holders have the right to require: (1) the founders to transfer the equity interests of the Company they directly or indirectly held to the Anti-dilution Right Holders at the lowest price allowed by the law; or (2) the Company to issue new share for nominal consideration to the Anti-dilution Right Holders; or (3) the Company or the founders to compensate the Investors in cash.

APPENDIX I

ACCOUNTANTS’ REPORT

Presentation and classification

The redemption rights granted to the investors constitute as the Company’s obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities which are initially measured as present value of the redemption amount and subsequently measured at amortized cost. The redemption liabilities are classified as non-current liabilities as the Company have the right at each reporting date to defer settlement of the liabilities for at least twelve months after that date.

On 31 December 2025, the Company and the holders of the shares with preferential rights have entered into a supplemental agreement, pursuant to which the holders waived the preferred rights during the Company’s [REDACTED] process, removed the trigger event of redemption liability associated with submit a [REDACTED] and obtain the official acceptance notice from the relevant regulatory authority by 31 December 2025 and extended the trigger event of redemption liability associated with requirement of the [REDACTED] from 31 December 2026 to 31 October 2027.

The movement of redemption liabilities during the Track Record Period are set out below:

	As at 31 December	
	2023	2024
	RMB’000	RMB’000
At the beginning of the year	690,155	1,181,538
Recognition of financial instruments with preferred rights	240,000	163,500
Charged to finance costs	66,212	108,076
Modification of redemption cost (<i>notes (i) & (ii)</i>)	191,489	(18,950)
Issue cost of shares with preferred rights	(6,318)	(4,582)
	<u>1,181,538</u>	<u>1,429,582</u>
At the end of the year		

Notes:

- (i) During the year ended 31 December 2023, certain shareholders of the company transferred their shares with redemption rights to new investors, along with the transfer transaction, the redemption terms is modified (primarily involving the adjustment of the principal redemption price) pursuant to the renewed shareholders’ investments agreements. The transaction was considered as a substantial modification which resulted in the derecognition of the original financial liabilities and recognition of the new financial liabilities.

Along with the transfer transaction and the grant of redemption rights in Series E Investment, the exercise date of the redemption rights of existing investors was changed from 31 December 2024 to 31 December 2025 pursuant to the renewed shareholders’ investments agreements. The deferral of the above redemption right terms was considered as a substantial modification which resulted in the derecognition of the original financial liabilities and recognition of new financial liabilities.

The loss resulted from the differences between the carrying amount of financial liabilities derecognized and the fair value of the new financial liabilities amounting to RMB191,489,000 was recognized in other gains and losses according to IFRS 9.

- (ii) During the year ended 31 December 2024, certain shareholders of the company transferred their shares with redemption rights to new investors, along with the transfer transaction, the redemption terms is modified (primarily involving the extension of the exercise date of the redemption rights of existing investors) pursuant to the renewed shareholders’ investments agreements. The transaction was considered as a substantial modification which resulted in the derecognition of the original financial liabilities and recognition of the new financial liabilities.

The gain resulted from the differences between the carrying amount of financial liabilities derecognized and the fair value of the new financial liabilities amounting to RMB18,950,000 was recognized in other gains and losses according to IFRS 9.

APPENDIX I

ACCOUNTANTS’ REPORT

36. BANK BORROWINGS

The Group and the Company

	As at 31 December	
	2023	2024
	RMB'000	RMB'000
Non-current:		
Bank borrowings – secured (<i>note (i)</i>)	–	36,186
Current:		
Bank borrowings – secured (<i>note (i)</i>)	–	1,940
Financial liabilities from notes discounted – secured (<i>note (ii)</i>)	–	129
	<u>–</u>	<u>38,255</u>

Based on scheduled repayment dates set out in the loan agreements, the carrying amounts of the Group’s borrowing are repayable as follows:

	As at 31 December
	2024
	RMB'000
Borrowing repayable:	
Within one year	2,069
Within a period of more than one year but not exceeding two years	7,618
Within a period of more than two years but not exceeding five years	<u>28,568</u>
	38,255
Less: Amounts due within one year shown under current liabilities	<u>(2,069)</u>
Amounts shown under non-current liabilities	<u>36,186</u>

Notes:

- (i) The Group’s bank borrowing was pledged by the Group and the Company’s shares of 27.6% in Beijing BKC. The borrowing is at a floating interest rate linked to the 1-year Loan Prime Rate (“LPR”) plus 5 basis points.
- (ii) The amount was pledged by notes receivables discounted to banks, details are set out in Note 25.

APPENDIX I

ACCOUNTANTS’ REPORT

37. PAID-IN CAPITAL

The Group and the Company

To the Historical Financial Information, the paid-in capital of the Company represents the paid-in capital of the Company before it was converted into joint stock limited liability company with limited liability.

On 17 October 2025, the Company was converted into a joint stock company with limited liability under the company law of the PRC. Paid-in capital of RMB76,448,000 at the benchmark date were converted into 76,448,000 ordinary shares of the Company at RMB1.00 each.

	Paid-in capital <i>RMB'000</i>
Issued and fully paid	
As at 1 January 2023	63,045
Issue shares for Series E investments (<i>note (i)</i>)	3,021
As at 31 December 2023	66,066
Issue shares for Series E investments (<i>note (ii)</i>)	7,750
As at 31 December 2024	73,816

Notes:

- (i) During the year ended 31 December 2023, the Company completed E1 series financing, among which RMB3,021,000 was credited to the Company’s paid-in capital.
- (ii) During the year ended 31 December 2024, the Company completed E2 and E3 series financing, among which RMB7,750,000 was credited to the Company’s paid-in capital.

APPENDIX I

ACCOUNTANTS’ REPORT

38. RESERVES OF THE COMPANY

	Capital and other reserves <i>RMB'000</i>	Statutory reserves <i>RMB'000</i>	Share-based payments reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2023	(113,522)	9,094	15,316	(156,825)	(245,937)
Loss and total comprehensive expense for the year	–	–	–	(173,517)	(173,517)
Issue shares for Series E investments (<i>Note 35</i>)	105,479	–	–	–	105,479
Recognition of redemption liabilities for the redemption rights newly granted to Series E investors	(115,000)	–	–	–	(115,000)
Recognition of equity-settled share-based payments	–	–	5,072	–	5,072
At 31 December 2023	<u>(123,043)</u>	<u>9,094</u>	<u>20,388</u>	<u>(330,342)</u>	<u>(423,903)</u>
Loss and total comprehensive expense for the year	–	–	–	(47,598)	(47,598)
Issue shares for Series E investments (<i>Note 35</i>)	287,250	–	–	–	287,250
Recognition of redemption liabilities for the redemption rights newly granted to Series E investors	(288,500)	–	–	–	(288,500)
Recognition of equity-settled share-based payments	–	–	11,968	–	11,968
At 31 December 2024	<u>(124,293)</u>	<u>9,094</u>	<u>32,356</u>	<u>(377,940)</u>	<u>(460,783)</u>

39. SHARE-BASED PAYMENT TRANSACTIONS

The Group and the Company

The Company’s share incentive scheme (the “**Share Incentive Scheme**”) was adopted for the primary purpose of incentivizing the management members and core employees of the Group to further promote business development and in recognition of their contributions (the “**Eligible Grantees**”). Under this scheme, the Eligible Grantees can subscribe shares of the Company through the employee shareholding platforms (the “**ESOP Platforms**”) established solely for the implementation of the scheme.

In September 2016 and May 2021, in adopting the Share Incentive Scheme, two ESOP Platforms, Tianjin Xingyuan and Tianjin Xinghui were established and designated by Mr. Wang as share incentive platforms to hold the shares reserved for the Share Incentive Scheme and Mr. Wang as the ultimate beneficial owners. The Group has no control over the two limited liability partnerships.

From the inception date of the Company, the Company continually granted restricted share units (“**RSUs**”) and share options (“**Options**”) to certain eligible employees under the Share Incentive Scheme.

The RSUs were all granted and vested prior to the Track Record Period.

APPENDIX I

ACCOUNTANTS’ REPORT

The Options generally vest over a two-year, three-year or a five-year period starting from the date specified in each agreement. The subscribe price of the per share Options generally range from nil to RMB6.50. In addition to the above service condition, certain options also include performance vesting condition which is contingent on the completion of a [REDACTED].

The fair value of the Options granted during the Track Record Period at grant dates were determined with reference to valuation carried out by an independent qualified professional valuer Asia-Pacific Consulting and Appraisal Limited.

(i) Share Incentive Scheme

Set out below are details of the movements of the outstanding Options granted under the Share Incentive Scheme during the Track Record Period:

	Number of Options	Weighted average grant date fair value per option RMB
As at 1 January 2023 (<i>note</i>)	5,160,182	3.86
Granted during the year	160,539	7.32
Forfeited	(2,548)	3.07
As at 31 December 2023	5,318,173	3.97
Granted during the year	1,007,950	19.75
Forfeited	(2,548)	3.07
As at 31 December 2024	6,323,575	6.48

Note:

The number of Options and weighted average grant date fair per option has been adjusted on the assumptions that the Company’s capitalization issues completed prior to the Track Record Period had been completed on/effective since incorporation of the Company.

As at 31 December 2023 and 2024, the exercisable Options under the Share Incentive Scheme were nil and 5,017,389, respectively.

The Group recognized total expense of approximately RMB5,072,000 and RMB11,968,000, respectively for the years ended 31 December 2023 and 2024 in relation to the Options granted by the Company under the Share Incentive Scheme.

(ii) Valuation

The Company has adopted the binomial model to determine the fair value of the Options of the Company. Key inputs are set out below:

	As at 31 December 2023 RMB’000	2024 RMB’000
Fair value assumptions and key inputs		
Grant date	1 January 2023	1 January 2024
Fair value of the underlying shares	13.11	22.74
Subscribe price per share option (<i>note i</i>)	6.50	0.00 and 6.50
Expected volatility (<i>note ii</i>)	46%-51%	41%-46%
Risk-free interest rate (<i>note iii</i>)	2.12%-2.41%	2.09%-2.29%
Expected dividend yield	0%	0%

APPENDIX I

ACCOUNTANTS’ REPORT

Notes:

- (i) The subscribe price of the share options was determined by Mr. Wang and agreed within Share Award Participants.
- (ii) The expected volatility was determined by using the historical volatility of the comparable companies’ share price.
- (iii) Risk-free interest rate is estimated based on market yield of Chinese Government Bonds with maturity date close to the forecasted dates.

(iii) Modification

Subsequently in December 2025, the Group modified the vesting conditions of previously granted options, which is to include performance vesting condition contingent on the completion of a [REDACTED] to these previous granted options. As the Group modified the vesting conditions in a manner that is not beneficial to the employees, the Group continues to account for the original equity instruments granted as if that modification had not occurred.

40. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group’s financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

(i) Fair value of the Group’s financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group’s financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 31 December 2023

	Level 1 RMB’000	Level 2 RMB’000	Level 3 RMB’000	Total RMB’000
Wealth management products measured at FVTPL	–	80,067	–	80,067
Notes receivables measured at FVTOCI	–	8,505	–	8,505
Total	–	88,572	–	88,572

APPENDIX I

ACCOUNTANTS’ REPORT

Fair value hierarchy as at 31 December 2024

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Wealth management products measured at FVTPL	–	60,262	–	60,262
Unlisted equity investment	–	893	–	893
Notes receivables measured at FVTOCI	–	8,712	–	8,712
Total	–	69,867	–	69,867

Financial assets/liabilities	Fair value		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)
	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000			
Wealth management products measured at FVTPL	80,067	60,262	Level 2	Redemption value quoted by banks	N/A
Unlisted equity investment	–	893	Level 2	Recent transaction price	N/A
Notes receivables measured at FVTOCI	8,505	8,712	Level 2	Observable trading market price for endorsement	N/A

There were no transfers between Level 1, 2 and 3 during the Track Record Period.

(ii) **Fair value of the Group’s financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)**

The Directors consider that the carrying amounts of financial assets and financial liabilities measured at amortized cost in the Historical Financial Information, approximate their fair value.

41. CAPITAL COMMITMENTS

	As at 31 December 2023 RMB'000	2024 RMB'000
Contracted but not provided for:		
– Equity investment	–	23,907

APPENDIX I

ACCOUNTANTS’ REPORT

42. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities disclosed in Note 33, redemption liabilities disclosed in Note 35, bank borrowings disclosed in Note 36, net of cash and cash equivalents and equity balance, comprising paid-in capital, capital and other reserves, statutory reserves, share-based payments reserves, accumulated losses and non-controlling interests.

The management reviews the capital structure regularly. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

43. RETIREMENT BENEFITS PLANS

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees’ salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans recognized as employee benefit charged to profit or loss and capitalized as production costs as incurred for the years ended 31 December 2023 and 2024 under such arrangement are RMB7,490,000 and RMB9,578,000, respectively.

44. FINANCIAL INSTRUMENTS

a. CATEGORIES OF FINANCIAL INSTRUMENTS

The Group

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortized cost:		
– Trade receivables (Note 25)	639,781	904,072
– Deposits and other receivables (Note 28)	13,014	31,545
– Cash and cash equivalents (Note 30)	179,728	234,195
– Time deposits (Note 30)	–	60,325
– Restricted bank deposits (Note 30)	952	5,400
	<u> </u>	<u> </u>
Financial assets at FVTPL		
– Wealth management products (Note 29)	80,067	60,262
– Equity investments in a private company (Note 29)	–	893
	<u> </u>	<u> </u>
Financial assets at FVTOCI		
– Notes receivables (Note 25)	8,505	8,712
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities at amortized cost:		
– Other payables (Note 32)	21,620	3,203
– Bank borrowings (Note 36)	–	38,255
– Trade and notes payables (Note 31)	141,713	203,611
– Redemption liabilities (Note 35)	1,181,538	1,429,582
	<u> </u>	<u> </u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Financial assets		
Financial assets at amortized cost:		
– Trade receivables (<i>Note 25</i>)	637,251	843,903
– Deposits and other receivables (<i>Note 28</i>)	43,542	70,148
– Cash and cash equivalents (<i>Note 30</i>)	122,385	110,934
– Time deposits (<i>Note 30</i>)	–	10,142
– Restricted bank deposits (<i>Note 30</i>)	952	60
	<u>80,067</u>	<u>60,262</u>
Financial assets at FVTPL		
– Wealth management products (<i>Note 29</i>)	80,067	60,262
	<u>80,067</u>	<u>60,262</u>
Financial assets at FVTOCI		
– Notes receivables (<i>Note 25</i>)	8,505	5,051
	<u>8,505</u>	<u>5,051</u>
Financial liabilities		
Financial liabilities at amortized cost:		
– Other payables (<i>Note 32</i>)	95,314	63,996
– Bank borrowings (<i>Note 36</i>)	–	38,255
– Trade and notes payables (<i>Note 31</i>)	141,564	196,942
– Redemption liabilities (<i>Note 35</i>)	1,181,538	1,429,582
	<u>1,418,416</u>	<u>1,729,775</u>

b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s major financial instruments include trade receivables, notes receivables measured at FVTOCI, deposits and other receivables, cash and cash equivalents, time deposits, restricted bank deposits, financial assets at FVTPL, trade and notes payables, bank borrowings, other payables, lease liabilities, redemption liabilities. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and other price risk), credit risk, and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

(i) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (Note 33), redemption liabilities (Note 35) and time deposits (Note 30). The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and restricted cash (see Note 30 for details) and variable-rate bank borrowing (see Note 36 for details). The Group’s cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

The Directors considers that the impact to profit or loss for respective years are insignificant for a reasonable change in the market interest rate. Accordingly, no sensitivity analysis is prepared.

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) Other price risk

The Group and the Company are mainly exposed to other price risk through investments in financial assets measured at FVTPL and financial assets measured at FVTOCI. The management of the Group and the Company considers the fluctuation in fair value changes on wealth management products was insignificant, taking into account the short-term duration of such financial products and the underlying assets which are debt instruments and cash and cash equivalents. The Group and the Company also consider the fluctuation in fair value changes on unlisted equity investment and notes receivables measured at FVTOCI were insignificant taking into account the maximum exposure and the facts such notes are generally issued by reputable banks, respectively.

Credit risk and impairment assessment

The Group’s maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position (including trade and notes receivables, other receivables, restricted bank deposits, time deposits and cash and cash equivalents) and contract assets.

Restricted bank deposits, cash and cash equivalents, time deposits and notes receivables

Credit risk on restricted bank deposits, cash and cash equivalents, time deposits and notes receivables is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group and the Company assessed 12m ECL for restricted bank deposits, cash and cash equivalents, time deposits and notes receivables by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits, cash and cash equivalents, time deposits and notes receivables is considered to be insignificant and therefore no loss allowance was recognized during the Track Record Period.

Financial assets included in deposits and other receivables and amounts due from subsidiaries

For deposits and other receivables as well as amounts due from subsidiaries, the management makes periodic individual assessment on the recoverability of deposits and other receivables as well as amounts due from subsidiaries based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group and the Company provided impairment based on 12m ECL. The Group and the Company assessed the ECL for deposits and other receivables as well as amounts due from subsidiaries are insignificant and thus no loss allowance is recognized during the Track Record Period.

The Group’s internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired

APPENDIX I

ACCOUNTANTS’ REPORT

Internal credit rating	Description	Trade receivables	Other financial assets
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group’s financial assets and contract assets, which are subject to ECL assessment:

The Group

	Notes	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	
				2023	2024
				RMB	RMB
Financial assets at amortized cost					
Trade receivables	25	Low risk	Lifetime ECL (not credit-impaired)	661,953	951,020
		Loss	Lifetime ECL (credit-impaired)	1,605	5,300
Deposits and other receivables	28	Low risk	12m ECL	13,014	31,545
Cash and cash equivalents	30	Low risk	12m ECL	179,728	234,195
Time deposits	30	Low risk	12m ECL	–	60,325
Restricted bank deposits	30	Low risk	12m ECL	952	5,400
Financial assets at FVTOCI					
Notes receivables	25	Low risk	12m ECL	8,505	8,712
Other item					
Contract assets	26	Low risk	Lifetime ECL (not credit-impaired)	21,493	38,424
		Loss	Lifetime ECL (credit-impaired)	47	–

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	<i>Notes</i>	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	
				2023	2024
				<i>RMB</i>	<i>RMB</i>
Financial assets at amortized cost					
Trade receivables	25	Low risk	Lifetime ECL (not credit-impaired)	659,301	888,503
		Loss	Lifetime ECL(credit-impaired)	1,531	5,225
Deposits and other receivables	28	Low risk	12m ECL	43,542	70,148
Cash and cash equivalents	30	Low risk	12m ECL	122,385	110,934
Time deposits	30	Low risk	12m ECL	–	10,142
Restricted bank deposits	30	Low risk	12m ECL	952	60
Financial assets at FVTOCI					
Notes receivables	25	Low risk	12m ECL	8,505	5,051
Other item					
Contract assets	26	Low risk	Lifetime ECL (not credit-impaired)	21,336	28,705
		Loss	Lifetime ECL (credit-impaired)	47	–

As part of the Group’s credit risk management, trade receivables and contract assets have been grouped based on shared credit risk characteristics and aging, respectively. The Group uses provision matrix to calculate ECL for trade receivables assessed on a collective basis. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis using provision matrix as at 31 December 2023 and 2024 within lifetime ECL (not credit-impaired).

APPENDIX I

ACCOUNTANTS’ REPORT

Gross carrying amount

The Group

Share credit risk characteristics (Note)

		At 31 December 2023	
		Average loss rate	Trade receivables
		%	RMB'000
Group 1		2.45	588,400
Group 2		10.52	73,553
			<u>661,953</u>
			<u><u>661,953</u></u>
		At 31 December 2024	
		Average loss rate	Trade receivables
		%	RMB'000
Group 1		4.06	858,518
Group 2		13.07	92,502
			<u>951,020</u>
			<u><u>951,020</u></u>

Note: The Group has classified the trade receivables balance into different groupings based on the types of debtors and size of operations which are considered to have shared credit risk characteristics and similar loss patterns.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

As at 31 December 2023 and 2024, the Group provided RMB22,171,000 and RMB46,948,000 impairment allowance for trade receivables respectively, based on collective assessment.

As at 31 December 2023 and 2024, impairment allowance of RMB1,605,000 and RMB5,300,000 were made on debtors with credit-impaired debtors respectively.

The Group also uses provision matrix to calculate ECL for contract assets. The provision rates are based on the comparative default and recovery data from international credit-rating agencies and adjusted for forward-looking estimates that is available without undue cost or effort. As at 31 December 2023 and 2024, the Group provided RMB128,000 and RMB123,000 impairment allowance for contract assets, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The following table shows the movement in lifetime ECL that has been recognized for trade receivables/contract assets under the simplified approach.

	Lifetime ECL (not credit-impaired) <i>RMB'000</i>	Lifetime ECL (credit impaired) <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2023	14,342	1,652	15,994
– Impairment losses recognized, net	12,783	–	12,783
– Write-offs	(4,873)	–	(4,873)
As at 31 December 2023	22,252	1,652	23,904
– Transfer to credit-impaired	(253)	253	–
– Impairment losses recognized, net	28,730	3,395	32,125
– Write-offs	(4,618)	–	(4,618)
– Reversal for ECL of trade receivables arising from acquisition	960	–	960
As at 31 December 2024	47,071	5,300	52,371

The Company

	At 31 December 2023	
	Average loss rate	Trade receivables
	<i>%</i>	<i>RMB'000</i>
Group 1	2.46	583,192
Group 2	10.53	73,168
Due from subsidiaries	–	2,941
		659,301
	At 31 December 2024	
	Average loss rate	Trade receivables
	<i>%</i>	<i>RMB'000</i>
Group 1	4.14	786,274
Group 2	13.13	91,697
Due from subsidiaries	–	10,532
		888,503

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

As at 31 December 2023 and 2024, the Company provided RMB22,050,000 and RMB44,600,000 impairment allowance for trade receivables respectively, based on collective assessment.

As at 31 December 2023 and 2024, impairment allowance of RMB1,531,000 and RMB5,225,000 were made on debtors with credit-impaired debtors respectively.

As at 31 December 2023 and 2024, the Company provided RMB127,000 and RMB120,000 impairment allowance for contract assets, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The following table shows the movement in lifetime ECL that has been recognized for trade receivables/contract assets under the simplified approach.

	Lifetime ECL (not credit-impaired) RMB'000	Lifetime ECL (credit impaired) RMB'000	Total RMB'000
As at 1 January 2023	14,056	1,578	15,634
– Impairment losses recognized, net	8,578	–	8,578
– Write-offs	(504)	–	(504)
As at 31 December 2023	22,130	1,578	23,708
– Transfer to credit-impaired	(253)	253	–
– Impairment losses recognized, net	27,366	3,394	30,760
– Write-offs	(4,523)	–	(4,523)
As at 31 December 2024	44,720	5,225	49,945

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group’s operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group’s and Company’s remaining contractual maturity for its non-derivative financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

The Group

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
As at 31 December 2023							
Trade and notes payables	–	141,713	–	–	–	141,713	141,713
Other payables	–	21,620	–	–	–	21,620	21,620
Leases liabilities	4.83%	3,261	590	866	–	4,717	4,532
Redemption liabilities*	10.00%	–	–	1,353,680	–	1,353,680	1,181,538
		166,594	590	1,354,546	–	1,521,730	1,349,403

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
As at 31 December 2024							
Bank borrowings	3.40%	3,332	8,233	30,154	–	41,719	38,255
Trade and notes payables	–	203,611	–	–	–	203,611	203,611
Other payables	–	3,203	–	–	–	3,203	3,203
Leases liabilities	3.74%	9,047	3,130	3,048	–	15,225	14,472
Redemption liabilities*	10.00%	–	–	1,732,551	–	1,732,551	1,429,582
		219,193	11,363	1,765,753	–	1,996,309	1,689,123

*: The Redemption Price disclosed is calculated based on 10% annual single interest rate.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
As at 31 December 2023							
Trade and notes payables	–	141,564	–	–	–	141,564	141,564
Other payables	–	95,314	–	–	–	95,314	95,314
Leases liabilities	5.02%	2,404	590	866	–	3,860	3,689
Redemption liabilities*	10.00%	–	–	1,353,680	–	1,353,680	1,181,538
		<u>239,282</u>	<u>590</u>	<u>1,354,546</u>	<u>–</u>	<u>1,594,418</u>	<u>1,422,105</u>

	Weighted average interest rate %	On demand or less than 1 year RMB'000	1-2 years RMB'000	2-5 years RMB'000	More than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amounts RMB'000
As at 31 December 2024							
Bank borrowings	3.40%	3,332	8,233	30,154	–	41,719	38,255
Trade and notes payables	–	196,942	–	–	–	196,942	196,942
Other payables	–	63,996	–	–	–	63,996	63,996
Leases liabilities	3.74%	6,254	550	250	–	7,054	6,894
Redemption liabilities*	10.00%	–	–	1,732,551	–	1,732,551	1,429,582
		<u>270,524</u>	<u>8,783</u>	<u>1,762,955</u>	<u>–</u>	<u>2,042,262</u>	<u>1,735,669</u>

*: The Redemption Price disclosed is calculated based on 10% annual single interest rate.

45. ACQUISITION OF A SUBSIDIARY

In September 2024, The Company obtained 27.60% of the equity interests in Beijing BKC with a total consideration of approximately RMB63,484,000. On September 25, 2024, the Company entered into a series of agreements of concerted action with Mr. He Lirong and Mr. Zhang Jing, shareholder of Beijing BKC, acquiring 17.76% and 10.39% of their voting rights respectively. As a result, the Group has a voting rights of 55.75% and obtained control over Beijing BKC. The acquisition has been accounted for as acquisition of business using the acquisition method. The total consideration for the acquisition being the cash amounting to RMB63,484,000 injected.

The principal activities of Beijing BKC are engaged in integrated solutions centered on industrial condition monitoring, diagnostics and intelligent operation and maintenance solutions for power and energy industry.

Fair value of consideration transferred

	<i>RMB'000</i>
Cash	<u>63,484</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Assets acquired and liabilities recognized at the date of acquisition

	<i>RMB’000</i>
Property and equipment	6,959
Right-of-use assets	3,386
Intangible assets	11,039
Contract assets	6,616
Financial assets at FVTPL	893
Cash and cash equivalents	99,871
Restricted cash	4,765
Notes receivables measured at FVTOCI	2,594
Trade receivables	30,650
Prepayments, deposits and other receivables	16,949
Contract costs	50,351
Inventories	4,745
Trade and notes payables	(15,165)
Lease liabilities	(3,173)
Contract liabilities	(30,221)
Other payables and accruals	(2,998)
Deferred tax liabilities	(1,650)
Net assets	185,611

Non-controlling interests

The non-controlling interests of 72.40% in Beijing BKC at the acquisition date was measured by reference to the fair value of the proportionate share of recognized amounts of net assets of Beijing BKC and amounted to RMB134,379,000.

Goodwill arising on acquisition

	<i>RMB’000</i>
Cash	63,484
Plus: non-controlling interests	134,379
Less: fair value of net assets acquired	185,611
	12,252

Net cash inflows arising on acquisition of Beijing BKC

	<i>RMB’000</i>
Consideration paid in cash	63,484
Less: cash and cash equivalents acquired	99,871
	(36,387)

Beijing BKC contributed revenue of RMB82,900,000 and profit of RMB19,345,000 the year ended 31 December 2024. If the acquisition had been completed on 1 January 2024, the total revenue of the Group for the year ended 31 December 2024 would have been RMB763,849,000 and the loss for the year of the Group ended 31 December 2024 would have been RMB63,332,000. The information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

APPENDIX I

ACCOUNTANTS’ REPORT

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Lease liabilities	Bank borrowing	Redemption liabilities	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	<i>Note 33</i>	<i>Note 36</i>	<i>Note 35</i>	
At 1 January 2023	10,857	–	690,155	701,012
Financing cash flows	(7,033)	227	240,000	233,194
New leases entered	566	–	–	566
Financial costs	345	–	66,212	66,557
Net settlement of notes discounted to banks	–	(227)	–	(227)
Lease termination	(203)	–	–	(203)
Modification of redemption cost	–	–	191,489	191,489
Issue cost of shares with preferred rights	–	–	(6,318)	(6,318)
At 31 December 2023	4,532	–	1,181,538	1,186,070
Financing cash flows	(7,376)	37,838	163,500	193,962
Increase due to acquisition of a subsidiary	3,173	–	–	3,173
New leases entered	15,409	–	–	15,409
Financial costs	471	417	108,076	108,964
Lease termination	(1,737)	–	–	(1,737)
Modification of redemption cost	–	–	(18,950)	(18,950)
Issue cost of shares with preferred rights	–	–	(4,582)	(4,582)
At 31 December 2024	14,472	38,255	1,429,582	1,482,309

47. RELATED PARTY DISCLOSURES

(a) Name and relationship of key related parties

Name	Relationship
Wuhan Secway	Associate of the Company

(b) Related party balances

The Group and the Company

Amounts due from related parties:

	As at 31 December	
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Prepayments		
– Wuhan Secway	–	150
Other receivable		
– Wuhan Secway	5	55

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

Amounts due from related parties:

	As at 31 December	
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Trade nature:		
Trade payables		
– Amounts due to subsidiaries	48	11,682
Trade receivables		
–Amounts due from subsidiaries	2,941	10,532
Contract assets		
– Amounts due from subsidiaries	–	832
Non-trade nature:		
Other receivables		
– Amounts due from subsidiaries	35,425	42,037

(c) **Related party transactions**

The Group and the Company

	Year ended 31 December	
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Interest income:		
Wuhan Secway	5	50

The Company

	Year ended 31 December	
	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>
Trade Purchases:		
Purchases from subsidiaries	48	49
Trade sales:		
Sales to subsidiaries	1,894	9,511

APPENDIX I

ACCOUNTANTS’ REPORT

(d) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Year ended 31 December	
	2023	2024
	RMB'000	RMB'000
Short-term employee benefits	6,760	7,235
Post-employment benefits	422	478
Share-based payments	3,016	4,848
	<u>10,198</u>	<u>12,561</u>

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

48. PARTICULARS OF SUBSIDIARIES

During the Track Record Period and as at the date of this report, the Company had direct and indirect interests in the following subsidiaries, all being limited liability companies:

Name of subsidiaries <i>(note (i))</i>	Place of establishment and principal place of business	Date of establishment/ incorporation	Registered/ Issued and fully paid capital	Effective interest held			Principal activities	Notes
				As at 31 December		[As at the date of this report]		
				RMB	2023	2024		
Directly held by the Company								
Zhejiang Tiandi Hexing Science & Technology Ltd.	PRC	12/5/2018	As at 31 December 2023 and 2024 and [the date of the report] : 10,000,000/6,300,000	100.00%	100.00%	100.00%	Information transmission, software and information technology services industry	(ii)
Tiandi Hexing (Yunnan) International Security Science & Technology Ltd.	PRC	8/4/2022	30,000,000	100.00%	100.00%	100.00%	Information transmission, software and information technology	(ii)
Fujian and Chuangxin 'an Science & Technology Ltd. and technical	PRC	20/12/2022	30,000,000	100.00%	100.00%	100.00%	Science research services	(ii)
Chongqing Tiandi Hexing Science & Technology Ltd.	PRC	10/8/2022	50,000,000	100.00%	100.00%	100.00%	Science research and technical services	(ii)
Hubei Tiandi Hexing Science & Technology Ltd.	PRC	17/8/2023	As at 31 December 2023: 30,000,000/8,000,000; As at 31 December 2024: 30,000,000/20,000,000; As at [the date of the report]: 30,000,000/23,000,000	100.00%	100.00%	100.00%	Basic software development	(ii)
Tiandi Hexing (Lishui) Science & Technology Ltd.	PRC	28/4/2024	As at 31 December 2024 and [the date of the report]: 30,000,000/–	N/A	100.00%	100.00%	Science research and technical services	(ii)

APPENDIX I

ACCOUNTANTS’ REPORT

Name of subsidiaries <i>(note (i))</i>	Place of establishment and principal place of business	Date of establishment/ incorporation	Registered/ Issued and fully paid capital	Effective interest held			Principal activities	Notes
				As at 31 December		[As at the date of this report]		
				RMB	2023	2024		
Tiandi Hexing (Beijing) Energy Science & Technology Ltd.	PRC	26/7/2024	5,000,000	N/A	100.00%	100.00%	Science research and technical services	(ii)
Suzhou Tiandi Hexing Science & Technology Ltd.	PRC	7/2/2025	As at [the date of the report]: 3,000,000/–	N/A	N/A	100.00%	Science research	(ii)
Sichuan Tiandi Hexing Science & Technology Ltd.	PRC	26/11/2025	As at [the date of the report]: 100,000,000/–	N/A	N/A	N/A	Science research and technical services	(ii) & (viii)
Nanjing Tiandi Hexing Information Science & Technology Ltd.	PRC	20/1/2020	As at 31 December 2023 and 2024 and [the date of the report] : 10,000,000/–	60.00%	60.00%	60.00%	Software and information technology services industry	(ii)
Liaoning Tiandi Hexing Science & Technology Ltd.	PRC	14/12/2021	As at 31 December 2023 and 2024 : 10,000,000/–	60.00%	60.00%	N/A	Science research and technical services	(ii) & (iii)
Shaanxi Tiandi Science & Technology Ltd.	PRC	8/2/2022	As at 31 December 2023 and 2024 and [the date of the report]: 10,000,000/2,000,000	51.00%	51.00%	51.00%	Science research and technical services	(ii)
Beijing Heyun Shengxing Science & Technology Ltd.	PRC	20/10/2022	As at 31 December 2023 and 2024 and [the date of the report]: 1,000,000/–	51.00%	51.00%	51.00%	Science research and technical services	(ii)
Beijing Bikun Science & Technology Ltd.	PRC	10/12/2024	As at 31 December 2024: 20,000,000/– As at [the date of the report]: 2,350,000/1,300,000	N/A	51.00%	51.00%	Technology promotion and application services industry	(ii)
Hunan Tiandi Hexing Science & Technology Ltd.	PRC	25/7/2024	As at 31 December 2024 : 2,000,000/150,000	N/A	51.00%	N/A	Application software development	(ii) & (iv)
Beijing BKC	PRC	25/9/2002	100,000,000	–	27.60%	51.00%	Industrial condition monitoring, diagnostics and intelligent operation and maintenance solutions for power and energy industry	(v) & (vi)
Yantai Haibo Electrical Equipment Co., Ltd.	PRC	18/12/2014	50,500,000	–	–	51.00%	Science research and technical services	(vii)
Tiandi Hexing (Shanxi) Science & Technology Ltd.	PRC	8/8/2025	As at [the date of the report]: 5,000,000/–	N/A	N/A	51.00%	Science research and technical services	(ii)
Indirectly held by the Company								
Yantai Luling Energy Science & Technology Ltd.	PRC	3/6/2024	7,000,000	N/A	–	49.54%	Science research and technical services	(ii) & (vii)

Notes:

- (i) The English names of certain subsidiaries referred herein represent the Directors’ best effort at translating the Chinese names of these companies as no English names have been registered.

APPENDIX I

ACCOUNTANTS’ REPORT

- (ii) No statutory audited financial statements were issued for all these companies as they are either newly incorporated or not required to issue audited financial statements under the statutory requirement of their respective place of incorporation.
- (iii) Liaoning Tiandi Hexing Science & Technology Ltd. was deregistered in June 2025.
- (iv) Hunan Tiandi Hexing Science & Technology Ltd. was deregistered in May 2025.
- (v) The statutory financial statements for the year ended 31 December 2024 was prepared in accordance with relevant accounting principles and financial regulations applicable to the PRC enterprises and were audited by Pengsheng Certified Public Accountants (Special General Partnership) registered in the PRC.
- (vi) As at 31 December 2024, although the Group has only 27.60% ownership in Beijing BKC, as stated in Note 45, the Group has a voting rights of 55.75% and obtained control over Beijing BKC.
- (vii) Being acquired subsequent to the Track Record Period as disclosed in Note 46.
- (viii) Sichuan Tiandi Hexing Science & Technology Ltd. was dissolved as at January 2026.

None of the subsidiaries had any debt securities outstanding as at 31 December 2023 and 2024 or at any time during the Track Record Period.

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of a non-wholly-owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024
				RMB'000	RMB'000	RMB'000	RMB'000
Beijing BKC	PRC	–	72.40%	–	14,006	–	148,384
Individually immaterial subsidiaries with non-controlling interests						(4,197)	(4,906)
						(4,197)	143,478

APPENDIX I

ACCOUNTANTS’ REPORT

Summarized financial information in respect of each of the Group’s subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Beijing BKC	31/12/2024 <i>RMB’000</i>
Current assets	212,727
Non-current assets	24,758
Current liabilities	(29,620)
Non-current liabilities	(2,909)
	From 1 October 2024 to 31 December 2024 <i>RMB’000</i>
Revenue	82,900
Expenses	(11,829)
Profit and total comprehensive income for the period	19,345
	From 1 October 2024 to 31 December 2024 <i>RMB’000</i>
Net cash inflow from operating activities	7,852
Net cash inflow from investing activities	5,606
Net cash inflow	13,458

APPENDIX I

ACCOUNTANTS’ REPORT

49. EVENTS AFTER THE REPORTING PERIOD

- (i) In June 2025, the Company obtained 10.40% of the equity interests in Beijing BKC for a consideration of RMB23,917,000. In January 2026, the Company further obtained 13.0% of the equity interest in Beijing BKC for a consideration of RMB29,910,000. Upon completion of these transactions, the Company directly control 51.00% of the equity interest in Beijing BKC.
- (ii) In December 2025, the Company obtained 51.0% of the equity interest in Yantai Haibo Electrical Equipment Co., Ltd. (“**Haibo Electric**”) and its subsidiary with a consideration of RMB51,000,000. Upon completion of the transaction, the Company obtained control over Haibo Electric, and the acquisition has been accounted for as acquisition of business using the acquisition method.
- (iii) In December 2025, the Company issued ordinary shares to third party investors for a total consideration of RMB51,000,000.

50. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group, the Company or any of its subsidiaries in respect of any period subsequent to 31 December 2024.

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is the text of a report set out on pages IA-1 to IA-[27], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF BEIJING TIANDI HEXING TECHNOLOGY CO., LTD.
(A joint stock company incorporated in the People’s Republic of China with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Beijing Tiandi Hexing Technology Co., Ltd. (北京天地和興科技股份有限公司) (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages [IA-3] to [IA-27], which comprise the condensed consolidated statements of financial position as of 30 September 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements of cash flows for the nine months period then ended, and notes to the condensed consolidated financial statements. The condensed consolidated financial statements have been prepared by the directors of the Company solely for the purpose of application of [REDACTED] of the H shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). As a result, the condensed consolidated financial statements may not be suitable for another purpose. The directors of the Company are responsible for the preparation of these condensed consolidated financial statements in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International 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.

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

[Date]

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Nine months ended	
		30 September	
	Notes	2025	2024
		RMB'000	RMB'000
		(unaudited)	(unaudited)
Revenue	3	438,856	359,170
Cost of sales		(225,690)	(187,491)
Gross profit		213,166	171,679
Other income	4	10,757	10,786
Other gains and losses	5	(511)	19,143
Impairment losses under expected credit loss (“ECL”) model, net of reversal	6	(17,339)	(11,825)
Selling and marketing expenses		(95,126)	(134,786)
Administrative expenses		(51,612)	(32,800)
Research and development expenses		(54,994)	(47,954)
[REDACTED]		[REDACTED]	–
Share of results of associates		(949)	(29)
Finance costs	7	(93,934)	(78,648)
Loss before tax		(92,129)	(104,434)
Income tax (expense)/ credit	8	(2,543)	1,638
Loss and total comprehensive expense for the period	9	(94,672)	(102,796)
Loss and total comprehensive expense for the period attributable to:			
– Owners of the Company		(70,087)	(100,328)
– Non-controlling interests		(24,585)	(2,468)
		(94,672)	(102,796)
Loss per share			
Basic and diluted (RMB)	11	(2.73)	(4.09)

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
	Notes		
Non-current assets			
Property and equipment	12	25,745	26,204
Right-of-use assets	12	9,584	14,539
Intangible assets		16,496	21,186
Investments in associates	12	5,593	1,760
Goodwill		12,252	12,252
Deferred tax assets		12,029	8,827
Contract assets		15,700	11,685
Prepayments and other receivables	15	2,090	2,082
Financial assets at fair value through profit or loss (“FVTPL”)	24	2,893	893
Restricted bank deposits		–	127
Time deposits		10,179	10,142
		<u>112,561</u>	<u>109,697</u>
Current assets			
Inventories	13	35,239	17,479
Trade receivables	14	1,036,642	904,072
Notes receivables measured at fair value through other comprehensive income (“FVTOCI”)	14	11,903	8,712
Contract assets		21,435	26,616
Contract costs		51,070	19,092
Prepayments and other receivables	15	212,797	45,956
Financial assets at fair value through FVTPL	24	80,145	60,262
Restricted bank deposits		9,265	5,273
Time deposits		–	50,183
Cash and cash equivalents		133,005	234,195
		<u>1,591,501</u>	<u>1,371,840</u>

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

		As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
	Notes		
Current liabilities			
Trade and notes payables	16	230,360	203,611
Other payables and accruals	17	47,732	56,969
Income tax payable		2,868	5,228
Bank borrowings	19	60,525	2,069
Lease liabilities		4,419	8,575
Contract liabilities	18	175,297	8,392
		<u>521,201</u>	<u>284,844</u>
Net current assets		<u>1,070,300</u>	<u>1,086,996</u>
Total assets less current liabilities		<u>1,182,861</u>	<u>1,196,693</u>
Non-current liabilities			
Bank borrowings	19	39,326	36,186
Lease liabilities		5,397	5,897
Deferred tax liabilities		2,128	1,568
Redemption liabilities	20	1,528,415	1,429,582
		<u>1,575,266</u>	<u>1,473,233</u>
Net liabilities		<u>(392,405)</u>	<u>(276,540)</u>
Capital and reserves			
Paid-in capital	21	76,448	73,816
Reserves		<u>(559,014)</u>	<u>(493,834)</u>
Deficits attributable to owners of the Company		(482,566)	(420,018)
Non-controlling interests		<u>90,161</u>	<u>143,478</u>
Total deficits		<u>(392,405)</u>	<u>(276,540)</u>

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company					Sub-total RMB'000	Non- controlling interests RMB'000	Total deficits RMB'000
	Paid-in capital	Capital premium	Other reserves	Share-based payments reserve	Accumulated losses			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
	(Note i)	(Note ii)	(Note iii)					
At 1 January 2025 (audited)	73,816	(124,293)	9,094	32,356	(410,991)	(420,018)	143,478	(276,540)
Loss and total comprehensive expense for the period	-	-	-	-	(70,087)	(70,087)	(24,585)	(94,672)
Issue of paid-in capital	2,632	-	-	-	-	2,632	-	2,632
Establish of a subsidiary	-	-	-	-	-	-	100	100
Recognition of equity-settled share-based payments	-	-	-	6,492	-	6,492	-	6,492
Transaction with non-controlling shareholders (Note iv)	-	4,915	-	-	-	4,915	(28,832)	(23,917)
Recognition of redemption liabilities for the redemption rights newly granted to Series E investors	-	(6,500)	-	-	-	(6,500)	-	(6,500)
At 30 September 2025 (unaudited)	76,448	(123,878)	9,094	38,848	(481,078)	(482,566)	90,161	(392,405)
At 1 January 2024 (audited)	66,066	(123,043)	9,094	20,388	(352,004)	(379,499)	(4,197)	(383,696)
Loss and total comprehensive expense for the period	-	-	-	-	(100,328)	(100,328)	(2,468)	(102,796)
Recognition of equity-settled share-based payments	-	-	-	8,975	-	8,975	-	8,975
Issue shares for Series E investments	7,750	287,250	-	-	-	295,000	-	295,000
Recognition of redemption liabilities for the redemption rights newly granted to Series E investors	-	(288,500)	-	-	-	(288,500)	-	(288,500)
Acquisition of a subsidiary	-	-	-	-	-	-	134,379	134,379
At 30 September 2024 (unaudited)	73,816	(124,293)	9,094	29,363	(452,332)	(464,352)	127,714	(336,638)

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notes:

- (i) To the condensed consolidated financial statements, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into joint stock limited liability company.
- (ii) Capital and other reserve includes share premium and other reserve arising from equity instrument’s modification.
- (iii) In accordance with the relevant laws of the People’s Republic of China (the “**PRC**”), the Company and its subsidiaries established in the PRC shall transfer 10% of its profits after income tax to the statutory reserve, except where the reserve balance has reached 50% of the registered capital of the Company and the respective subsidiaries. The reserve can be applied either to set off accumulated losses or to increase capital.
- (iv) During the nine month period ended 30 September 2025, the Company further obtained 10.40% of the equity interests in Beijing BKC Technology Co., Ltd. (“**Beijing BKC**”) for a consideration of RMB23,917,000 which is accounted for as equity transactions. The difference of the consideration paid and the carrying amount of the non-controlling interests adjusted amounting to RMB4,915,000 is recognized directly in equity and attributed to owners of the Company.

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended	
	30 September	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
NET CASH USED IN OPERATING ACTIVITIES	<u>(158,955)</u>	<u>(101,110)</u>
INVESTING ACTIVITIES		
Interest received	1,383	976
Placement of restricted bank deposits	(9,156)	(217)
Withdrawal of restricted bank deposits	5,291	952
Purchase of financial assets at FVTPL	(178,000)	(813,990)
Maturity of financial assets at FVTPL	156,978	896,427
Purchases of time deposits	(100,000)	(127,000)
Maturity of time deposits	150,325	67,341
Net cash inflow on acquisition of a subsidiary	–	36,387
Purchases of property and equipment	(3,485)	(2,372)
Payments for right-of-use assets	(67)	(101)
Loan to third-parties and employee	(1,300)	(22,500)
Repayments of loan to third parties	800	4,000
Acquisition of investments in associates	(4,980)	(1,500)
Withdrawal of investment in associates	<u>–</u>	<u>130</u>
NET CASH FROM INVESTING ACTIVITIES	<u>17,789</u>	<u>38,533</u>
FINANCING ACTIVITIES		
Proceeds from borrowings	64,344	38,219
Repayments of borrowings	(2,921)	–
Principal portion of lease payments	(5,520)	(6,060)
Interest paid	(1,100)	(382)
Proceeds from shares with preferred rights	6,500	163,500
Acquisition of partial interest of a subsidiary	(23,917)	–
Issue cost of shares with preferred rights	–	(23,530)
Prepayment of issue costs for initial [REDACTED]	(42)	–
Proceeds from paid-in capital	<u>2,632</u>	<u>–</u>
NET CASH FROM FINANCING ACTIVITIES	<u>39,976</u>	<u>171,747</u>
NET (DECREASE)/INCREASE IN CASH EQUIVALENTS	<u>(101,190)</u>	<u>109,170</u>
Cash and cash equivalents at the beginning of the period	<u>234,195</u>	<u>179,728</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>133,005</u></u>	<u><u>288,898</u></u>

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

The Company, formerly known as Beijing Tiandi Hexing Technology Co., Ltd. was established and registered in the PRC on 14 August 2007, as a limited liability company. In October 2025, the Company was converted into a joint stock company with limited liability under the Law of the PRC. The registered office and principal place of business of the Company are set out in the section head “Corporate Information” to the Document. As of the report date, Mr. Wang Xiaodong (“**Mr. Wang**”), who is also the founder, executive director, chairman of the board (the “**Board**”), together with the entities controlled by him, namely, Tianjin Xingyuan Enterprise Management Consulting Partnership (Limited Partnership) (“**Tianjin Xingyuan**”) (天津興遠企業管理諮詢合夥企業(有限合夥)), Tianjin Xinghui Zhiyuan Enterprise Management Consulting Center (Limited Partnership) (“**Tianjin Xinghui**”) (天津興輝致遠企業管理諮詢中心(有限合夥)) and Tianjin Zhichuang Xinan Technology Co., Ltd. (天津智創新安科技有限公司), are the controlling shareholders of the Company.

The Group is a reputable comprehensive industrial cybersecurity and energy digital-intelligence solutions provider in China. The Group provides customizable solutions that meet the diverse and evolving needs of enterprise users across various sectors. The Group also employs technologies to enhance security capabilities for enterprise users under different industrial scenarios. In addition to providing comprehensive industrial cybersecurity solutions, the Group also provide digital-intelligence solutions to enterprise users in the energy sector, featuring core capabilities such as real-time condition awareness, risk early warning, and process optimisation.

This condensed consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company and its subsidiaries.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“**IAS 34**”) issued by the International Accounting Standards Board as well as the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at 30 September 2025, the Group had net liabilities of RMB392,405,000. The net liabilities primarily arise from the redemption liabilities amounting RMB1,528,415,000 as at 30 September 2025. As disclosed in Note 20, on 31 December 2025, the Company and the holders of the shares with preferential rights have entered into a supplemental agreement, pursuant to which the holders waived the preferred rights during the Company’s [REDACTED] process and extended the trigger event of redemption liability associated with requirement of a qualified [REDACTED] (the “[REDACTED]”) from 31 December 2026 to 31 October 2027. Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, financial assets at FVTPL and the supplementary agreement on the shares with preferential rights as above, the directors of the Company (the “**Directors**”) believe that the Group will have sufficient cash resources to satisfy its future working capital in the next twelve months from the [reporting date]. Accordingly, the Directors consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

The English translation of the Chinese name of PRC entities are provided for identification purpose only.

2. ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the nine months ended 30 September 2025 are the same as those presented in the Group’s historical financial information for the two years ended 31 December 2024 included in the accountants’ report as set out in Appendix I to the Document.

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Nine months ended 30 September	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Types of goods or service		
Provision of integrated solution services	255,680	210,643
Sales of hardware and software	160,071	134,525
Provision of technical services	23,105	14,002
	<u>438,856</u>	<u>359,170</u>
Timing of revenue recognition		
A point in time	433,172	356,822
Over time	5,684	2,348
	<u>438,856</u>	<u>359,170</u>

(ii) Performance obligations for contracts with customers and revenue recognition policies

Provision of integrated solution services

The Group provides integrated solution services, including industrial cybersecurity and energy digital-intelligence whereby the Group designs and implements integrated solutions for the Group's customers by integrating different hardware, software and services to satisfy various requirements and needs of enterprise users. Revenue from integrated solutions is recognized at a point in time when the solutions are completed and accepted by the customers.

Sales of hardware and software

For sales of hardware and software to customers, revenue is recognized when control of the goods has been transferred, generally being at the point when the goods has been delivered to the customers' specific location and accepted.

Provision of technical services

Except for maintenance and support services that is recognized over time, other services provided by Group to the customers such as technology consulting services are recognized when the service is is completed and accepted by the customers.

Sales-related warranties associated with products cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37.

All sales of products and related services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iii) Segment information

Information reported to the Mr. Wang, chairman of the Board and the chief operating decision maker (“CODM”) of the Company, for the purpose of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Since 1 October 2024, the Group commenced the business engaging in energy digitalization and intellectualization business along with the acquisition of Beijing BKC, and it is considered as a new operating and reportable segment provided to the CODM for the purpose of resources allocation and performance assessment. Specifically, the Group’s reportable segments under IFRS 8 Operating Segments become as follows:

1. Industrial cybersecurity solution
2. Energy digital-intelligence solution

The following is an analysis of the Group’s revenue and results by reportable segments:

For nine months ended 30 September 2025

	Industrial cybersecurity solution RMB'000 (unaudited)	Energy digital-intelligence solution RMB'000 (unaudited)	Total reportable segments RMB'000 (unaudited)	Adjustments and eliminations RMB'000 (unaudited)	Total RMB'000 (unaudited)
External sales	418,797	20,059	438,856	–	438,856
Inter-segment sales	55	–	55	(55)	–
Total	418,852	20,059	438,911	(55)	438,856
Segment results:	30,304	(30,654)	(350)	–	(350)
Interest income	1,446	709	2,155	–	2,155
Finance costs	(93,848)	(86)	(93,934)	–	(93,934)
Segment loss	(62,098)	(30,031)	(92,129)	–	(92,129)
Segment assets	1,552,877	252,986	1,805,863	(101,801)	1,704,062
Segment liabilities	2,045,306	65,561	2,110,867	(14,400)	2,096,467

The CODM makes decisions according to operating results of each segment. No analysis of other segment information is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results, segment assets and segment liabilities are presented.

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(iv) Geographical information

The Group’s revenue is primarily derived its activities in the PRC and non-current assets are all located in the PRC.

(v) Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total sales of the Group are as follows:

	Nine months ended 30 September	
	2025 RMB’000	2024 RMB’000
Customer A ¹	–	97,908
Customer B ¹	107,522	–

¹ Revenue from customer A and B are primarily from sales of hardware and software.

4. OTHER INCOME

	Nine months ended 30 September	
	2025 RMB’000 (unaudited)	2024 RMB’000 (unaudited)
Value-added tax refunds (<i>note (i)</i>)	8,126	8,514
Interest income	2,155	1,740
Government grants (<i>note (ii)</i>)	108	85
Others	368	447
	<u>10,757</u>	<u>10,786</u>

Notes:

- (i) According to the “Notice of the Ministry of Finance and the State Administration of Taxation on the Value added Tax Policy for Software Products” (Caishui [2011] No. 100), general taxpayers of value-added tax who sell software products they develop and produce independently shall be subject to a 13% tax rate for value-added tax. For the portion of their actual value-added tax burden exceeding 3%, a policy of immediate collection and refund shall be implemented.
- (ii) Governments grants received during the reporting period primarily comprised the financial subsidies received from various local government authorities in the mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. OTHER GAINS AND LOSSES

	Nine months ended 30 September	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Fair value changes of financial assets at FVTPL	862	2,370
Modification of redemption liabilities (<i>Note 20</i>)	–	18,950
Impairment of investment in an associate	(198)	(2,094)
Others	(1,175)	(83)
	<u>(511)</u>	<u>19,143</u>

6. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Nine months ended 30 September	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Impairment losses recognized/(reversed) on:		
– Trade receivables	17,341	11,789
– Contract assets	(2)	36
	<u>17,339</u>	<u>11,825</u>

7. FINANCE COSTS

	Nine months ended 30 September	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Interests on redemption liabilities	92,333	78,234
Interests on bank borrowing	1,272	86
Interests on lease liabilities	329	328
	<u>93,934</u>	<u>78,648</u>

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. INCOME TAX EXPENSE/CREDIT

The income tax expense of the Group for the nine months ended 30 September 2024 and 2025 are analyzed as follows:

	Nine months ended 30 September	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Current income tax	5,184	25
Deferred income tax	(2,641)	(1,663)
Income tax expense/(credit)	2,543	(1,638)

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the Company and the PRC subsidiaries is 25% for the reporting period.

The Company obtained the “High and New Technology Enterprise” (the “**HNTE**”) certification in December 2021, and was therefore entitled to a preferential tax rate of 15% for a period of 3 years from 2021 to 2023. The Company renewed the HNTE qualification in October 2024, and was further entitled to a preferential tax rate of 15% for a period of 3 years from 2025 to 2027. The subsidiary Beijing BKC also has obtained the HNTE certification and was therefore entitled to a preferential tax rate since acquired by the Group. Beijing BKC also renewed HNTE qualification in October 2024, and was further entitled to a preferential tax rate of 15% for a period of 3 years from 2025 to 2027. Besides, certain subsidiaries of the Group were qualified as small-scale and low-profit enterprises and were subject to EIT rate at 20% during the recording period. Pursuant to prevailing EIT Law, small-scale and low-profit enterprise is further eligible for taxable income reduction to enjoy a lower effectively applicable EIT rate. As such, effectively applicable tax rate of those subsidiaries of the Group is 5% during the recording period.

The Group is entitled to claim 200% of qualified research and development expenses so incurred as tax deductible expenses when determining its assessable profits for that year (“**Super Deduction**”) since 1 January 2023, pursuant to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC.

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

9. LOSS FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Nine months ended 30 September	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cost of inventories recognized as an expense	198,818	174,690
(Reversal of)/write-down of inventories	(346)	188
Total cost of inventories	198,472	174,878
Depreciation of property and equipment	5,205	3,943
Depreciation of right-of-use assets	5,557	5,271
Amortization of intangible assets	4,690	3,040
Total depreciation and amortization expenses	15,452	12,254
Auditor's remuneration	1,054	388
[REDACTED]	[REDACTED]	–
Staff costs (include directors and supervisors):		
– Salaries, bonus and other benefits	116,178	78,472
– Retirement benefit scheme contributions	10,423	6,224
– Share-based payment expenses	6,492	8,975
Total staff costs	133,093	93,671
Less: capitalized in inventories	(8,547)	(2,870)
	124,546	90,801

10. DIVIDENDS

No dividends have been paid or declared by the Company in respect of the reporting period.

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

Loss figures are calculated as follows:

	Nine months ended 30 September	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(70,087)	(100,328)

Number of shares

	Nine months ended 30 September	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	25,709,421	24,523,765

On 17 October 2025, the Company was converted into a joint stock company with limited liability under the company law of the PRC. Paid-in capital of RMB76,448,000 were converted into 76,448,000 ordinary shares of the Company at RMB1.00 each. For the purpose of calculating loss per share, the weighted average number of shares were calculated as if the conversion were completed prior to the reporting period at RMB1.00 paid-in capital for one ordinary share.

The computation of diluted loss per share for the nine months period ended 30 September 2024 and 2025 has not taken into consideration the exercise of redemption option as the effect is anti-dilutive.

12. MOVEMENT IN PROPERTY AND EQUIPMENT, RIGHT-OF-USE AND INVESTMENT IN ASSOCIATES

During the nine months ended 30 September 2025, the Group incurred RMB4,759,000 (nine months ended 30 September 2024: RMB10,478,000) on addition of the property and equipment.

During the nine months ended 30 September 2025, the Group entered into several new lease agreements for the use of leased properties with lease terms of 3 years. On lease commencement, the Group recognized RMB775,000 of right-of-use assets (nine months ended 30 September 2024: addition of right-of-use assets of RMB15,512,000) and RMB708,000 of lease liabilities related to leasehold properties (nine months ended 30 September 2024: addition of lease liabilities of RMB15,411,000).

During the nine months ended 30 September 2025, the Group invested in several entities amounting to RMB4,980,000 (nine months ended 30 September 2024: RMB1,500,000). The Group is able to exercise significant influence over these entities and thus they are accounted for as associates.

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

13. INVENTORIES

	As at 30 September 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Raw materials	10,894	14,225
Finished goods	24,345	3,254
	<u>35,239</u>	<u>17,479</u>

14. TRADE RECEIVABLES/NOTES RECEIVABLES MEASURED AT FVTOCI

	As at 30 September 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Trade receivables	1,107,742	956,320
Less: allowance for credit losses	(71,100)	(52,248)
	<u>1,036,642</u>	<u>904,072</u>
Notes receivables measured at FVTOCI	<u>11,903</u>	<u>8,712</u>

The normal credit term to the customers ranged between 0 to 180 days.

The following is an aged analysis of trade receivables, net of allowance for credit losses presented based on the time when customer accepts the products and services.

	As at 30 September 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
Within 1 year	501,061	468,908
1–2 years	376,141	277,271
2–3 years	149,707	145,799
3–4 years	9,733	12,094
	<u>1,036,642</u>	<u>904,072</u>

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

15. PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Prepayments to suppliers and service providers	174,142	7,813
Loan to third-parties, non-controlling shareholders and employee	15,991	15,756
Receivable from an investor	–	6,500
Input tax amount of value-added tax payable	8,838	3,372
Deposits	6,323	8,997
Loan to an associate	1,000	–
Deferred issue cost	373	–
Others	8,220	5,600
	<u>214,887</u>	<u>48,038</u>
Analyzed as:		
Current	212,797	45,956
Non-current	<u>2,090</u>	<u>2,082</u>
	<u>214,887</u>	<u>48,038</u>

16. TRADE AND NOTES PAYABLES

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade payables	227,098	196,074
Notes payables (<i>note</i>)	<u>3,262</u>	<u>7,537</u>
	<u>230,360</u>	<u>203,611</u>

Note:

These relate to trade payables in which the Group has issued bills to the relevant suppliers for settlement of trade payables. The suppliers can obtain the invoice amounts from the bank on the maturity date of the bills. The Group continues to recognize these trade payables as the Group are obliged to make payments to the relevant banks on due dates of the bills, under the same conditions as agreed with the suppliers without further extension. In the condensed consolidated statements of cash flows, settlements of these bills by the Group are included within operating cash flows based on the nature of the arrangements.

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following is an aged analysis of trade payables presented based on the invoice date.

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Less than 1 year	156,471	126,315
1–2 years	43,803	41,796
2–3 years	6,454	11,598
Over 3 years	20,370	16,365
	<u>227,098</u>	<u>196,074</u>

17. OTHER PAYABLES AND ACCRUALS

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Other tax payables	16,358	38,274
Salary and welfare payables	10,172	12,639
Warranty provision (<i>Note</i>)	3,262	2,853
Accrued issue cost and [REDACTED]	1,749	–
Others	16,191	3,203
	<u>47,732</u>	<u>56,969</u>

Note: The warranty provision represents management’s best estimate of the Group’s liability under one year assurance-type warranty granted on certain contracts, based on prior experience and industry averages.

18. CONTRACT LIABILITIES

Contract liabilities represent the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration from the customer before the performance obligation is satisfied. These amounts are recognized as revenue when the Group satisfies the performance obligation by transferring the promised goods or services.

The significant increase in contract liabilities is due to the Group receiving an advance payment of RMB138,385,000 from a customer, and this amount was subsequently recognized as revenue in October 2025.

19. BANK BORROWINGS

During the nine month period ended 30 September 2025, the Group obtained new bank borrowings amounting to RMB50,000,000 which is unsecured and unguaranteed, at a floating interest rate linked to the 1-year Loan Prime Rate (“LPR”) less 15-70 basis points per annum and is repayable within one year. The Group also received the proceeds amounting to RMB14,344,000 related to its secured bank loan which was pledged by the Group’s shares of 27.6% in Beijing BKC, at a floating interest rate linked to the 1-year LPR plus 5 basis points per annum and will be repayable semi-annually for next 5 years.

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

20. REDEMPTION LIABILITIES

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Redemption liabilities	1,528,415	1,429,582

Since the date of incorporation, the Company has completed several rounds of financing through issuing shares with preferential rights, mainly including redemption rights, anti-dilution rights and liquidation preference rights. The details of these financing are set out below:

Series of financing	Issue date	Subscription price per RMB1.00 of paid-in capital RMB	Amount of paid-in capital RMB	Total consideration RMB'000
Series angel	September 2016	7.84	701,858	5,500
Series A*	April 2017	11.63	1,934,984	22,500
Series B	July 2018	26.44	1,760,925	46,560
Series C	October 2019	38.88	2,314,884	90,000
Series D1	July 2021	22.80	4,166,667	95,000
Series D2	November 2021	22.80	4,078,949	93,000
Series D3	April 2022	22.80	2,763,158	63,000
Series D4	September 2022	25.54	2,036,341	52,000
Series E1	August 2023	38.07	3,021,127	115,000
Series E2	December 2023/ January 2024/ August 2025	38.07	4,728,722	180,000
Series E3	March 2024	38.07	3,021,128	115,000
Total			30,528,743	877,560

* Prior to 1 January 2024, all Series A shares have been transferred out.

Key terms of preferential rights granted

Series Angel, Series B, Series C, Series D, Series E, investors have rights to require the Company to redeem their investments if:

- The Company fails to (i) submit a [REDACTED] and obtain the official acceptance notice from the relevant regulatory authority by 31 December 2025; or (ii) complete a [REDACTED] by 31 December 2026; or (iii) it is determined that, under the [REDACTED] rules then in effect, it has become impossible for the Company to submit such application or complete such listing within the aforementioned timeframes; or
- The founders or the Company violate the agreements in the investment transaction documents (including but not limited to the representations and warranties, post-closing obligations, etc.) or the provisions of laws and regulations, and fail to effectively resolve or remedy the violation within a reasonable period as required by the [REDACTED] investors (such period shall be no less than thirty (30) business days); or
- The founders or the Company has other material legal or financial defects that prevent it from completing the [REDACTED] (“[REDACTED]”); or
- The de facto controller of the Company ceases to be employed by the Company, or ceases to provide substantial services to the Company, or a change of control of the Company occurs; except for any such circumstances that have been unanimously consented to by all investors; or

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (e) In any fiscal year, the auditing firm recognized by the Investors issues an audit opinion on the Company’s financial statements that is not an unqualified opinion; or
- (f) Any other investor requests to exercise the investor’s redemption right.

The redemption price is the highest of (a) the total investment price paid by the Investors plus simple interest accrued at a 10% annual rate from the capital contribution dates to the redemption date, along with any declared but unpaid dividends; (b) the net asset value of the Company attributable to the equity interest being redeemed, as per the latest audited financial statements or an audit by a firm acceptable to the Investors; or (c) the sum of the total investment price and the pro-rata share of the increase in the Company’s shareholders’ equity attributable to the equity interest during the holding period, based on audited financial statements.

The investments shall carry redemption right that is senior to the order of: Series E, Series D, Series C, Series B, and Series Angel. If the Company’s assets or funds which are legally available on the date that any redemption payment is due are insufficient to pay in full all redemption payments, the founder shall bear the redemption obligation limited to their shareholdings of the Company.

(ii) Liquidation preferences

In the event of the Company’s liquidation, dissolution, closure, cessation of business, or a sale of the Company undertaken for the purpose of a merger or acquisition (collectively, “**Liquidation Events**”), all remaining assets of the Company (“**Distributable Assets**”)—after the full payment of all liquidation expenses, employee wages, social insurance contributions, statutory compensation, outstanding taxes, and all other Company debts as required by applicable laws—shall be distributed in the following:

First, to the Investors, an amount equal to: A + B

where:

A= 100% of the original investment amount corresponding to the series of equity held by each Investor (which includes the sum of the capital increase contribution paid to the Company and the consideration paid for acquiring Company equity via transfer), plus simple interest accrued thereon at an annualized rate of 10% (for Series E, D, and C) or 8% (for Series B);

B= the pro-rata accumulated undistributed profits attributable to the Investors.

In liquidation, the Series E Investors shall have the most senior liquidation preference, followed in descending order by: Series D, Series C, Series B and Series Angel.

After the liquidation preference amounts of all investor shares are fully paid, any remaining funds and assets of the Company available for distribution among shareholders will be distributed among all shareholders (including but not limited to investors) in proportion to their shareholdings.

(iii) Anti-dilution right

If the Company increases its share at a price lower than the price paid by the Anti-dilution Right Holders (the Series E, Series D, Series C, Series B and Series Angel Round investors with preferential rights referred) on a per share basis, the Anti-dilution Right Holders have the right to require: (1) the founders to transfer the equity interests of the Company they directly or indirectly held to the Anti-dilution Right Holders at the lowest price allowed by the law; or (2) the Company to issue new share for nominal consideration to the Anti-dilution Right Holders; or (3) the Company or the founders to compensate the Investors in cash.

Presentation and classification

The redemption rights granted to the investors constitute as the Company’s obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities which are initially measured as present value of the redemption amount and subsequently measured at amortized cost. The redemption liabilities are classified as non-current liabilities as the Company have the right at each reporting date to defer settlement of the liabilities for at least twelve months after that date.

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On 31 December 2025, the Company and the holders of the shares with preferential rights have entered into a supplemental agreement, pursuant to which the holders waived the preferred rights during the Company’s [REDACTED] process, removed the trigger event of redemption liability associated with submit a [REDACTED] and obtain the official acceptance notice from the relevant regulatory authority by 31 December 2025 and extended the trigger event of redemption liability associated with requirement of the [REDACTED] from 31 December 2026 to 31 October 2027.

The movement of redemption liabilities during the reporting period are set out below:

	As at 30 September 2025 RMB’000 (unaudited)	As at 31 December 2024 RMB’000 (audited)
At the beginning of the period	1,429,582	1,181,538
Recognition of financial instruments with preferred rights	6,500	163,500
Charged to finance costs	92,333	108,076
Modification of redemption cost (<i>note (i)</i>)	–	(18,950)
Issue cost of shares with preferred rights	–	(4,582)
At the end of the period	1,528,415	1,429,582

Note:

- (i) During the nine month period ended 30 September 2024, certain shareholders of the company transferred their shares with redemption rights to new investors, along with the transfer transaction, the redemption terms is modified (primarily involving the extension of the exercise date of the redemption rights of existing investors) pursuant to the renewed shareholders’ investments agreements. The transaction was considered as a substantial modification which resulted in the derecognition of the original financial liabilities and recognition of the new financial liabilities. The gain resulted from the differences between the carrying amount of financial liabilities derecognized and the fair value of the new financial liabilities amounting to RMB18,950,000 was recognized in other gains and losses according to IFRS 9.

21. PAID-IN CAPITAL

The paid-in capital of the Group represents the paid-in capital of the Company before it was converted into joint stock limited liability company with limited liability.

On 17 October 2025, the Company was converted into a joint stock company with limited liability under the company law of the PRC. Paid-in capital of RMB76,448,000 at the benchmark date were converted into 76,448,000 ordinary shares of the Company at RMB1.00 each.

	Paid-in capital RMB’000
As at 1 January 2025 (audited)	73,816
Issue of paid-in capital	2,632
As at 30 September 2025 (unaudited)	76,448
As at 1 January 2024 (audited)	66,066
Issue shares for Series E investments	7,750
As at 30 September 2024 (unaudited)	73,816

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

22. CAPITAL COMMITMENTS

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Contracted but not provided for:		
– Equity investment	–	23,907

23. SHARE-BASED PAYMENT TRANSACTIONS

(i) The Group and the Company

The Company’s share option scheme (the “**Scheme**”) was adopted for the primary purpose of providing incentives to directors and eligible employees.

The table below discloses movement of the Scheme:

	Number of shares	Weighted average grant date fair Value per option RMB
As at January 1, 2025	6,323,575	6.48
Granted during the Period	104,477	21.18
As at September 30, 2025	6,428,052	6.72

Note:

The number of Options and weighted average grant date fair per option has been adjusted on the assumptions that the Company’s capitalization issues completed prior to the Track Record Period had been completed on/effective since incorporation of the Company.

As at 30 September 2025, the exercisable Options under the Share Incentive Scheme were 5,017,389.

The Group recognized total expense of approximately RMB6,492,000, respectively for the nine months period ended 30 September 2025 (Nine months period ended 30 September 2024: RMB8,975,000) in relation to the Scheme.

APPENDIX IA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(ii) Valuation

The Company has adopted the binomial model to determine the fair value of the Options of the Company. Key inputs are set out below:

As at September 30
RMB'000

Fair value assumptions and key inputs	
Grant date	1 January 2025
Fair value of the underlying shares	30.54
Subscribe price share option (<i>note i</i>)	6.50
Expected volatility (<i>note ii</i>)	51%-61%
Risk-free interest rate (<i>note iii</i>)	1.09%-1.19%
Expected dividend yield	0%

Notes:

- (i) The subscribe price of the share options was determined by the Founder and agreed within Share Award Participants.
- (ii) The expected volatility was determined by using the historical volatility of the comparable companies' share price.
- (iii) Risk-free interest rate is estimated based on market yield of Chinese Government Bonds with maturity date close to the forecasted dates.

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

Fair value hierarchy as at 31 December 2024

	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
Wealth management products				
measured at FVTPL	–	60,262	–	60,262
Unlisted equity investment	–	893	–	893
Notes receivables measured at FVTOCI	–	8,712	–	8,712
Total	–	69,867	–	69,867

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Fair value hierarchy as at 30 September 2025

	Level 1 <i>RMB'000</i> (unaudited)	Level 2 <i>RMB'000</i> (unaudited)	Level 3 <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
Wealth management products measured at FVTPL	–	80,145	–	80,145
Unlisted equity investment	–	2,893	–	2,893
Notes receivables measured at FVTOCI	–	11,903	–	11,903
Total	–	94,941	–	94,941

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Financial assets/liabilities	Fair value		Fair value hierarchy	Valuation technique(s)	Significant unobservable input(s)
	As at 30 September 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>			
Wealth management products measured at FVTPL	80,145	60,262	Level 2	Redemption value quoted by banks	N/A
Unlisted equity investment	2,893	893	Level 2	Recent transaction price	N/A
Notes receivables measured at FVTOCI	11,903	8,712	Level 2	Observable trading market price for endorsement	N/A

25. RELATED PARTY TRANSACTIONS

a. Name and relationship

Name	Relationship
Wuhan Secway Network Technology Co., Ltd. (“Wuhan Secway”)	Associate of the Company
TianDi Hexing (Gansu) Technology Co., Ltd. (“TianDi Hexing (Gansu)”)	Associate of the Company

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

b. Related party balances

Amounts due from related parties:

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade receivable		
– TianDi Hexing (Gansu)	246	–
Prepayments		
– Wuhan Secway	132	150
Other receivable		
– Wuhan Secway*	1,088	55

* : The terms of the loan to the associate are one year or less, with an fixed annual interest rate of 5% and unsecured.

Amounts due to related parties:

	As at 30 September 2025 RMB'000 (unaudited)	As at 31 December 2024 RMB'000 (audited)
Trade payables		
– TianDi Hexing (Gansu)	5,905	–

APPENDIX IA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

c. Related party transactions

	Nine months ended 30 September	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Trade sales:		
TianDi Hexing (Gansu)	562	–
Trade purchases:		
– Wuhan Secway	168	–
– TianDi Hexing (Gansu)	4,241	–
	4,409	–
Interest income:		
Wuhan Secway	33	50

d. Compensation of key management personnel

The remuneration of directors and other members of key management during the periods was as follows:

	Nine months ended 30 September	
	2025	2024
	RMB'000 (unaudited)	RMB'000 (unaudited)
Short-term employee benefits	4,740	4,692
Post-employment benefits	385	348
Share-based payments	1,394	3,636
	6,519	8,676

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

26. SUBSEQUENT EVENTS

- (1) In January 2026, the Company further obtained 13.0% of the equity interest in Beijing BKC for a consideration of RMB29,910,000. Upon completion of these transactions, the Company directly control 51.00% of the equity interest in Beijing BKC.
- (2) In December 2025, the Company obtained 51.0% of the equity interest in Yantai Haibo Electrical Equipment Co., Ltd. (“**Haibo Electric**”) and its subsidiary with a consideration of RMB51,000,000. Upon completion of the transaction, the Company obtained control over Haibo Electric, and the acquisition has been accounted for as acquisition of business using the acquisition method.
- (3) In December 2025, the Company issued ordinary shares to third party investors for a total consideration of RMB51,000,000.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

This appendix contains a summary of the principal provisions of the Articles of Association adopted by the Company on 31 December 2025, which shall become effective on the day preceding the [REDACTED] of the H Shares on the Hong Kong Stock Exchange. The main purpose of this appendix is to provide potential [REDACTED] with an overview of the Articles of Association of the Company, and therefore it may not contain all the information that is important for potential [REDACTED].

1. DIRECTORS AND THE BOARD

(1) Authority to Allocate and Issue Shares

The Articles of Association contain no provisions granting the Board the power to allocate and issue shares. Any such allotment or issue shall be conducted in accordance with the procedures stipulated in relevant laws, administrative regulations and regulatory rules of the place where the shares are [REDACTED].

(2) Authority to Dispose of Assets of the Company or Any Subsidiary

The Board shall determine the authority for external investments, acquisition or disposal of assets, asset pledges, external guarantees, entrusted financial management, major transactions and related party transactions, establishing strict review and decision-making procedures. Major investment projects shall be reviewed by relevant experts and professionals and submitted to the general meeting for approval.

(3) Remuneration and Compensation or Payments Received For Loss Of Position

The general meeting shall consist of all shareholders. As the Company’s governing body, it shall exercise the following powers in accordance with the law:

Elect and replace directors, and determine matters concerning Directors’ remuneration.

(4) Loans to Directors

The Articles of Association contain no provisions regarding loans to directors.

(5) Financial Assistance for Acquiring Shares of the Company

The Company or its subsidiaries (including affiliated enterprises) shall not provide financial assistance to others for acquiring Shares of the Company or its parent company through grants, advances, guarantees, loans or similar means, except where the Company implements an employee share ownership plan.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

(6) Disclosure of Interests in Contracts with the Company

A Director shall not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board or the general meeting and without obtaining approval through a resolution of the Board or the general meeting in accordance with the provisions of the Articles of Association.

(7) Appointment, Resignation and Removal

The Company established the Board, consisting of 11 Directors, including one Chairman. Independent non-executive Directors shall constitute more than one-third of the total and shall not be less than three.

Non-employee representative Directors shall be elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term. Directors shall serve a term of three years and may be re-elected upon expiration of their term.

The term of office of Directors shall commence on the date of assumption of office and end on the expiration of the term of the current session of our Board. If directors are not re-elected upon expiration of their term, the original directors shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, the listing rules of the securities exchange where the Company's shares are [REDACTED] and the Articles of Association, until the newly elected directors assume office.

A natural person shall not serve as a Director of the Company if any of the following circumstances apply:

- (1) lacking or having limited capacity to engage in civil juristic acts;
- (2) having been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market; or having ever been deprived of political rights due to any crime, with less than 5 years having elapsed since the completion date of the execution of the penalty, or having been granted probation, with less than 2 years having elapsed since the completion date of the probation period;
- (3) acting as a director, factory director or general manager of a company or enterprise that has been bankrupt and liquidated, whereby the director is personally liable for the bankruptcy of such company or enterprise, with 3 years having not elapsed since the completion date of the bankruptcy and liquidation of the company or enterprise;
- (4) acting as the legal representative of a company or enterprise, but the business license of this company or enterprise has been revoked and this company or enterprise has been ordered to close due to a violation of the law, whereby the director is personally liable for the revocation, with 3 years having not elapsed since the revocation date of the business license thereof;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

- (5) has been listed as a dishonest person by a People’s Court subject to enforcement due to significant outstanding debts that have become due but have not been paid;
- (6) prohibited from entering the securities market by the CSRC with the penalty period not yet expired;
- (7) publicly determined by the competent government department as unsuitable for serving as a director or senior management officer of a listed company, with the disciplinary action period not yet expired;
- (8) other circumstances where serving as a director of a company is prohibited by the laws, administrative regulations, departmental rules, normative documents, regulatory rules of the places where the Company’s shares are [REDACTED] or relevant regulatory authorities.

Any election, appointment or engagement of Directors in violation of this Article shall be invalid. Should a Director become subject to any circumstance described herein during his/her tenure, the Company shall terminate his/her position and cease his/her duties.

2. AMENDMENT OF THE ARTICLES OF ASSOCIATION

The Company may amend its Articles of Association in accordance with laws, administrative regulations and the provisions of the Articles of Association.

Any amendments approved by the general meeting, requiring approval from competent authorities, will be submitted accordingly. If there are changes in the registered particulars of the Company, the necessary application for registration of these changes will be made in accordance with the applicable laws.

3. MODIFICATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES

The Articles of Association contain no provisions regarding the modification of rights of existing Shares or classes of Shares.

4. SPECIAL RESOLUTIONS REQUIRING MAJORITY SHAREHOLDERS’ APPROVAL

The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a majority of the voting rights held by the Shareholders (including proxies of Shareholders) attending the general meeting.

A special resolution shall be adopted by more than two-thirds of the voting rights held by the Shareholders (including proxies of Shareholders) attending the general meeting.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

5. VOTING RIGHTS

Shareholders shall exercise voting rights in proportion to the number of Shares with voting rights they represent, with each Share carrying one vote.

When significant matters affecting the interests of the minority Shareholders are considered at the general meeting, the votes cast by minority investors shall be counted separately. The results of separate counting shall be disclosed to the public in a timely manner in accordance with laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company’s shares are [REDACTED] or the Articles of Association. The Shares held by the Company have no voting rights, and such Shares shall not be counted as the total number of Shares with voting rights held by Shareholders attending the meeting, and shall not be deposited in the Central Clearing and Settlement System.

If the securities regulatory rules of the place where the Company’s shares are [REDACTED] require any Shareholder to abstain from voting on a particular resolution, or restrict any Shareholder to voting only in favor of (or against) a particular resolution, any votes cast by such Shareholders or their proxies in violation of such requirements or restrictions shall not be counted.

Unless otherwise required by relevant laws and regulations or the listing rules of the stock exchange where the Company’s shares are [REDACTED], voting at general meetings shall be conducted by registered voting.

Each voting right may only be exercised through one method (in-person, online, or other voting methods). Subject to applicable laws, regulations and the listing rules of the place where the Company’s shares are listed, electronic voting may be used for resolutions at general meetings. In case of duplicate votes for the same voting right, the result of the first vote shall prevail.

Shareholders attending the general meeting shall express one of the following opinions on proposals submitted for voting: for, against or abstain.

Voting ballots that are blank, incorrectly filled out, illegible, or not cast shall be deemed as the voter waiving their voting rights, and the voting results for the shares held shall be counted as “abstention.”

6. PROVISIONS FOR ANNUAL GENERAL MEETINGS

The general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once per fiscal year and shall be held within six months of the end of the previous fiscal year.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

7. FINANCE AND AUDIT

(1) Financial and Accounting Policies

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and relevant provisions of national authorities. The Company shall prepare financial and accounting reports at the end of each fiscal year and have them audited by an accounting firm in accordance with the law.

The financial and accounting reports shall be made available at the Company for inspection by Shareholders twenty days prior to the annual general meeting.

The Company shall not maintain separate account books other than the statutory ones. The Company’s funds shall not be deposited in any account opened in the name of any individual.

(2) Appointment and Dismissal of Accountants

The Company shall appoint an independent accounting firm that complies with relevant national regulations and the regulatory rules of the place where the Company’s shares are [REDACTED] to conduct accounting statements audit, net assets verification and other related consulting services for a term of one year, which may be renewed.

The appointment and dismissal of the accounting firm shall be decided by the general meeting. The Board shall not appoint an accounting firm prior to the general meeting decision.

When dismissing or not renewing the appointment of the accounting firm, the Company shall provide 30 days’ advance notice to the accounting firm. When the general meeting votes on dismissing or not renewing the appointment of the accounting firm, the accounting firm shall be permitted to present its views.

Where the accounting firm resigns, it shall state to the general meeting whether the Company has improper circumstances.

8. NOTICE OF MEETINGS AND MATTERS FOR CONSIDERATION

The Company shall convene an extraordinary meeting within two months from the date of occurrence of any of the following circumstances:

- (1) the number of Directors falls below the statutory minimum required by the Company Law or is less than two-thirds of the number specified in the Articles of Association;
- (2) unrecovered losses of the Company reach one-third of the total share capital;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

- (3) shareholders, individually or collectively, holding more than 10% of the Company’s shares request it;
- (4) the Board deems it necessary;
- (5) suggested by the audit committee of the Board;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company’s shares are [REDACTED] or the Articles of Association.

When the Company holds a general meeting, the Board, the Audit Committee and Shareholders individually or collectively holding more than 1% of the Company’s Shares shall have the right to make proposals to the Company.

Shareholders individually or collectively holding more than 1% of the Company’s Shares may submit an interim proposals in writing to the convener at least ten days before such meeting. Interim proposals shall specify a clear topic and specific resolutions. The convener shall issue a supplementary notice for the general meeting within 2 days after receiving any such proposal, informing shareholders of the content of the interim proposal and submit the same to the general meeting for consideration, provided that the interim proposal may not violate laws, administrative regulations or the Articles of Association, or fall within the scope of authority of the general meeting.

Except the circumstances prescribed in the preceding paragraph, the convener shall not modify the proposals listed or add any new proposal to such proposals in the general meeting notice after sending it out.

The convener shall notify all Shareholders in written at least 20 days prior to the annual general meeting. For extraordinary general meetings, written notice shall be provided to all Shareholders at least 15 days prior to the meeting. The aforementioned periods shall exclude the day of the meeting. Where laws, regulations, or the securities regulatory authority of the place where the Company’s shares are [REDACTED] stipulate otherwise, such provisions shall prevail.

The notice of a Shareholders’ meeting shall include the following:

- (1) the time, place and date of the meeting;
- (2) matters and proposals submitted to the meeting for consideration;
- (3) a clear text stating that all Shareholders are entitled to attend the Shareholders’ meeting and may appoint a proxy in writing to attend and vote at the meeting. Such proxy need not be a Shareholder of the Company;
- (4) the shareholding registration date of Shareholders entitled to attend the Shareholders’ meeting;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

- (5) the name and telephone number of the permanent contact person for conference affairs;
- (6) voting time and voting procedures on the Internet or in other ways;
- (7) other content stipulated by laws, administrative regulations, departmental rules, regulatory rules of the places where the Company’s Shares are [REDACTED] and the Articles of Association.

The notice of the Shareholders’ meeting shall fully and completely disclose all the specific contents of all proposals.

Resolutions regarding the increase or decrease of registered capital of the Company, mergers, divisions, dissolution and liquidation of the Company, amendments to the Articles of Association, consideration on the purchase or disposal of major assets or guarantees exceeding 30% of the Company’s latest audited total assets within one year, consideration on stock incentive plans, as well as other matters stipulated by laws, administrative regulations, securities regulatory rules of the [REDACTED] place or the Articles of Association, as well as those determined by the Shareholders’ meeting to have a significant impact on the Company through ordinary resolutions, shall be passed by the Shareholders’ meeting through special resolutions, and other matters shall be passed by the Shareholders’ meeting through ordinary resolutions.

The resolutions of the Shareholders’ meeting and Board meeting of the Company that violate laws and administrative regulations are invalid.

If the convening procedures and voting methods of the Shareholders’ meeting or the Board meeting violate laws, administrative regulations, or the Articles of Association, or if the content of the resolution violates the Articles of Association, Shareholders have the right to request the people’s court to revoke it within 60 days from the date of the resolution, provided that the convening procedures or voting methods of Shareholders’ meetings and Board meetings have only minor flaws and have no substantial impact on resolutions.

9. TRANSFER OF SHARES

Shares issued by the Company prior to its [REDACTED] shall not be transferable within one year from the date on which the Shares of the Company are [REDACTED] and [REDACTED] in a stock exchange.

The Directors and senior management of the Company shall declare to the Company the Shares held by them in the Company and the relevant changes. The number of Shares transferred each year during their term of office shall not exceed 25% of the total number of Shares of the same class of the Company held by them. The Shares of the Company held by them shall not be transferable within one year from the date of [REDACTED] and trading of the Company’s Shares. The Shares of the Company held by them shall not be transferable within six months after their [REDACTED].

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

Where the Shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Where relevant requirements of the securities regulatory authorities in the place where the Company’s Shares are [REDACTED] have any other provisions on the transfer restrictions of overseas [REDACTED] shares, such provisions shall prevail.

10. POWER OF THE COMPANY TO REPURCHASE ITS SHARES

The Company shall not repurchase its Shares of except under any of the following circumstances:

- (1) To reduce the registered capital of the Company;
- (2) To merge with another company that holds the Shares of the Company;
- (3) To use the Shares for Employee Stock Ownership Plan or as equity incentive;
- (4) Shareholders who object to a merger or separation resolution made at the Shareholders’ meeting requesting the Company to buy back their Shares;
- (5) To utilize Shares to satisfy the conversion of corporate bonds that are convertible into Shares issued by the Company;
- (6) When it is necessary for the Company to protect the company value and the Shareholders’ equity;
- (7) Other circumstances permitted by laws, administrative regulations, provisions of the regulatory rules of the places where the Company’s Shares are [REDACTED].

The Company may repurchase its Shares through trading in a [REDACTED] and centralized manner or other methods permitted by laws, administrative regulations, the Hong Kong Listing Rules and the securities regulatory authorities in the place where the Company’s Shares are [REDACTED].

Where the Company repurchases its Shares under the circumstances set out in items (3), (5) and (6) above, such repurchase shall be conducted through trading in a [REDACTED] and centralized manner.

Where the Company repurchases its Shares under the circumstances set out in items (1) and (2) above, it shall be subject to the adoption of resolution of the Shareholders’ meeting; where the Company acquires its Shares under the circumstances set out in items (3), (5) and (6) above, it shall be subject to the adoption of resolution of the Board meeting attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorisation of the Shareholders’ meeting. If there are otherwise provisions in the securities regulatory rules of the place where the Company’s Shares are [REDACTED], such provisions shall prevail, provided that they do not violate the Company Law, the Securities Law, the Trial Administrative Measures and the Guidelines for the Articles of Association of Listed Companies.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

After the Company acquires its Shares in accordance with the above provisions, under the circumstance in item (1), such Shares shall be canceled within 10 days after the date of acquisition; under the circumstance in item (2) and (4), such Shares shall be transferred or canceled within six months; Shares of the Company acquired under the circumstance in item (3), (5) and (6) shall not exceed 10% of the total issued Shares of the Company, and such Shares shall be transferred or canceled in three years.

11. POWER OF A SUBSIDIARY OF THE COMPANY TO OWN SHARES IN THE COMPANY

There are no provisions in the Articles of Association regarding the ownership of the Shares in the Company by a subsidiary.

12. DIVIDEND AND OTHER DISTRIBUTION METHODS

The Company may distribute profits in cash or Shares.

After the Shareholders’ meeting makes a resolution to distribute profits, or after the Board of the Company formulates a specific plan based on the interim dividend distribution conditions and caps of the following year approved by the annual general meeting, the distribution of dividends (or Shares) shall be completed within 2 months.

13. SHAREHOLDER PROXIES

Shareholders can attend the Shareholders’ meeting in person or entrust a proxy to attend and vote on their behalf.

The power of attorney issued by a Shareholder to appoint a proxy to attend a Shareholders’ meeting shall contain the following information:

- (1) the name or names of the principals and the class and number of Shares of the Company held by them;
- (2) the name or names of the proxy(ies);
- (3) specific instructions from Shareholders, including instructions to whether to cast affirmative, negative or abstention votes on each review issue listed on the agenda of the Shareholders’ meeting;
- (4) the date of issuance and effective period of the power of attorney;
- (5) signature (or seal) of the principal. If the principal is a Shareholder of a legal entity, the seal of the legal entity shall be affixed.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

14. CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association relating to calls on Shares and forfeiture of Shares.

15. INSPECTION OF THE REGISTER OF SHAREHOLDERS

The Company establishes the register of Shareholders according to the certificate provided by the securities registration authority. The register of Shareholders is sufficient evidence to prove that the Shareholders hold the Company’s Shares. Shareholders enjoy rights and assume obligations according to the type and number of Shares they hold. Shareholders holding the same type of Shares shall enjoy the same rights and undertake the same obligations.

When the Company holds a Shareholders’ meeting, distributes dividends, liquidates or engages in other activities that require confirmation of Shareholder identity, the Board or the convener of the Shareholders’ meeting shall determine the date of equity registration. Shareholders registered after the closing of the equity registration date shall be the Shareholders who enjoy the relevant rights and interests.

16. QUORUM FOR MEETINGS AND CLASS MEETINGS

There are no provisions in the Articles of Association regarding the quorum for meetings and class meetings.

17. RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION

Where Directors or senior management other than members of the Audit Committee violate laws, administrative regulations or the Articles of Association while performing their duties, and causing losses to the Company, Shareholders who individually or collectively hold more than 1% of the Company’s Shares for more than 180 consecutive days are entitled to request in writing the Audit Committee of the Board to file a lawsuit with the people’s court; where a member of the Audit Committee of the Board violates laws, administrative regulations or the Articles of Association while performing his/her duties, and causing losses to the Company, the aforementioned Shareholders may request in writing the Board to file a lawsuit with the people’s court. Where the Audit Committee of the Board or the Board refuses to file a lawsuit after receiving a written request from a Shareholder as stipulated in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and failure to file a lawsuit immediately will cause irreparable damage to the interests of the Company, the Shareholder as stipulated in the preceding paragraph is entitled to directly file a lawsuit in his/her own name with the people’s court for the benefit of the Company.

If others infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the Shareholders specified in the first paragraph of this article may file a lawsuit with the people’s court in accordance with the provisions of the preceding two paragraphs.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

If the Directors, supervisors or senior management members of a wholly-owned subsidiary of the Company fall under the circumstances specified in the preceding article, or if others infringe upon the legitimate rights and interests of the wholly-owned subsidiary and cause losses, Shareholders who individually or collectively hold more than 1% of the Company’s Shares for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs, request in writing the board of supervisors or board of directors of the wholly-owned subsidiary to file a lawsuit with the people’s court or file a lawsuit directly in their own name with the people’s court. If a wholly-owned subsidiary of the Company does not have a board of supervisors or supervisors, but has an audit committee, the provisions of the first and second paragraphs above shall apply.

If Directors or senior management members violate laws, administrative regulations, or the Articles of Association and harm the interests of Shareholders, Shareholders may file a lawsuit with the people’s court.

If a Shareholder of a Company abuses his/her/its Shareholder right and causes losses to the Company or other Shareholders, he/she/it shall be liable for compensation in accordance with the law; If a Shareholder of the Company abuses the independent status of the legal person and the limited liability of Shareholders of the Company, evades debts, and seriously damages the interests of the Company’s creditors, he/she/it shall bear joint and several liability for the Company’s debts.

18. PROCEDURES FOR LIQUIDATION

The Company may be dissolved for the following reasons:

- (1) the term of operation stipulated in the Articles of Association has expired or circumstances for dissolution specified in the Articles of Association arises;
- (2) a resolution for dissolution is passed at a Shareholders’ meeting;
- (3) merger or division of the Company entails dissolution;
- (4) the business license is revoked or the Company is ordered to close down or be deregistered according to the law;
- (5) the Company is confronted with serious difficulties in operation and management, and its continued existence may cause material loss to the interests of its Shareholders, and the difficulties cannot be resolved through other means, in which case the Shareholders holding 10% or more of the voting rights held by all the Shareholders of the Company may request a people’s court to dissolve the Company.

Where the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

Where the Company is dissolved due to the provisions of items (1), (2), (4), and (5) above, it shall be liquidated. The Directors shall be the liquidation obligor and shall establish a liquidation team within 15 days from the date of the occurrence of the dissolution reasons for liquidation.

Where the Company shall be liquidated in accordance with items (1), (2), (4) and (5) above, and the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people’s court to designate relevant persons to form a liquidation group.

The liquidation group shall notify the creditors within 10 days from the date of its formation, and shall make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days and make an announcement on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) in accordance with the securities regulatory rules of the places where the Company’s Shares are [REDACTED]. The creditors shall file their proof of claims with the liquidation group within 30 days from the date of receipt of the notice or within 45 days from the date of issuance of the public announcement in case of failing to receive such notice.

Where the liquidation group finds that the property of the Company is not sufficient for paying off the debts after taking inventory of the property of the Company and preparing a balance sheet and an inventory of property, it shall file an application to the people’s court for bankruptcy liquidation.

Upon completion of the liquidation of the Company, the liquidation group shall produce a liquidation report, report the same to the Shareholders’ meeting or the people’s court for confirmation, and submit the same to the Company registration authority to apply for deregistration of the Company.

19. OTHER IMPORTANT PROVISIONS REGARDING THE COMPANY OR THE SHAREHOLDERS

(1) General Provisions

The Company is a joint stock limited company, with the term of operation from 17 October 2025 to long-term.

The Shareholders are responsible for the Company to the extent of their subscribed shares, and the Company is responsible for the Company’s debts with all its properties.

The Articles of Association shall be legally binding on the Company, the Shareholders, Directors and senior management members. In accordance with the Articles of Association, the Shareholders may bring a lawsuit against the Shareholders, the Shareholders may bring a lawsuit against the Directors and senior management members of the Company, the Shareholders may bring a lawsuit against the Company, and the Company may bring a lawsuit against the Shareholders, Directors and senior management members.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

(2) Capital Increase and Capital Reduction

In light of the Company’s operating and development needs, the Company may increase its capital in accordance with the laws and regulations and listing rules of the place where the Company’s shares are [REDACTED], and subject to a separate resolution of the Shareholders’ meeting, by any of the following methods:

- (1) [REDACTED] of shares to non-specific targets;
- (2) [REDACTED] of shares to specific targets;
- (3) allotment of bonus Shares to existing Shareholders;
- (4) conversion of reserve into share capital;
- (5) other methods permitted by laws, administrative regulations, and the securities regulatory authority of the State Council, the regulatory authorities of the places where the Company’s Shares are [REDACTED] and other relevant regulatory authorities.

The Company may reduce its registered capital. Any reduction of the Company’s registered capital shall be subject to the procedures prescribed in the Company Law and other relevant regulations, as well as the Articles of Association.

When the Company increases or reduces its registered capital, it shall register the change with the registration authority of the Company in accordance with the law.

(3) Shareholders

Shareholders of the Company shall enjoy the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of Shares held;
- (2) the right to request, convene, preside over, attend or appoint proxy(ies) to attend the Shareholders’ meeting and to exercise the corresponding right to vote according to law;
- (3) the right to supervise and manage, present proposals or raise enquiries in respect of the Company’s operations;
- (4) the right to transfer, give as a gift or pledge the Shares held in accordance with laws, administrative regulations and the Articles of Association;
- (5) the right to inspect and copy the Articles of Association, register of shareholders, minutes of Shareholders’ meetings, resolutions of Board meetings, financial and accounting reports. Shareholders who meet the prescribed conditions may inspect the accounting books and vouchers of the Company;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining properties of the Company in proportion to the number of Shares held;
- (7) Shareholders who object to resolutions of merger or division of the Company made by the Shareholders’ meeting, subject to the Articles of Association, relevant laws and regulations, and procedural requirements for share repurchase by the securities regulatory authorities and the stock exchanges of the places where the Company’s Shares are [REDACTED], may request the Company to purchase the Shares they hold;
- (8) other rights provided for by laws, administrative regulations, departmental rules, the securities regulatory rules in the places where the Company’s Shares are [REDACTED] and the Articles of Association.

When a Shareholder requests to inspect or copy the information mentioned above in the previous paragraph, he/she shall provide the Company with a written document proving the class and number of shares he/she holds in the Company. The Company shall provide the information at the request of the Shareholder in accordance with the Articles of Association after verifying the Shareholder’s identity.

The Shareholders of the Company shall assume the following obligations:

- (1) to comply with laws, administrative regulations and the Articles of Association;
- (2) to pay the share subscription price based on the Shares subscribed for by them and the method of acquiring such Shares;
- (3) not to withdraw its share capital unless prescribed otherwise in laws and regulations;
- (4) not to abuse Shareholders’ rights to infringe upon the interests of the Company or other Shareholders; not to abuse the Company’s status as an independent legal entity or the limited liability of Shareholders to harm the interests of the Company’s creditors;
- (5) other obligations imposed by laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchanges of the places where the Company’s Shares are [REDACTED] and the Articles of Association.

(4) Board of Directors

The Board of Directors shall exercise the following functions and powers:

- (1) to convene Shareholders’ meetings and report to the Shareholders’ meetings;
- (2) to implement resolutions of the Shareholders’ meetings;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

- (3) to decide on the Company’s business plans and investment plans;
- (4) to formulate the Company’s profit distribution plans and plans on making up losses;
- (5) to formulate proposals for the increase or reduction of the registered capital, the issuance of bonds or other securities of the Company and [REDACTED];
- (6) to formulate plans for the Company’s major acquisition, purchase the Shares of the Company, merger, division, dissolution or change of corporate form of the Company;
- (7) within the scope authorized by the Shareholders’ meeting, to decide on the Company’s external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, connected transactions, external donations and other matters;
- (8) to decide on the establishment of internal management organisations of the Company;
- (9) to decide on the appointment or dismissal of the Company’s general manager, secretary to the Board and other senior management members, and to decide on matters of their remuneration, rewards and punishments; according to the nomination of the general manager, to decide on the appointment or dismissal of the Company’s financial officer and other senior management members, and to decide on matters of their remuneration, rewards and punishments;
- (10) to formulate the Company’s basic management system;
- (11) to formulate proposals for any amendment to the Articles of Association;
- (12) to propose to the Shareholders’ meeting the appointment or replacement of the accounting firms acting as the auditors of the Company;
- (13) to listen to the work report of the managers of the Company and to inspect the work of the managers;
- (14) to manage the information disclosure matters of the Company;
- (15) to consider and approve external guarantee matters other than those that require consideration at the Shareholders’ meeting;
- (16) other duties and powers stipulated by laws, administrative regulations, departmental rules, the Articles of Association, securities regulatory rules of the places where the Shares of the Company are listed or the Shareholders’ meetings.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

Matters beyond the scope of authorisation of the Shareholders’ meeting shall be submitted to the Shareholders’ meeting for consideration.

A meeting of the Board shall be held in the presence of more than half of the Directors. Unless otherwise provided by the Articles of Association, resolutions of the Board shall be passed by more than half of all Directors.

(5) Independent Non-executive Directors

The Company shall have a Board of Directors, which consists of 11 Directors. Among them, non-executive Directors refer to the Directors who do not hold any management positions in the Company. The number of independent non-executive Directors shall be no less than three and account for at least one-third of the members of the Board. At least one independent non-executive director shall be a financial professional or an accounting professional who possesses appropriate accounting or related financial management expertise or appropriate professional qualifications as defined under the Listing Rules of the Hong Kong Stock Exchange.

(6) Secretary to the Board

The Company shall have a secretary to the Board, who shall be responsible for the preparation of Shareholders’ meetings and meetings of the Board, the custody of documents, the administration of Shareholder information, and the handling of information disclosure matters and other related affairs. The secretary to the Board shall comply with the relevant provisions of the laws, administrative regulations, departmental rules and the Articles of Association.

(7) Audit Committee

The Board of the Company shall establish an Audit Committee to exercise functions and powers of the board of supervisors stipulated under the Company Law.

The members of the Audit Committee shall consist of at least three Directors, all of whom shall be non-executive Directors and the majority of whom shall be independent non-executive Directors. The chairperson (convener) shall be an accounting professional among the independent non-executive Directors.

The Audit Committee is responsible for reviewing and disclosing the Company’s financial information, and supervising and evaluating internal and external audit work and internal control. The following matters shall be submitted to the Board for consideration after obtaining the approval of more than half of all members of the Audit Committee:

- (1) disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports;
- (2) appointment or dismissal of the accounting firms undertaking audit services of the [REDACTED] company;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

- (3) appointment or dismissal of the finance officer of the [REDACTED] company;
- (4) changes in accounting policies, accounting estimates or corrections of major accounting errors for reasons other than changes in accounting standards;
- (5) other matters as stipulated by laws, administrative regulations, provisions of the CSRC, the business rules of the stock exchanges of the places where the Company’s Shares are [REDACTED], and the provisions of the Articles of Association.

(8) Manager

The Company has one manager, appointed or dismissed by the Board of Directors.

The manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;
- (2) to organize the implementation of the Company’s annual business plans and investment plans;
- (3) to formulate plans for the establishment of the Company’s internal management organisations;
- (4) to formulate the Company’s basic management system;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors the appointment or dismissal of the financial officer;
- (7) to decide on the appointment or dismissal of the responsible management personnel other than those to be appointed or dismissed by the Board of Directors;
- (8) other functions and powers granted by the Articles of Association or the Board of Directors;

The manager shall attend the Board meetings.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION

(9) Reserve Fund

When distributing its after-tax profits for the current year, the Company shall allocate 10% of the profits to its statutory reserve fund. Allocations to the statutory reserve fund of the Company may be waived once the cumulative amount of funds therein exceeds 50% of the Company’s registered capital.

Where the statutory reserve fund of the Company is not sufficient to cover any losses in the previous year, the profits for the current year shall be used to cover such losses before any allocation is made to the statutory reserve fund pursuant to the preceding provisions.

After allocation to the statutory reserve fund has been made from the after-tax profits of the Company, and subject to the resolution adopted at the Shareholders’ meeting, an allocation may be made to the discretionary reserve fund from the after-tax profits.

After the Company has covered its losses and made allocations to the reserve fund, the Company shall allocate any remaining after-tax profits to the Shareholders in proportion to their respective shareholdings unless otherwise stipulated in the Articles of Association.

Where the Shareholders’ meeting distributes profits to the Shareholders in violation of the provisions of the Company Law, the Shareholders shall refund the profits distributed to the Company, and the Shareholders, Directors and senior management members who are responsible for causing losses to the Company shall bear compensation liability.

The reserve fund of the Company shall be used to make up losses of the Company, expand the production and operation of the Company or increase the registered capital of the Company. Where the reserve fund of the Company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT THE COMPANY AND OUR SUBSIDIARIES

1. Establishment of the Company

The Company was established as a limited liability company in the PRC on 14 August 2007 and was converted into a joint stock company with limited liability on 17 October 2025 under the laws of the PRC. As at the Latest Practicable Date, the registered share capital of the Company was RMB77,785,505 comprising of 77,785,505 Shares.

The Company has established a principal place of business in Hong Kong at Unit 1919, 19th Floor Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on [•] [•] 2026. Mr. So Wing Chun (蘇永俊先生) has been appointed as the authorised representative of the Company for acceptance of service of process in Hong Kong. As of the date of this document, our Company’s head office was located at 6 Floor, Building 7, East Wing, No. 10 Northwest Wangdong Road, Haidian District, Beijing, China.

As the Company was established in the PRC, its operations are subject to the relevant laws and regulations of Chinese Mainland. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in “Regulatory Overview” and “Summary of Articles of Association of our Company” set out in Appendix III to this document, respectively.

2. Changes in Share Capital

The Company was established as a limited liability company in the PRC on 14 August 2007.

On 18 March 2024, our Shareholders approved the registered capital of the Company to be increased from RMB73,426,543 to RMB76,447,671 which was completed on 23 April 2024. Our Company was converted into a joint stock company with limited liability on 17 October 2025 under the laws of the PRC. On 24 December 2025, our Shareholders approved the registered capital of the Company to be increased from RMB76,447,671 to RMB77,785,505 which was completed on 25 December 2025.

As of the Latest Practicable Date, our registered capital was RMB77,785,505 divided into 77,785,505 shares with a nominal value of RMB1.00 each.

For further details, see “History, Development and Corporate Structure”. Save as disclosed above, there has been no alteration in the share capital of the Company during the two years immediately preceding the date of this document.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 48 to the Accountants’ Report in Appendix I to this document.

Save for the further acquisition of 13% equity interests of Beijing BKC pursuant to the equity transfer agreements dated 7 November 2025 as disclosed in “History, Development and Corporate Structure – Major Acquisitions, Disposal and Mergers – Acquisition of Beijing BKC”, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this document.

4. Resolutions of the Shareholders of our Company

Pursuant to a general meeting of our Shareholders held on 31 December 2025, the following resolutions, among others, were passed by our Shareholders:

- (i) the H Shares of the Company of nominal value of RMB1.00 each be issued and such H Shares be [REDACTED] on the Hong Kong Stock Exchange;
- (ii) the number of H Shares to be issued shall not be more than 25,928,501 H Shares, representing no more than [REDACTED]% of the total issued share capital of the Company as enlarged by the [REDACTED] before the exercise of the [REDACTED], and the grant to the [REDACTED] of the [REDACTED] Option of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (iii) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED], and the authorisation 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
- (iv) authorisation of our Board to handle all relevant matters relating to, among other things, the issue and [REDACTED] of the H Shares.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

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) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

- (a) the equity transfer agreements dated 19 July 2024 entered into between the Company and He lirong (何立榮), Huang Junfei (黃俊飛), Li Ping (李萍), Li Yang (李揚), Wang Xiaoshi (王曉詩), Zhang Jing (張敬), Zhang Ling (張玲), Zhang Yan (張嚴), Zhao Jinmin (趙金民), Zhao Weimin (趙衛民), respectively, for the acquisition of approximately 38% of the equity interests of Beijing BKC for a total consideration of RMB87,390,455;
- (b) the equity transfer agreements dated 29 October 2025 entered into between the Company and Yue Gongyou (岳公友), Yantai Junbo Investment Management Center (Limited Partnership) (煙台君博投資管理中心(有限合夥)), Cao Shibin (曹詩兵), Pang Jing (龐靜), respectively, for the acquisition of approximately 51% of the equity interests of Haibo Electric for a total consideration of RMB51,000,000; and
- (c) the Hong Kong [REDACTED] Agreement.

2. Intellectual Property Rights

(1) Registered Patents

As at the Latest Practicable Date, we had been granted the following patents which we consider to be or may be material to our business:

No.	Patent Number	Patent	Type	Date of Application	Patent Owner(s)
1.	ZL202510968954.X	A method and system for optimizing network packet forwarding performance based on multi-core processors (基於多核處理器的網絡數據包轉發性能優化方法及系統)	Invention patent	2025.07.15	Our Company
2.	ZL202411311320.9	A task verification method, apparatus, device and medium (任務檢查方法、裝置、設備及介質)	Invention patent	2024.09.20	Our Company

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Number	Patent	Type	Date of Application	Patent Owner(s)
3.	ZL202510089581.9	A method and system for monitoring DDos attacks targeting industrial network devices (面向工業網絡設備的DDoS攻擊監測方法及系統)	Invention patent	2025.01.21	Our Company
4.	ZL202411554985.2	A method, system and medium for transmitting and receiving messages based on industrial internet (基於工業互聯網的報文收發方法、系統及介質)	Invention patent	2024.11.04	Our Company
5.	ZL202510024613.7	A method, system and medium for collecting industrial network security logs (一種工業網絡安全日志採集方法、系統及介質)	Invention patent	2025.01.08	Our Company
6.	ZL202411397644.9	A method and system for TCP-based network security authentication (基於TCP的網絡安全認證方法及系統)	Invention patent	2024.10.09	Our Company
7.	ZL202111176382.X	A dynamic adaptation method for network device interfaces (一種網絡設備接口動態適配方法)	Invention patent	2021.10.09	Our Company
8.	ZL202111177325.3	A firewall device capable of dynamically expanding service ports and its operation method (一種能動態擴展業務口的防火牆裝置及其運行方法)	Invention patent	2021.10.09	Our Company

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Number	Patent	Type	Date of Application	Patent Owner(s)
9.	ZL202010282261.2	An automated testing system for firewalls based on packet filtering rules (一種基於包過濾規則的防火牆自動化測試系統)	Invention patent	2020.04.11	Our Company
10.	ZL202010219855.9	A detection method for TCP port scanning (一種TCP端口掃描的檢測方法)	Invention patent	2020.03.25	Our Company
11.	ZL202121053690.9	A mobile storage device with built-in virus self-scanning and removal capabilities (一種具有病毒自查殺功能的移動存儲設備)	Utility model	2021.05.17	Our Company
12.	ZL201911085133.2	A method for filtering inbound and outbound interfaces based on a user-mode firewall (一種用戶態防火牆的出入口過濾方法)	Invention patent	2019.11.08	Our Company
13.	ZL201910396725.X	A protection method against goose attacks (一種針對goose攻擊的防護方法)	Invention patent	2019.05.14	Our Company
14.	ZL201811355937.5	A method for detecting abnormal behavior based on clustering algorithms (一種基於聚類算法的異常行為檢測的方法)	Invention patent	2018.11.15	Our Company
15.	ZL201811165433.7	A method for account security verification based on websocket (一種基於websocket的賬戶安全驗證方法)	Invention patent	2018.10.08	Our Company

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Number	Patent	Type	Date of Application	Patent Owner(s)
16.	ZL202022417720.1	A real-time anti-virus shared file access device for industrial control systems (一種工控系統實時防病毒共享文件訪問裝置)	Utility model	2020.10.27	Our Company
17.	ZL202022069632.7	A protection device for industrial control systems (一種用於工業控制系統的防護裝置)	Utility model	2020.09.21	Our Company
18.	ZL201710382355.5	A content audit system based on active defense mechanisms and its content audit method (一種基於主動防禦機制的內容審計系統及其內容審計方法)	Invention patent	2017.05.26	Our Company
19.	ZL201710456322.0	A detection device and method for attacking industrial control systems based on a whitelist (一種基於白名單的工控系統攻擊檢測裝置及其檢測方法)	Invention patent	2017.06.16	Our Company
20.	ZL201710329420.8	An air-cooled permanent magnet coupler and method for cooling an air-cooled permanent magnet coupler (風冷式永磁耦合器及對風冷式永磁耦合器降溫的方法)	Invention patent	2017.5.11	Beijing BKC

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Number	Patent	Type	Date of Application	Patent Owner(s)
21.	ZL201410238751.7	A system and method for remote precision diagnosis and maintenance of industrial equipment (工業設備的遠程精密診斷及維護系統和方法)	Invention patent	2014.5.30	Beijing BKC, China Chemical Huayi Engineering Technology Group Co., Ltd.* (中化學華誼工程科技集團有限公司)
22.	ZL201811561171.6	A high-power air-cooled permanent magnet coupler (一種大功率風冷型永磁耦合器)	Invention patent	2018.12.20	Beijing BKC
23.	ZL202010775885.8	A method and system for intelligent monitoring panel management based on human-machine interaction (一種基於人機雙向的智能監盤管理方法及系統)	Invention patent	2020.8.5	Beijing BKC
24.	ZL202010215929.1	A method and system for diagnosing equipment failures (一種設備故障的診斷方法及系統)	Invention patent	2020.3.17	Beijing BKC
25.	ZL201410569302.0	A method and apparatus for displaying vibration faults in rotating machinery (一種旋轉機械振動故障的顯示方法及裝置)	Invention patent	2014.10.22	Beijing BKC, China Chemical Huayi Engineering Technology Group Co., Ltd.* (中化學華誼工程科技集團有限公司)

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Number	Patent	Type	Date of Application	Patent Owner(s)
26.	ZL201910800553.8	A flue gas extraction and analysis device and boiler combustion monitoring system (一種烟氣抽取分析裝置及鍋爐膛燃燒監測系統)	Invention patent	2019.8.28	Beijing BKC
27.	ZL202011076587.6	A cable retaining clip and installation method for air-cooled island heat exchanger tubes (一種在空冷島散熱管束上固定綫纜的卡件及安裝方法)	Invention patent	2020.10.10	Beijing BKC
28.	ZL202310390609.3	A sodium-ion battery management system and SOC calculation method (鈉離子電池管理系統和SOC計算方法)	Invention patent	2023.4.13	Haibo Electric
29.	ZL202410008911.2	A method and system for real-time monitoring of lithium battery health status (鋰電池健康狀態實時監測方法及系統)	Invention patent	2024.1.4	Haibo Electric
30.	ZL202410045318.5	A method and system for lithium battery life prediction considering constraint conditions (計及約束條件的鋰電池壽命預測方法及系統)	Invention patent	2024.1.12	Haibo Electric
31.	ZL202410804629.5	A method and system for lithium battery SOH estimation based on temperature prediction (基於溫度預測的鋰電池SOH估計方法及系統)	Invention patent	2024.6.21	Haibo Electric

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Number	Patent	Type	Date of Application	Patent Owner(s)
32.	ZL202410798456.0	A method and system for BMS voltage sampling self-calibration (一種 BMS 電壓採樣自校準方法及系統)	Invention patent	2024.6.20	Haibo Electric
33.	ZL202410813812.1	A method and system for intelligent diagnosis of lithium battery status (一種鋰電池狀態智能診斷方法及系統)	Invention patent	2024.6.24	Haibo Electric
34.	ZL202410902615.7	A method and system for VOC-based thermal runaway monitoring of lithium battery packs (一種基于VOC的鋰電池組熱失控監測方法及系統)	Invention patent	2024.7.8	Haibo Electric
35.	ZL202410909682.1	A method and system for thermal runaway safety early warning of lithium batteries (一種鋰電池的熱失控安全預警方法及系統)	Invention patent	2024.7.9	Haibo Electric
36.	ZL202410969533.4	A method and system for anomaly detection of battery pack consistency based on big data (基於大數據的電池組一致性異常檢測方法及系統)	Invention patent	2024.7.19	Haibo Electric

APPENDIX IV STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interest

(1) *Interests and short positions of our Directors and the chief executive of the Company in the share capital of the Company and its associated corporations following completion of the [REDACTED]*

The interests or short positions of our Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) 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 the Company and the Stock Exchange, in each case once the Shares are [REDACTED] on the Stock Exchange, are as follows:

(a) *Interest in Shares*

Name of Director/ Chief Executive Officer	Position	Nature of interest	Number and class of Shares ⁽¹⁾	Approximate percentage of interest in the Company immediately after the [REDACTED] (assuming the [REDACTED] is not exercised)
Mr. Wang ⁽²⁾	Executive Director and Chairman	Beneficial owner and interest held by controlled corporations	27,155,344(L)	[REDACTED]%
Mr. Jiang Bingsi ⁽³⁾	Executive Director and chief executive officer	Interest held by controlled corporations	7,418,080(L)	[REDACTED]%

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Notes:

- (1) The letter “L” represents such person’s long positions in our Shares.
- (2) As of the Latest Practicable Date, 17,105,685 Shares are beneficially owned by Mr. Wang. Mr. Wang is the general partner of Tianjin Xingyuan. By virtue of SFO, Mr. Wang is deemed to be interested in the 7,418,080 Shares held by Tianjin Xingyuan. Tianjin Zhichuang, a company wholly-owned by Mr. Wang, is the general partner of Tianjin Xinghui. By virtue of SFO, Mr. Wang is deemed to be interested in 2,631,579 Shares held by Tianjin Xinghui.
- (3) Tianjin Xingyuan is established under the laws of the PRC as our employee incentive platform. As of the Latest Practicable Date, Mr. Jiang Bingsi held approximately 35.04% interests in Tianjin Xinyuan as limited partner. As such, Mr. Jiang Bingsi is deemed to be interested in the 7,418,080 Shares held by Tianjin Xingyuan under the SFO.

(2) *Interests and short positions disclosable under Divisions 2 and 3 of Part XV of the SFO*

For information on the persons who will, immediately following the completion of the [REDACTED], 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 the Company under the provisions of Divisions 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 “Substantial Shareholders” in this document for further details.

Save as set out above, as at the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED], be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such share capital.

2. Service Contracts

Each of our Directors has entered into a service contract or letter of appointment with our Company. The principal particulars of these service agreements and appointment letters comprise (i) the term of the service; (ii) subject to termination in accordance with their respective term; and (iii) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

None of our Directors has or is proposed to have a service contract with any member of our Group other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Directors’ Remuneration

See “Directors and Senior Management – Directors’ Remuneration” in this document for further details of our Directors’ remuneration.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

There is no arrangement under which any Director has waived or agreed to waive any remuneration of benefits in kind during the Track Record Period.

4. Disclaimers

Save as disclosed in this document:

- (a) None of our Directors, chief executive officer nor any of the experts referred to in “– D. Other Information – 9. Qualifications and Consents of Experts” below 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 document, acquired or disposed of by, or leased to, any member of our Group, or are proposed to be acquired or disposed of by, or leased to, any member of our Group.
- (b) Save in connection with the [REDACTED] Agreements, none of our Directors, chief executive officer nor any of the experts referred to in “– D. Other Information – 9. Qualifications and Consents of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.
- (c) None of our Directors or chief executive officer has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (d) Save as disclosed in “Relationship with Our Single Largest Group of Shareholders” and “Directors and Senior Management” in this document, neither our Single Largest Group of Shareholders nor our Directors are interested in any business apart from our business which competes or is likely to compete, directly or indirectly, with the business of our Group.
- (e) None of our Directors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers in each year/period or our five largest customers in each year/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 Group in Hong Kong and the PRC.

2. Litigation

Save as disclosed in this document and so far as our Directors are aware, no litigation, arbitration or claim of material importance was pending or threatened against any member of our Group as at the Latest Practicable Date.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

3. The Joint Sponsors

The Joint Sponsors have made an application on our behalf to the [REDACTED] Committee for a [REDACTED] of, and permission to deal in, the Shares in issue, the Shares to be [REDACTED] pursuant to the [REDACTED].

Each of China Securities (International) Corporate Finance Company Limited and Orient Capital (Hong Kong) Limited satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will receive an aggregate fee of US\$[REDACTED] for acting as the sponsors for the [REDACTED].

4. Taxation of Holder of H Shares

(1) *Hong Kong*

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of the Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(2) *Consultation with professional advisers*

Potential [REDACTED] in the [REDACTED] should consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and disposing of, or dealing in Shares. It is emphasised that none of us, the Joint Sponsors, the Joint Global [REDACTED], the Joint Bookrunners and the [REDACTED] and their respective directors or any other parties involved in the [REDACTED] accepts responsibility for any tax effects on, or liabilities of, persons resulting from the application for, or purchasing, holding and disposal of, or dealing in Shares.

5. No material adverse change

Our Directors believe that there has been no material adverse change in the financial or trading position since 31 December 2024 (being the date on which the latest audited combined financial statements of the Group were made up).

6. Restrictions on Repurchase

For details, see “Regulatory Overview” and “Summary of Articles of Association” set out in Appendix III to this document.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

7. Preliminary Expenses

As at the Latest Practicable Date, our Company had not incurred any material preliminary expenses.

8. Promoter

The promoters of the Company are all of the 38 then shareholders of our Company as of 17 October 2025 immediately before our conversion into a joint stock limited liability company. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefits have been paid, allotted or given to the promoters in connection with the [REDACTED] or the related transactions described in this document.

9. Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualification
China Securities (International) Corporate Finance Company Limited	Licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Orient Capital (Hong Kong) Limited	Licensed corporation to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Jingtian & Gongcheng	PRC Legal Advisers
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Save as disclosed in this document, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

10. Binding Effect

This document shall have the effect, if an application is made in pursuance 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.

11. Bilingual [REDACTED]

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Miscellaneous

- (a) Save as disclosed in this document:
 - (i) within the two years preceding the date of this document, no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) our Company has no outstanding convertible debt securities or debentures.
- (b) Our Company has no founder shares, management shares or deferred shares in the capital of our Company.
- (c) All necessary arrangements have been made to enable the Shares to be admitted into [REDACTED] for clearing and settlement.
- (d) None of the equity and debt securities of our Company is [REDACTED] or dealt in on any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

- (e) Our Company has no outstanding convertible debt securities or debentures.
- (f) None of the experts set out in the paragraph headed “– 9. Qualifications and Consents of Experts” above:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group save in connection with the [REDACTED] Agreements.
- (g) there is no arrangement under which future dividends are waived or agreed to be waived.
- (h) The English text of this document shall prevail over its respective Chinese text.
- (i) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

E. EMPLOYEE INCENTIVE SCHEME

We have established the employee share ownership plan (“**ESOP**”) in recognition of the contributions of our employees and to provide incentives that align the interests of our Company and employees. The terms of the ESOP are not subject to the provisions of Chapter 17 of the Listing Rules as the ESOP does not involve the grant of options or awards involving Shares of our Company and there will be no additional Shares to be issued pursuant to the ESOP which will result in dilution effect to the [REDACTED] Shares after [REDACTED].

As at the Latest Practicable Date, our Company had established two employee shareholding platforms (“**Employee Shareholding Platforms**”) , namely Tianjin Xingyuan and Tianjin Xinghui. As at the Latest Practicable Date, Tianjin Xingyuan and Tianjin Xinghui held approximately 9.54% and 3.38% of the issued share capital of our Company, respectively. For details of the Employee Shareholding Platforms, please refer to the section headed “History, Development and Corporate Structure – Employee Incentive Platforms” in this document.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

The following is a summary of the principal terms of the ESOP:

(a) Objectives

The purpose of the ESOP is to recognise the contributions of our employees and to provide incentives that align the interests of our Company and employee.

(b) Grant of Awards

Participants of the ESOP (the “**Participants**”) are granted limited partnership interests (the “**Awards**”) in the Employee Shareholding Platforms and are each a limited partner of the Employee Shareholding Platforms upon grant of the Award. Upon becoming the limited partner of the Employee Shareholding Platforms, the Participant indirectly receives economic interest in the pro rata portion of the underlying Shares held by the Employee Shareholding Platforms. For details of the Participants, see “History, Development and Corporate Structure – Employee Incentive Platforms”.

(c) Eligibility

The Participants include the directors, senior management members and key employees of the Group. A combination of factors, including service tenure, work experience, job position, development potential, and contribution to the Group, will be considered when determining eligible participants of the ESOP and the price and allocation of the Awards of each eligible participant.

(d) Form of the ESOP

The Participants, as partners of the Employee Incentive Platforms, which are in the form of limited partnerships, shall subscribe for the limited partnership interests of the Employee Incentive Platforms, thereby indirectly holding the Shares of our Company by virtue of their capacity as a limited partner of the relevant employee incentive platform.

(e) Rights attached to the Awards

The Participants are only entitled to economic benefits of the Awards. The voting rights of the Shares held by the Employee Shareholding Platforms are vested in their respective executive partner.

(f) Exit from the Employee Shareholding Platforms

If the Participants were ill or dead, the Employee Shareholding Platforms shall repurchase the relevant Awards which is equivalent to the capital injection amount contributed by such Participant plus annualised interest. If the Participants resign from or moved by the Group, the Employee Shareholding Platforms shall repurchase the relevant Awards which is equivalent to the capital injection amount contributed by such Participant.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) the written consents referred to in “Appendix IV – Statutory and General Information – D. Other Information – 9. Qualifications and Consents of Experts” to this document; and
- (b) copies of the material contracts referred to in “Appendix IV – Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts” to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at <http://www.tdhx.com/> up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Reports for the two years ended 31 December 2023 and 2024 and received from Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this document;
- (c) the review report from Deloitte Touche Tohmatsu on the unaudited financial information of the Group for the nine months ended 30 September 2025, the text of which is set out in Appendix IA to this document;
- (d) the report prepared by Deloitte Touche Tohmatsu on the unaudited **[REDACTED]** financial information of our Group, the text of which is set out in Appendix II to this document;
- (e) the audited consolidated financial statement of the Group for the years ended 31 December 2023 and 2024;
- (f) a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the Securities Law; and
 - (iii) the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies;
- (g) the PRC legal opinions dated [•] January 2026 issued by Jingtian & Gongcheng, the Company’s legal adviser on PRC law;

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR DISPLAY

- (h) the industry report prepared by Frost & Sullivan;
- (i) the material contracts referred to in “Appendix IV – Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts” to this document; and
- (j) the written consents referred to in “Appendix IV – Statutory and General Information – B. Further Information about our Business – 1. Summary of Material Contracts” to this document.