OVERVIEW

Who Are We?

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

According to Frost & Sullivan:

- In terms of revenue, we were the fifth largest AI infrastructure software provider in China with a market share of 2.8% in 2024, and also the largest pure-play provider in the market.
- We were the world's first database company to pass TPC-DS testing and official audit, demonstrating that our distributed architecture-based foundational software has reached an industry-leading level in large-scale data computation and analytics.
- We were the first Chinese company to be included in Gartner's Magic Quadrant for Data Warehouse and Data Management Solutions, indicating that our forerunning position is recognized by internationally reputable organizations.

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

As of December 31, 2025, our products and solutions had been deployed across more than ten industries, including finance, government, energy, healthcare, transportation, and manufacturing, serving over 1,800 customers, including around 110 companies listed in the Fortune China 500. From 2023 to 2025, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting the loyalty and stickiness of our customer base.

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

Our Market Opportunity

With the rapid evolution of technologies such as the Internet, Internet of Things (IoT), 5G, and generative AI, the global volume of data is growing exponentially. This growth is accompanied by an increasing need for real-time and near real-time data processing and a marked improvement in the utilization of semi-structured and unstructured data, further intensifying demand for scalable data storage and computing infrastructure. However, as enterprises advance the deployment of AI

at scale and pursue digital-intelligent transformation, they face a range of persistent challenges. These challenges not only limit the value realization of enterprise data assets but also constrain the effectiveness of AI implementation, often resulting in significant investments with suboptimal returns. Specifically:

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

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

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

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

AI infrastructure software represents a significant and fast-growing market opportunity. According to Frost & Sullivan, the size of China's AI infrastructure software market, measured by revenue, increased from RMB5.7 billion in 2020 to RMB13.5 billion in 2024, representing a CAGR of 24.1%. The market is expected to further expand to RMB46.4 billion by 2029, with a projected CAGR of 28.0% from 2024 to 2029. The overseas market size of AI software market, in terms of revenue, has grown from USD5.0 billion in 2020 to USD10.6 billion in 2024, representing a CAGR of 20.7% from 2020 to 2024. Looking forward, the market size of overseas AI software market, in terms of revenue, is expected to reach USD32.4 billion in 2029 with a CAGR of 25.0% from 2024 to 2029.

Our Business Lines and Business Model

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

Our Core Technologies

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

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

Our ESG Commitment

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

COMPETITIVE STRENGTHS

A Market Leader in China's AI Infrastructure Software Sector

We are a leading player in China's AI infrastructure software market. According to Frost & Sullivan, we ranked fifth by revenue in China's AI infrastructure software market in 2024. We were also the largest pure-play AI infrastructure software provider.

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

We have also achieved a number of industry firsts:

- In 2016, we became the first Chinese company included in Gartner's Magic Quadrant for Data Warehouse and Data Management Solutions, and were positioned ahead of U.S. vendors such as Cloudera and Hortonworks on the "vision" axis.
- In 2018, TDH V5.1 passed the official TPC-DS benchmark audit, becoming the first product globally to do so in full.
- In 2019, ArgoDB V1.2.1 became the fourth database worldwide to pass the TPC-DS audit.
- In 2022, our AI platform Sophon Discover V3.0.0 became the first product to pass the TPCx-AI benchmark test at the SF3,000 level (the highest level then tested).
- In 2023, TDH V9.1 passed the TPCx-BB SF3,000 benchmark test and achieved the top global performance at that time.

We are also actively shaping industry standards. As of the Latest Practicable Date, we had contributed to over 50 industry standards and technical specifications, including ten at the national level. For example, in April 2025, we participated in the publication of the *Standardization Research Report on Industrial LLMs for Intelligent Manufacturing* by the China Electronics Standardization Institute. We also contributed to key standards including *Capability Requirements for LLM Application Delivery Providers*, *Technical and Application Evaluation Methods for Large Pre-trained Models in the Financial Industry*, *Technical Requirements for RAG (Retrieval-Augmented Generation)*, *Data Lake Platform Technical Requirements*, and *Technical Requirements for Multimodal, Search, Vector, and Spatio-temporal Databases*, among others.

Our market position has been further recognized through numerous awards and rankings. We were named among the "Forbes China Top 50 AI Technology Companies 2024" and were listed in IDC's reports on "Top 100 Digital Government Providers," "Mainstream Vendors and Best Practice Cases in the Data Space Market," "AI Governance Ecosystem," and "Trusted Data Space Solution Provider," among others. Our Sophon LLMOps platform was ranked among the top ten AI Fintech solutions in China by The Asian Banker. Six of our database products were included in the 2024 *China Database Industry Landscape* published by the China Academy of Information and Communications Technology (CAICT), and we were also featured in CAICT's *Data Intelligence*

Industry Landscape 2024 and *Data Governance Industry Landscape 3.0* as a leading provider of integrated platforms, cross-industry solutions, and independent services. We were also the first to complete the foundational capability testing for multimodal databases under CAICT's "Trusted Database" certification program.

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

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

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

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

We are deeply engaged in China's homegrown technology ecosystem. Our products are fully adapted to domestic hardware and software environments, supporting mainstream domestic OSs, processors, and middleware, and enabling stable operation under all-native configurations. Our architecture also supports mixed deployment of heterogeneous compute resources in a single cluster and facilitates high-efficiency management of domestic chipsets. We have successfully replaced foreign solutions such as traditional relational databases, search engines, big data platforms, and analytics tools in mission-critical customer systems. KunDB was shortlisted in the 2024 central government procurement list for distributed transactional databases. Our participation in national and municipal flagship projects, including those under the MIIT and Shanghai Municipal Government, further underscores our leadership in China's foundational software localization push. As of December 31, 2025, over one-third of our employees were dedicated to R&D, with approximately 60% holding a master's degree or higher. As of the Latest Practicable Date, we had over 170 patents registered with the National Intellectual Property Administration of the PRC and over 100 pending patent applications in the PRC. We also had over ten registered patent overseas spanning Europe, Singapore, Japan and Canada. Our sustained investment in R&D continues to drive the evolution of our core technologies and the rapid iteration of our product portfolio.

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

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

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

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

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

We have built a large, diversified, and rapidly expanding customer base spanning a wide range of verticals. As of December 31, 2025, we had served over 1,800 customers across more than ten core sectors of the national economy, including finance, government, energy, healthcare, transportation, and manufacturing etc. Our customers are primarily industry leaders with recurring, high-value technology needs, forming a solid foundation for sustainable demand growth.

Our high degree of product standardization and modular system architecture gives us strong cross-industry replicability. As of December 31, 2025, we had served over 300 financial institutions, including 7 joint-stock banks (including branches), approximately 60 city commercial banks, more than 40 securities firms, and over 20 insurance companies. We have deployed deep use cases across the financial sector, including real-time graph analytics, anti-fraud, anti-money laundering, guarantee network tracing, knowledge graph construction, and intelligent risk control. In the government sector, our clients include provincial and municipal big data centers, customs authorities, and tax agencies, where we support their digital transformation efforts to improve operational efficiency and reduce costs. By cultivating flagship clients in high-barrier industries like finance and government, we have developed high-value reference cases, a strong brand reputation, and deep sector insights. We transform shared technical capabilities into reusable scenario components to support full-lifecycle enterprise needs, and we adopt tailored go-to-market and customer engagement strategies based on the digital maturity of each sector, enabling scalable expansion across industries.

Our products have earned strong recognition from leading clients and industry associations. For example, our LLM management platform project for China Merchants Securities was named a 2024 "AI Pioneer Case" by the China AI Industry Development Alliance. Together with Orient Futures, China Life, and the National PV and Energy Storage Pilot Platform (Daqing base), we received CAICT's "Stellar Case" recognitions in the domains of intelligent data infrastructure and database innovation. Our project with AVIC Elevator was named a best practice in IDC's industrial

data management and analytics services category. In addition, a joint submission with Nanjing University of Posts and Telecommunications, on multi-source information fusion using data- and model-driven technology, received third prize in the AI Application Innovation Awards issued by the Jiangsu AI Society.

Our strong product value and proactive customer success strategies enable us to build highly sticky customer relationships. As our AI and big data infrastructure software functions as a core foundation for enterprise information systems, it is tightly integrated with and directly impacts the scalability and stability of upper-layer applications. The high switching costs associated with infrastructure software make customers unlikely to replace deployed products. In addition, as customer data volumes and AI application scenarios grow, they often require additional capacity or new product types, leading to recurring demand and expanded account value. From 2023 to 2025, revenue from repeat purchases by existing customers accounted for an average of over 70% of our total revenue, reflecting our strong customer retention and sustained growth momentum.

Vibrant Ecosystem Enabling Scalable Growth and Long-Term Sustainability

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

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

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

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

Visionary and Deeply Experienced Management Team

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

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

DEVELOPMENT STRATEGIES

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

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

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

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

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

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

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

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

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

To better serve global customers, we will adapt our proven domestic solutions into modular, standardized frameworks that are suitable for cross-border deployment. For example, we plan to restructure mature offerings in sectors such as finance and government for flexible application in international markets. In parallel, we will strengthen collaboration with global technology partners through open ecosystems, offering comprehensive lifecycle support, from hardware compatibility to scenario-specific deployment, to ensure efficient implementation of our solutions across diverse regional environments.

Expand Customer Base, Deepen Strategic Partnerships, and Strengthen Market Presence

We plan to accelerate growth by building a self-reinforcing flywheel of customer collaboration, ecosystem integration, and brand elevation. Through deeper collaboration with key clients, coordinated go-to-market efforts with ecosystem partners, and systematic brand-building initiatives, we aim to increase our penetration across industries and establish long-term momentum for global expansion.

On the customer front, we will pursue strategic co-creation with clients in core verticals such as technology, finance, government, and energy. By closely aligning with client needs and jointly exploring application scenarios, we will continue to expand our footprint within key accounts and unlock mutual growth. Drawing from real-world deployments, we will refine and optimize our full-lifecycle product system, including our integrated data platforms, distributed databases, and toolchains for LLM development, enhancing our ability to help clients improve data-driven decision-making and operational productivity.

On the ecosystem side, we will continue to implement a "platform + ecosystem" model to build a comprehensive collaborative network. This includes developing cross-industry joint solutions in partnership with software and hardware vendors and SIs. For example, we will deepen collaboration with leading hardware companies in areas such as AI compute adaptation, to support technical implementation in financial and manufacturing use cases. We also plan to work closely with professional service partners to build standardized delivery frameworks that significantly enhance service responsiveness. In parallel, we will strengthen cooperation with top universities and research institutions in China and globally by launching joint labs, co-developing academic programs, and conducting collaborative R&D. These efforts are expected to support the cultivation of industry-ready talent and further strengthen our technological capabilities and industry influence.

On the brand side, we will systematically enhance our presence through three dimensions: technology leadership, customer engagement, and market communication. Technologically, we will reinforce our leadership through participation in global industry forums and the release of authoritative benchmark results. On the customer side, we will co-develop and showcase reference cases with high-value clients to establish a leading image in domestic software replacement and intelligent transformation. In marketing, we plan to launch city tours, publicize major LLM-related project wins, and regularly report on international business progress, highlighting our capabilities in commercializing frontier technologies. Through joint ecosystem initiatives and ESG communications, we aim to shift brand-building from one-way messaging to multi-stakeholder engagement, cultivating sustained global recognition of our value proposition.

Expand Global Footprint and Increase International Market Penetration

We are firmly committed to our internationalization strategy and will continue to expand our presence in overseas markets. To this end, we plan to systematically enhance our global market penetration by deepening channel coverage and strengthening localized operational capabilities. We will further scale a globally coordinated sales system combining direct sales with business partnerships. Our focus will be on key strategic regions, including Southeast Asia, and the Middle East. We intend to deepen alliances with reputable local partners to reach core industry clients across geographies. At the same time, we will adopt a cloud-based subscription model to lower adoption barriers for international customers and accelerate global deployment of our products.

To support this growth, we will enhance our localization capabilities by establishing in-market technical support and delivery teams, and by improving language adaptation and compliance readiness. We will tailor offerings to meet the data protection and cybersecurity regulations of different jurisdictions, while also localizing product interfaces, documentation, and training materials to ensure responsive and efficient customer support in each market.

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

Pursue Selective Strategic Investments and Acquisitions to Strengthen Market Position

As a complement to our organic growth strategy, we plan to pursue selective strategic investments and acquisitions to further strengthen our market position and accelerate ecosystem development. We will adopt a disciplined and opportunity-driven approach, targeting businesses that offer strong synergies with our existing capabilities, particularly those that can enhance our product and solution offerings, broaden our vertical and geographic reach, or deepen our technological and R&D strengths. These initiatives will help reinforce our competitive position, expand our innovation pipeline, and support long-term growth. As of the Latest Practicable Date, we had not identified or committed to any specific investment or acquisition targets, but we will continue to explore opportunities aligned with our strategic objectives.

OUR BUSINESS LINES AND BUSINESS MODEL

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

AI and Big Data Infrastructure Software Business

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

Products and Services

Our infrastructure software consists of proprietary software products that support enterprise-grade data storage, management, analytics and AI workloads. These products are primarily standardized and require only limited customization, which generally involves user-interface adjustments or integration with a customer's existing database environment, such as connecting to legacy database versions that require tailored configuration.

Our infrastructure software and related technical services sub-segment involves customers purchasing our proprietary software together with related technical services. The technical services provided under this sub-segment are the same as those provided under the "technical services" sub-segment described below.

Our technical services consist of: (i) maintenance services, which include software upgrades, bug fixes, remote technical support and other ongoing maintenance; and (ii) other technical services, which include deployment, configuration, integration, advanced consulting and troubleshooting. All technical services are tied to our proprietary software products.

Deployment Period

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

Charging Model

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

Fund Flow

Payment terms vary across sub-segments but generally follow a staged structure aligned with project progress.

For infrastructure software, customers typically make an initial payment of 10%-30% of the contract amount upon signing. The majority of the balance is settled in a single payment upon installation and acceptance, and the remaining 5%-15% is paid after the one-year complimentary maintenance period.

For infrastructure software and related technical services, payment follows the respective fund-flow arrangements for software and for technical services.

For technical services, payment arrangements differ between maintenance services and other technical services. For maintenance services, standard contracts are typically paid in full upon signing, while enhanced maintenance contracts with defined acceptance milestones are paid periodically, such as 25% quarterly or 50% semi-annually following acceptance. For other technical services, customers generally pay 15%-30% upon contract signing, with the remaining balance linked to project milestones. Typically, around 30% is paid upon initial acceptance and the remainder upon final acceptance. For larger contracts, milestone payments follow the SOW, with 15%-30% payable upon signing, 20%-30% at two intermediate stages, and the balance upon final acceptance.

Pricing Policy

Pricing for this business line follows the principles below.

For infrastructure software, pricing is primarily determined by three factors: (i) data volume and deployment scale (cluster size), which jointly determine the number of server nodes required, with each node corresponding to one software license and larger clusters or data volumes resulting in higher license counts; (ii) processing requirements, which depend on the number and complexity of computing tasks, with projects involving thousands of concurrent jobs priced higher than those with lighter workloads; and (iii) license scope, reflecting the range of products and functionalities purchased, for example, whether the customer licenses only TDH or a combination of TDH, ArgoDB, KunDB or other proprietary products.

For infrastructure software and related technical services, pricing follows the respective pricing methods for software licenses and technical services.

For technical services, pricing reflects service type and complexity. Maintenance services are typically priced at 10%-25% of the initial license fee after the one-year complimentary period, while other technical services are priced based on project size, technical complexity, service duration and deployment of technical personnel.

Customer Base

We primarily serve large enterprises and government institutions across a broad range of industries, including finance, energy, transportation, telecommunications, manufacturing and public administration. Our customers typically operate large-scale, data-intensive systems and require high-performance, scalable and secure infrastructure software to support mission-critical workloads. Within the finance sector, our users include major exchanges, commercial banks and securities firms. In the government sector, our customers include national and municipal authorities responsible for public services, data governance and industry regulation. In the energy and transportation sectors, our customers comprise leading state-owned enterprises and operators of

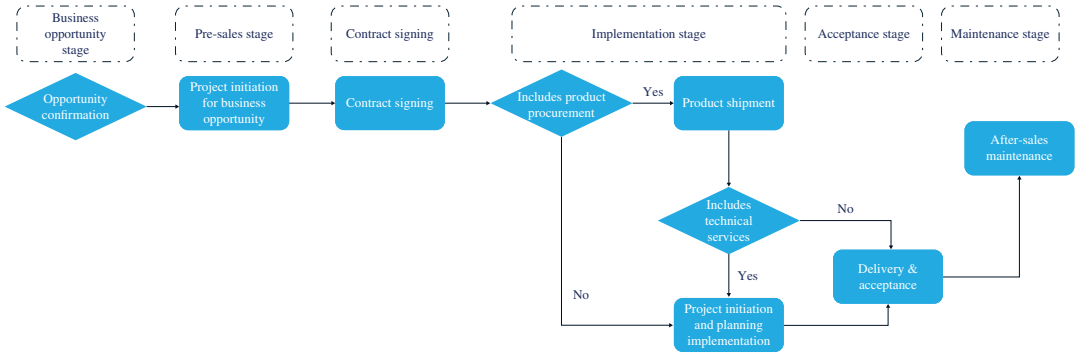
nationwide logistics, grid and transport networks. We also serve sizable manufacturers, telecommunications operators and diversified conglomerates that require enterprise-grade data platforms and AI infrastructure. The composition of our customer base is generally consistent across the three sub-segments of this business line.

Product Offering Model

We offer our software and technical services either on a standalone basis or together, depending on customer needs. Most new customers purchase multiple software products at the initial stage to support different functions, while a smaller portion begin with only one product. Existing customers typically expand deployment over time as their business scales, either by purchasing additional licenses for existing products or adopting new products within our portfolio.

Business Flow

The business flow of this line of business is illustrated below:



In this business line, customers typically commence engagement through formal procurement procedures or direct enquiries. After contract execution, we deliver the licensed software and, where applicable, accompanying related technical services. Depending on the customer's IT capabilities, installation and initial configuration are performed either by our technical personnel or by qualified system integrators or independent software vendors under the customer's arrangement. For more complex enterprise or government projects, we provide implementation support such as environment setup, database connection and system testing to ensure compatibility and stable operation.

During the project execution phase, we oversee the deployment process and provide technical services such as configuration, integration and acceptance support. Certain routine or standardized tasks may be undertaken by outsourced personnel under our supervision to supplement capacity and enhance efficiency. After deployment, we continue to provide maintenance services, including software upgrades, bug fixes and remote technical support, pursuant to customer contracts. Customers conduct acceptance at agreed milestones, and payments are received in stages in accordance with the applicable fund-flow arrangements described above.

Solution Business

Services

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

Deployment Period

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

Charging Model

Solution services are provided on a project-based charging model. Fees are determined by the scope of consulting and design work, the technical complexity of the engagement and the professional resources assigned to the project.

Fund Flow

Payment terms for solution projects follow a staged structure aligned with project milestones. Customers typically pay 15% to 30% of the contract amount upon signing. Subsequent payments are linked to progress under the statement of work, with approximately 30% payable upon initial acceptance and the remaining balance due upon final acceptance. For larger or more complex projects, the payment schedule may include additional intermediate stages, with 15% to 30% payable upon signing, 20% to 30% at two mid-term milestones and the remaining balance upon final acceptance.

Pricing Policy

Pricing is determined based on the project's scope, technical complexity, required consulting expertise and anticipated duration of services. The level of assigned personnel and the time required to complete the engagement are key factors in determining the contract value.

Customer Base

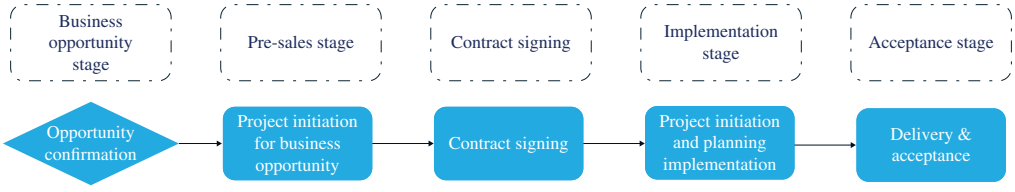
Our solution business serves the same customer base as our AI and big data infrastructure software business, including large enterprise and government institutions across finance, energy, transportation, telecommunications, manufacturing and other sectors. These customers typically rely on our solution services at the early stages of planning digital transformation or AI strategies.

Product Offering Model

We provide solution services on a standalone basis to address customers' consulting and design needs prior to system implementation. These engagements do not involve the sale or delivery of our proprietary software products. However, solution projects often create downstream demand for our AI and big data infrastructure software as customers progress from planning and design to deployment and operation.

Business Flow

The business flow of this line of business is illustrated below:



In this business line, customers typically initiate engagement through consultations or tender processes, after which we prepare tailored solution proposals and enter into project-based service agreements. During project execution, we are responsible for planning, architecture design and the delivery of technical advisory services in accordance with the agreed scope. Customers review and confirm progress at defined milestones, including initial, mid-term and final acceptance. To enhance delivery efficiency, certain routine support tasks may be undertaken by qualified outsourced personnel under the supervision of our project team. Solution projects generally span several months, and payments are made progressively based on the milestone arrangements set out in the contract.

Other Business

Products

Our other business primarily comprises two types of offerings. First, we sell integrated appliances that combine hardware, such as servers and storage devices, with software, which may include our proprietary software or third-party software. For these appliances, we perform configuration and performance optimization to ensure stable and efficient operation within customers' IT environments. Second, we sell third-party hardware or software on a standalone basis, including servers, storage devices and commercial business-intelligence applications commonly used in enterprise data analytics.

Deployment Period

Deployment is generally completed within two to four weeks, depending on hardware delivery schedules and the implementation requirements of the accompanying software. Where necessary, we configure and validate the integrated appliance to ensure compatibility and performance before formal acceptance by the customer.

Charging Model

We adopt a one-time sales model for hardware, with optional maintenance services provided upon customer request. For software, whether proprietary or third-party, we charge on a perpetual license basis together with related maintenance agreements. These arrangements are consistent with industry practice for hardware-plus-software procurement models.

Fund Flow

Payment arrangements vary depending on whether the contract involves integrated appliances or standalone hardware or software. For integrated appliances, the hardware and software components follow separate payment schedules. Customers are generally required to make full payment for the hardware portion before shipment. The software portion typically follows standard terms of 30% upon contract signing and 70% upon acceptance. In cases where a warranty retention applies, the schedule may be adjusted to 30% upon signing, 60% upon acceptance and 10% after the warranty period. For transactions involving standalone third-party hardware or software, the fund flow arrangements generally follow the same hardware and software payment structures described above.

Pricing Policy

Pricing is determined on a cost-plus basis, taking into account upstream procurement costs, logistics, installation and configuration requirements and an appropriate service margin. Hardware-related projects are typically smaller in scale and shorter in duration compared with software or solution projects.

Customer Base

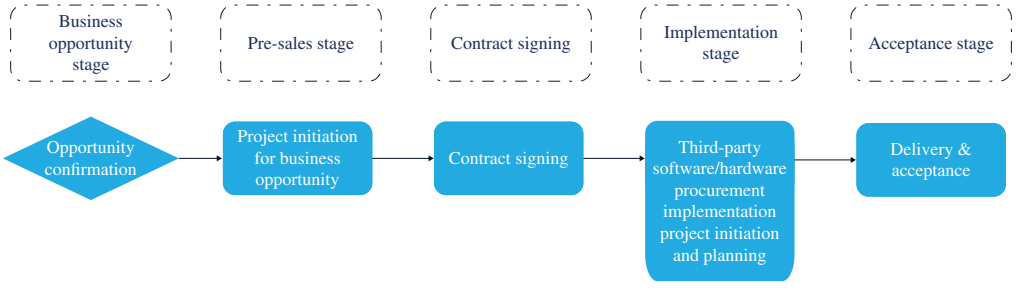
The customer base for this business line is similar to that of our other business lines and mainly comprises large enterprises and government institutions across finance, energy, transportation, telecommunications and manufacturing.

Product Offering Model

We primarily deliver products and services in this business line under standalone contracts. However, these offerings may occasionally be procured together with software licenses or technical services when customers seek complete hardware-plus-software environments to support their data or AI workloads.

Business Flow

The business flow of this line of business is illustrated below:



In this business line, customers procure integrated appliances or standalone hardware or software to support their broader IT and data-platform deployment needs. Following contract signing, we arrange procurement from upstream vendors and carry out the required configuration, integration and testing to ensure that the hardware and software components operate reliably within the customer's environment. Our technical team oversees the verification and acceptance process,

including any optimization work performed on integrated appliances. Payments are made in accordance with the contractual fund-flow arrangements described above, with hardware generally prepaid before shipment and software license fees settled upon signing and acceptance. Given the limited scope and relatively short implementation cycle, projects under this business line are typically completed within several weeks.

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

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
AI and big data infrastructure software business	390,041	79.5	284,180	76.7	362,022	81.0
Solution business	79,091	16.1	72,759	19.6	69,559	15.6
Other business[(1)]	21,401	4.4	13,816	3.7	15,488	3.4
Total	490,533	100.0	370,755	100.0	447,069	100.0

Note:

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

OUR PRODUCTS AND SERVICES

AI and Big Data Infrastructure Software

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

- **Big Data and Cloud Infrastructure Platform Software**

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

- **Distributed Database Software**

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

- **Data Development and AI Analytics Tools**

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

Our major products collectively form an integrated AI infrastructure stack designed to support enterprise-scale intelligent computing. Our infrastructure platform comprises a unified "AI and Data Infrastructure" layer that enables enterprises to ingest, manage, govern and analyze their own proprietary data to support model development, fine-tuning and intelligent application deployment. Such proprietary data is owned and controlled by our customers, and we provide software tools that

allow customers to securely and efficiently process and utilize their data within their own systems. We believe that customers' proprietary enterprise data is the cornerstone for developing differentiated AI capabilities and sustaining competitive advantages. The ability to securely and efficiently manage and process such data is critical to enterprise value creation in the AI era. Products such as TDH, TDC, Transwarp Database (ArgoDB and KunDB), and TDS provide the foundational capabilities for secure, scalable storage, computing, and integration of multi-model datasets, while Sophon extends these capabilities with advanced support for machine learning operations ("**MLOps**") and large language model operations ("**LLMOps**"), and TKH focuses on knowledge engineering and intelligent knowledge applications. This integrated architecture empowers enterprises to build, deploy, and manage AI agents and applications with real-time access to structured, semi-structured, and unstructured proprietary data, positioning our platform to meet the evolving demands of enterprise-grade AI.

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

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

The table below summarizes the core functions, relationships and distinctions among our major products, illustrating how each product contributes to our overall AI and big data infrastructure software architecture. These products are designed to interoperate seamlessly through a unified technology stack, with TDC serving as the underlying deployment and orchestration platform that supports the delivery of other core software offerings.

Product	Overview and Key Functions	Relationship and Distinction with Other Products
Big Data and Cloud Infrastructure Platform Software		
TDH	An AI-ready, one-stop big data platform capable of processing up to 11 data models, including relational, text, spatial-geographic, graph, document, time-series, and image data. It supports petabyte-scale storage and computing, enabling high-performance batch processing, high-concurrency querying, full-text search, near real-time analytics, and predictive modeling.	• Runs on TDC technology platform for resource monitoring, scheduling, isolation, fault recovery, and elastic scaling. • Provides a stable big data infrastructure for upper-layer applications and AI workloads.
TDC	A container-based cloud platform that unifies and orchestrates heterogeneous hardware and software resources (including CPUs, GPUs, networks, storage, and operating systems). It enables centralized management and flexible allocation of computing resources, helping enterprises efficiently run and monitor multiple data and AI systems on shared infrastructure while keeping them secure and independent from each other.	• Serves as the deployment and orchestration platform for other software • Enables the Company's software products to be delivered in a PaaS model. • Provides the foundation for resource pooling, elasticity, and scalability across the product suite.
Distributed Database Software		
ArgoDB	A distributed database system designed for high-performance analytics in enterprise environments, supporting analytical, real-time, and hybrid workloads combining multiple data models. It can also serve as an external knowledge base for generative AI models.	• Runs on TDC technology platform for resource management and elasticity. • Compared with TDH, supports mixed workloads including real-time and transactional data processing.
KunDB	A distributed data system designed for high concurrency, strong consistency, and low-latency transactional workloads, suitable for core operational systems such as ERP, OA, and high-frequency applications such as resident digital ID.	• Runs on TDC technology platform for resource management and elasticity. • Focuses on transactional workloads, while ArgoDB focuses on analytical workloads.
Data Development and AI Analytics Tools		
TDS	A suite of big data development tools providing modules for data integration, workflow scheduling, governance, asset management, security, and data sharing. It supports the development and management of enterprise-level data engineering platforms.	• Runs on TDC technology platform and integrates data stored in TDH, ArgoDB, and KunDB. • Supports structured data governance for Sophon and TKH.

Product	Overview and Key Functions	Relationship and Distinction with Other Products
Sophon	An enterprise AI development and management platform supporting the full lifecycle of AI model and application development, including data preprocessing, knowledge base construction, model training, optimization, deployment, and intelligent agent development.	• Runs on TDC technology platform and leverages TDS for structured data governance. • Uses TDH, ArgoDB, and KunDB for data management. • Compared with TKH, serves AI model and application developers.
TKH	An enterprise knowledge management and application platform that includes pre-configured large language models, agents and tools for building intelligent applications based on corporate knowledge and proprietary data. It transforms structured, semi-structured, and unstructured data into searchable and analyzable knowledge assets accessible via natural language.	• Relies on TDH and ArgoDB/KunDB for enterprise data management. • Uses Sophon for knowledge engineering and unstructured data processing. • Leverages TDS for structured data governance. • Compared with Sophon, designed for end users of AI models and applications.

Big Data and Cloud Infrastructure Platform Software

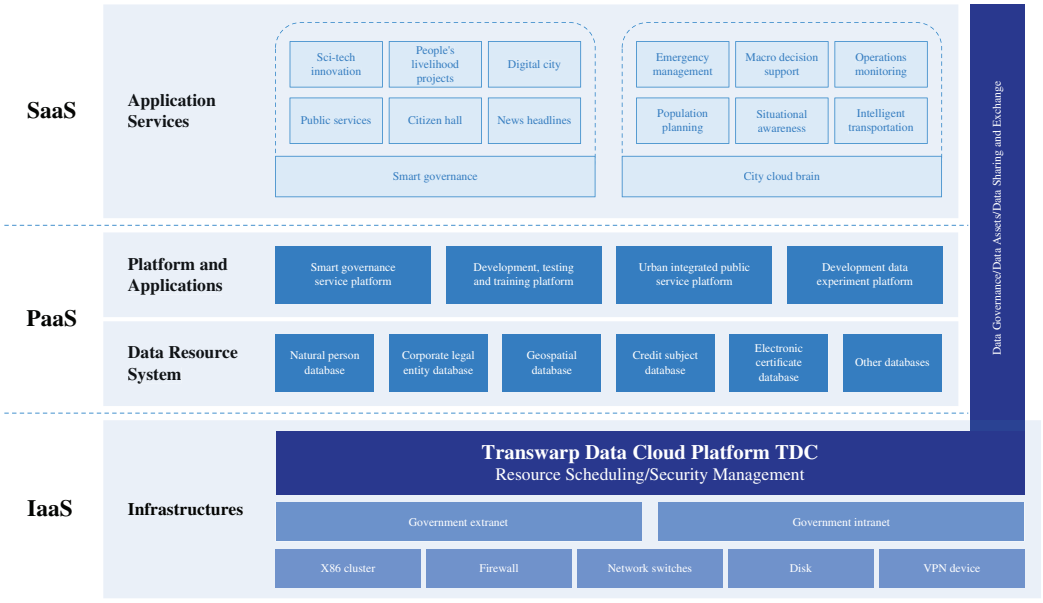
- TDH: TDH is our self-developed, unified big data infrastructure platform designed for enterprise-scale data integration, processing, and analytics. Built on a cloud-native, distributed architecture, TDH supports Petabyte-level data storage and computation across multiple data models, covering different types of enterprise data, including relational tables, documents, time-series records, spatial-temporal information, vector data and graph data. The platform provides integrated capabilities for large-scale data analysis and search, allowing enterprises to handle the entire data lifecycle from data ingestion to advanced analytics within a single system. TDH supports ANSI SQL and commonly used legacy database dialects such as Oracle PL/SQL, enabling enterprises to migrate existing systems with minimal changes and allowing developers to continue working in familiar environments. Its multi-model processing capability, containerized deployment, resource orchestration, and high-performance computing make TDH a foundational layer of our data infrastructure software business, serving as the backbone for intelligent data applications across sectors.

  Application Scenario: A national postal group uses TDH to support its daily operations, which generate enormous amounts of complex data from parcel tracking, branch outlets, logistics routes, customer interactions and billing systems. Its legacy data platform could no longer keep up: storage was reaching its limits, reports were running slowly, and the system struggled to handle newer types of data such as tracking logs, photos and address text. By adopting TDH as its unified data platform, the postal group can now store and manage all types of business data in one place and analyze them quickly and reliably to track parcel flows, assess network capacity, understand customer behavior and support pricing and operational decisions. TDH allows data to be processed in parallel across many ordinary servers, enabling the system to handle peak periods such as "Double 11" when parcel volumes can exceed 100 million a day and real-time traffic can reach over one and a half million parcels per second at its maximum. With TDH, the postal group can monitor cross-border parcel flows, predict seasonal demand, identify customers who are likely to churn, clean and standardize address information, and optimize pricing. The platform supports hundreds of thousands of fast, concurrent queries each day and provides timely insights that help the organization improve service quality, manage capacity during peak seasons and make more informed operational decisions.

- TDC: TDC is our self-developed cloud platform built on the Transwarp Cloud Operating System ("**TCOS**") that helps enterprises centrally manage and allocate computing and data resources across private, public and hybrid cloud environments. Its primary function is to unify the management, isolation, scheduling and allocation of software and hardware resources, such as computing power, storage and networking, so that different business systems and departments can use these resources efficiently and securely. Through the TDC technology platform, our products, including TDH, TDS, ArgoDB, KunDB, Sophon and TKH, can be deployed and operated as standardized cloud services with unified monitoring, scaling and lifecycle management. By providing a stable and flexible infrastructure foundation, TDC supports upper-layer data processing platforms and AI applications, enabling enterprises to run digital and intelligent applications more reliably and at scale.

  Application Scenario: At the big data center of a direct-administered municipality in China, large volumes of public-service data, including citizen records, business information, maps and location data, and electronic licenses, are centrally collected to support data sharing and analytics across municipal and district government departments. TDC serves as the underlying infrastructure platform that coordinates and allocates computing and data resources, enabling different departments to securely access and use shared data without building or operating separate systems. By unifying previously fragmented infrastructure, TDC resolved long-standing issues such as manual data requests between departments and the operation of isolated and incompatible IT systems, while ensuring that each department can manage its own data and share only what is necessary for service delivery. Built on this foundation, high-traffic digital government platforms such as "One-Stop Public Services" are able to run reliably, allowing millions of residents to complete tasks such as applying for permits, updating personal records and checking service status quickly online, even during peak hours. Overall, TDC has become a key part of the municipality's digital government framework, improving cross-department coordination, enhancing service efficiency and reducing the time and effort required by both citizens and public-service staff.

To further illustrate how TDC supports the municipality's unified digital government framework and enables cross-departmental data sharing and service delivery, the following diagram provides an overview of the system architecture and function of the TDC case.



TDC can be sold as a standalone software product to customers that require centralized management and scheduling of computing and data resources across complex environments. However, during the Track Record Period, TDC did not constitute a major contributor to our revenue. Notwithstanding this, TDC is strategically important to our business, as its underlying technologies and architectural framework are shared across, and embedded in, our other major infrastructure software products. As such, TDC serves as a common technical foundation that supports the operation, deployment and scalability of our broader product portfolio.

Distributed Database Software

Distributed database software refers to database systems designed to store and process data across multiple servers in a coordinated manner, enabling scalability, reliability and high performance for enterprise workloads. Our distributed database software products include ArgoDB and KunDB, which share a common distributed architecture and core database capabilities. While both products support enterprise-grade distributed database applications, ArgoDB is our primary distributed database product and is designed to support large-scale data analysis as well as mission-critical transactional workloads, enabling real-time analytical processing for enterprise applications. KunDB provides similar distributed database capabilities but places greater emphasis on high-concurrency, low-latency transactional processing in scenarios where transaction performance is the primary requirement. During the Track Record Period, revenue from our distributed database software business was primarily generated by ArgoDB, and therefore the following discussion focuses mainly on ArgoDB.

- ArgoDB: ArgoDB is our self-developed, distributed database system designed for high-performance analytical processing in enterprise-scale scenarios. It supports complex SQL queries, real-time analytics and mission-critical transactional processing, as well as massive parallel processing across large datasets. ArgoDB can scale easily as data volumes and workloads grow, continue operating reliably even if individual components fail, and maintain accurate and consistent data results, making it suitable for core enterprise applications that require both fast analytical insights and stable transactional performance, such as those used in financial services. It is designed to process large volumes of data efficiently and deliver fast query results, allowing enterprises to run complex analytics and reporting workloads smoothly. ArgoDB offers compatibility with traditional database systems such as Oracle, allowing enterprises to migrate and modernize legacy systems with minimal disruption. ArgoDB can be deployed flexibly in both private and public cloud environments and is designed to operate reliably as systems grow and evolve over time. By efficiently organizing and accessing data at scale, ArgoDB provides a stable foundation for enterprise data platforms and AI-driven analytics applications.

Application Scenario: A major Class A tertiary hospital used ArgoDB to bring together all the information scattered across its main campus and nearly ten affiliated institutions, solving long-standing problems such as disconnected systems, delayed access to up-to-date clinical and operational data, and decision-making lags that affected patient care. By running ArgoDB on its existing servers, the hospital unified data from key clinical systems, such as medical records, diagnostic imaging, lab results and patient visit histories, as well as administrative information like staffing and finance, all within a single platform. This allowed doctors and hospital staff to quickly access complete and up-to-date information instead of searching through separate systems. ArgoDB also enabled the hospital to build easy-to-use data dashboards that showed important indicators such as patient flow, queuing times, bed availability and resource usage in real time. Management could make faster and better decisions on scheduling and resource allocation, improving service efficiency, while clinicians could view a patient's full diagnostic history to support more accurate treatment. Overall, ArgoDB helped the hospital shift to a modern, centralized management model, reducing delays, improving coordination across campuses and delivering a smoother experience for patients and medical staff.

Distinction Between TDH (Big Data and Cloud Infrastructure Platform Software) and ArgoDB (Distributed Database Software): TDH and ArgoDB serve fundamentally different functions and therefore cannot be grouped as a single product category, although they are often deployed together within the same enterprise. For example, in a typical commercial bank environment, ArgoDB is used to support mission-critical, real-time transactional systems, such as account opening, payment processing and instant loan approval, where high concurrency, strong data consistency and fast response times are essential for daily operations. At the same time, TDH is used to aggregate and process large volumes of historical and cross-system data, enabling the bank to conduct regulatory reporting, customer behavior analysis, risk monitoring and predictive analysis based on long-term data trends. By separating real-time transactional processing from large-scale analytical processing, the bank can ensure both operational stability for front-end business applications and efficient data analysis for management and regulatory purposes. Notwithstanding these differences, TDH and ArgoDB are built on our shared core technologies and underlying architectural foundation, including distributed computing, storage management and resource coordination capabilities, which allows us to reuse common technology components across products while delivering solutions optimized for distinct enterprise use cases within the data infrastructure stack.

Data Development and AI Analytics Tools

Data development and AI analytics tools refer to software platforms and tools that enable enterprises to develop, manage and analyze data assets, and to support data-driven and intelligent analytics applications built on underlying data infrastructure. Our products in this category include TDS, Sophon and TKH, which together provide capabilities for data development, data governance, intelligent analytics, model operations and knowledge-based applications. During the Track Record Period, the primary revenue contribution within this category was generated by TDS, which serves as the core data development and governance platform for enterprise customers. Accordingly, while the following discussion focuses primarily on TDS given its primary revenue contribution during the Track Record Period, we will also introduce Sophon and TKH, as we expect to continue expanding the customer base and application scenarios for these products going forward.

- TDS: TDS is our cloud-native data development and governance platform that provides enterprises with a unified set of tools to build, manage and govern data assets across distributed environments. Designed based on a distributed architecture, TDS enables users to build, manage, and operate data assets across complex environments. The platform integrates a suite of visual and low-code tools that support data integration, governance, quality management, lineage tracing, and asset cataloging. It allows high-frequency orchestration of data tasks and supports both real-time and batch workflows. TDS is compatible with a wide range of data systems, including our TDH, ArgoDB, KunDB, TDC, and Sophon, as well as external big data platforms. It also automatically identifies, classifies and grades data based on their sensitivity, helping enterprises manage data privacy and security in a consistent manner. TDS provides a unified working environment for data engineers and analysts to collaboratively develop and manage data assets at enterprise scale.

Application Scenario: A national energy company used TDS to bring together and manage the huge amount of data generated by its gas stations across the country, allowing it to build a clear and practical set of performance indicators for sales and operations. Previously, each station produced its own data, from fuel and convenience-store sales to membership activity and invoice records, and the energy company struggled to combine these scattered sources into information that managers could actually use. With TDS, all of this data was integrated, checked for accuracy, and standardized into a single, trusted source, which business teams in retail, wholesale, logistics and finance could access through a unified dashboard. TDS enabled the energy company to create more than 2,000 indicators used for budgeting, daily operations, risk monitoring and performance evaluation, supporting decisions in areas such as logistics planning and consumer voucher programs. TDS now handles hundreds of thousands of automated data-processing tasks every day and operates at a massive data scale, becoming a critical system that helps the energy company monitor and improve its nationwide operations.

- Sophon: Sophon is our enterprise-level AI development and operations platform that helps customers build, deploy and manage AI models, including large language models ("**LLMs**"), in a more efficient and standardized manner. It supports the full lifecycle of AI models, from data preparation and model training to deployment and ongoing monitoring, enabling enterprises to turn different types of data into practical AI applications. Sophon provides both visual tools and programming interfaces, allowing teams with varying technical capabilities to use the platform effectively. Integrated with our core infrastructure platforms, Sophon offers a unified environment for managing AI models and running AI applications at scale, helping enterprises reduce the complexity of AI development and improve operational efficiency.

  Application Scenario: A leading securities firm used Sophon to manage the growing use of AI models across its business. As more AI applications were introduced for research, customer service and investment support, the firm needed a single platform to manage different models in a consistent and secure way. With Sophon, the securities firm was able to centrally deploy, operate and monitor its AI models, ensuring they could run reliably on different types of computing hardware without operational disruption. The platform also helped simplify daily operations by providing standardized tools for model deployment, performance monitoring and resource management. As a result, the securities firm was able to reduce operational complexity and costs, while using AI more efficiently and securely in compliance with financial industry requirements.

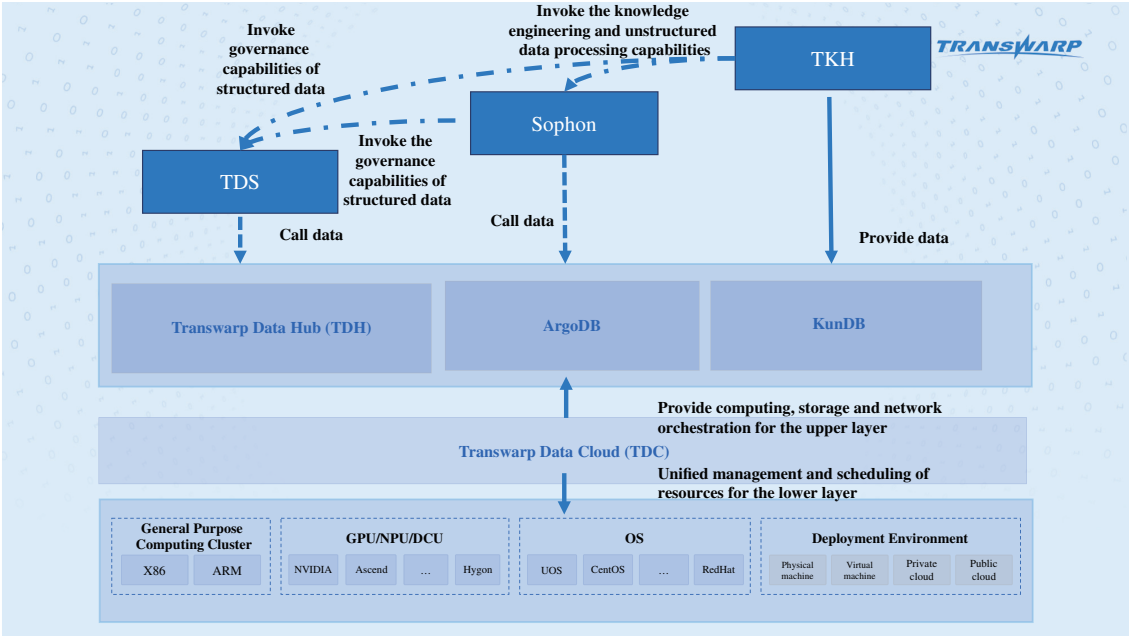
- TKH: TKH is our enterprise-level platform that helps organizations organize and use their data as structured knowledge. It brings together information from different sources and formats and turns it into knowledge that can be searched, queried and reused across business scenarios. TKH supports the creation of enterprise knowledge bases and enables applications such as intelligent search and question-and-answer systems tailored to specific industries or use cases. It also supports generative AI applications built on enterprise knowledge, including Wuya, through which we provide generative AI services to end users via the Wuya–Wenzhi website and mini-program. It can be deployed flexibly in enterprise IT environments and is designed to support stable and scalable use across different departments.

  Application Scenario: TKH is used by enterprises and public institutions to organize and make better use of large amounts of documents and professional knowledge. For example, a public health agency used TKH to bring together information that was previously spread across different formats, such as policy documents, clinical guidelines and disease-prevention materials, and organize it into a single knowledge base. This made it much easier for staff to find and reuse important information instead of searching through separate files. With support from LLMs, the system allows users to ask questions in plain language, quickly retrieve relevant information and generate summaries to support daily work, such as public health planning and disease prevention. As a result, the public health agency improved work efficiency and decision quality in its public health operations.

Relationships and Synergies Among Our Products

Our core products operate within an integrated architecture centered on TDC, our container-based data cloud platform. TDC provides unified resource scheduling and orchestration, serving as the deployment foundation for our major software products. Building on this layer, TDH, ArgoDB, and KunDB function as core data engines that manage and process structured and unstructured data. TDS supports data development and governance, while Sophon and TKH extend the framework to AI model management and intelligent application layers.

The following diagram illustrates the relationships and synergies among our products:



Notes:

1. A solid arrow indicates that it shall depend on all or part of the relevant functions and capabilities of the product indicated by the arrow

2. A dotted arrow indicates that it can invoke all or part of the capabilities of the relevant product

Technical Services

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

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

Solution Business

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

Our solution business also serves as an important channel for driving demand for our proprietary AI and big data infrastructure software, including TDH, TDC, ArgoDB, KunDB, TDS, Sophon and TKH. Through solution engagements, we work closely with customers to identify suitable application scenarios and infrastructure requirements, which often leads to subsequent

software adoption. During the Track Record Period, a significant portion of our solution business customers subsequently purchased our infrastructure software products and became customers under our AI and big data infrastructure software business, while a meaningful number of our infrastructure software customers were initially acquired through solution projects. As such, the solution business plays a complementary and strategic role in expanding our customer base and supporting long-term software commercialization.

Other Business

Our other business primarily comprises the sale of integrated appliances and certain third-party hardware and software products in support of customers' digital and data infrastructure needs. Integrated appliances combine hardware components, such as servers and storage devices, with software that may include our proprietary products or third-party software. For such appliances, we may also perform configuration and performance optimization services to help ensure stable and efficient operation in customers' production environments.

In addition, we may sell third-party hardware or software products on a standalone basis, including servers, storage devices and commercial business intelligence software, where such products are requested by customers or required as part of broader solution deployments. These activities are ancillary to our core AI and big data infrastructure software business and are intended to support the overall implementation and operation of customers' systems.

OUR CORE TECHNOLOGIES

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

These core technologies serve as the foundational capabilities that power our full product and service portfolio, with each technology layer supporting specific products while operating as part of a cohesive, interoperable architecture.

- At the IaaS layer, our container-based data cloud technology, used in TDC, enables flexible, efficient resource scheduling and orchestration across heterogeneous environments.

- At the PaaS layer, distributed computing technology, unified multi-model data processing technology, database technology, and AI and machine learning operation technology, used in TDH, ArgoDB, and KunDB, provide the scalable infrastructure for data integration, processing, and AI model lifecycle management. Our knowledge engineering and knowledge graph technology, together with our big data development technology, used in Sophon, TKH, and TDS, support semantic modeling, intelligent reasoning, and rapid development, deployment, and iteration of data-driven applications.

- Our Sophon and TKH leverage the full technology stack across both the IaaS and PaaS layers, integrating container-based deployment, distributed and multi-model data processing, and advanced algorithmic capabilities to enable model training, fine-tuning, deployment, and intelligent decision support. This unified architecture ensures architectural consistency, seamless interoperability, and high scalability across our products, allowing us to deliver modular yet integrated solutions that adapt to diverse customer needs in enterprise digital transformation and AI adoption.

The table below summarizes our core technologies, explaining in simple terms their main functions and how they address common customer pain points.

No.	Core Technology	Functions and Descriptions	Pain Points Solved
(i) . . .	**Container-based data cloud technology**	• Unified management of resources, such as CPUs, GPUs, memory, network and storage, across different vendors • Resource isolation to ensure stability across users and applications • Single environment that supports databases, big data platforms, machine learning and business applications	• Resource waste from over-provisioning • Traditional virtualization consumes more resources and takes longer to scale (container-based architecture enables faster and more efficient elasticity) • Difficulty managing heterogeneous hardware environments
(ii) . .	**Distributed computing technology**	• Enables fast processing and analysis of massive data volumes by connecting many servers • Supports batch jobs, real-time processing, transactions and analytics on one platform • Ensures accuracy and reliability across distributed environments	• Traditional systems can only scale up but not scale out, thus cannot handle explosive data growth • Slow and costly data processing and lack of reliable real-time insights for decision-making • Single points of failure in legacy systems can cause complete system outages and result in poor reliability
(iii) . .	**Unified multi-model data processing technology**	• Processes structured, semi-structured and unstructured data in one system • Provides a unified SQL interface and computing engine • Ensures consistency across different data models • Reduces need for multiple databases	• High costs and inefficiency of running multiple databases • Complex architecture and maintenance • Low productivity and high operational burden, especially for AI applications to recall data from multiple databases • Data inconsistency among multiple databases • Time wasted on data replication

No.	Core Technology	Functions and Descriptions	Pain Points Solved
(iv) . .	**Distributed database technology**	• Generate hundreds or thousands of parallel tasks for one single database query, and run these tasks across hundreds or thousands of servers • Stores and manages data across multiple servers • Supports both Online Transaction Processing (OLTP) and Online Analytical Processing (OLAP) within a single platform, allowing customers to handle day-to-day transactions and analytical queries efficiently without switching between different systems. • Scales easily as data volumes and workloads increase	• Limited scalability and performance of traditional centralized databases because they can only use all resources in one single server • Need to maintain separate systems for transactions and analytics • Inability to handle real-time, mixed workloads such as risk control or predictive maintenance
(v) . .	**Knowledge engineering and knowledge graph technology**	• Converts unstructured data (documents, reports, images, videos) into structured formats • Automatically extracts entities (such as people, places, objects, concepts), events and relationships • Builds a searchable and analyzable knowledge graph (a network of entities) • Learns patterns from small training samples	• Difficulty using unstructured data trapped in "data islands" • Lack of reliable data to support AI models • Hallucinations in large models without factual support
(vi) . .	**Big data development technology**	• Provides tools for full data lifecycle: integration, governance, asset management, labelling, sharing, scheduling • Built on distributed architecture • Features innovations such as real-time data synchronization and AI-driven management	• Incapable of handling large-scale parallel tasks and massive volumes of data • Fragmented traditional toolchains with poor integration, unable to synchronize data from source systems in real time • High maintenance and operating costs due to the lack of intelligent data governance methods • Reliance on ad-hoc scripts and lack of consistent standards
(vii). .	**AI and machine learning operation technology (MLOps/LLMOps)**	• Manages the full lifecycle of AI models (training, testing, deployment, monitoring) • Provides tools for large language model operations (prompt engineering, fine-tuning, data governance, version control, intelligent agent building)	• Inefficient use of fragmented computing resources • Difficulty in managing multiple models and versions • Complexity in building and operating intelligent applications end-to-end

(i) Container-based Data Cloud Technology

TDC is a container-based data cloud platform serves as the foundation for resource scheduling and orchestration across our entire software stack. It enables elastic, multi-tenant management in public, private, and hybrid cloud environments, supporting efficient allocation and dynamic scaling of computing resources. TDC is compatible with heterogeneous hardware architectures and mixed operating systems (e.g., x86 and ARM), which facilitates migration from foreign to domestic infrastructure and supports long-lived workloads. It also enables unified lifecycle management of databases, analytics engines, and AI services.

Compared with traditional resource managers such as Yarn, which lack features like resource isolation, stateful service management, and cross-environment portability, our container-based approach offers superior flexibility. It supports high-efficiency resource scheduling, secure multi-tenant deployment, and low-cost operations, laying a robust foundation for scalable and intelligent infrastructure.

(ii) Distributed Computing Technology

We have developed a distributed system architecture that integrates distributed computing, storage management, consistency protocols, and transaction processing. Its unified distributed platform supports massive scalability across thousands of servers and a wide range of data types, including but not limited to structured table, graph, time-series, document, and spatio temporal data. The architecture also includes a high-performance computing engine optimized for batch, stream, transactional, analytical, and mixed workloads, a distributed consistency system supporting cross-region deployments, and distributed transactions that guarantee strong consistency, which are widely adopted in mission-critical financial and energy systems.

Our distributed computing technology is technically advanced in several key respects. Our platform was the first in the world to pass official Transaction Processing Performance Council Decision Support ("**TPC-DS**") benchmark test conducted by the internationally renowned Transaction Processing Performance Council ("**TPC**"), which is an industry-standard benchmark used to evaluate the performance of decision support systems, underscoring industry-leading performance at petabyte scale. Unlike peers who only achieved strong consistency post-2018, our platform supported distributed transactions with strong consistency as early as 2015. Our computing engine supports federated computation and real-time failover, providing availability for critical production systems.

(iii) Unified Multi-model Data Processing Technology

To overcome the limitations of using separate engines for relational, graph, temporal, document, and other data types, we developed a fully unified platform architecture. Our TDH platform integrates a single SQL engine, compute engine, storage manager, and resource scheduler capable of managing both structured and unstructured data from gigabyte to petabyte scale. As of the Latest Practicable Date, we had developed ten self-owned storage engines supporting eleven distinct data models, enabling seamless processing across a wide range of business scenarios without the need for manual integration.

This unified architecture allows direct querying and analytics across multiple data models, such as relational, vector, graph, temporal, document, time-series, and semi-structured formats, within a single system. By eliminating the need for custom connectors and multiple tools, the platform significantly reduces data engineering complexity, lowers system overhead, and improves stability and performance for large-scale enterprise deployments.

(iv) Distributed Database Technology

Our distributed database technology integrates a self-developed, unified SQL compiler with a high-performance distributed engine to support both online transactional processing ("**OLTP**") and online analytical processing ("**OLAP**") workloads. The compiler translates standard and extended SQL languages, including ANSI 92/99/2003 and mainstream dialects such as Oracle PL/SQL and IBM Db2, into distributed execution plans, and supports multi-model querying across tables, graphs, and documents. It also enables advanced features such as stored procedures and open Cypher-based graph queries, facilitating seamless migration from legacy systems. Compared with peers that rely on fragmented or external SQL engines, our unified compiler lowers the learning curve for developers and significantly reduces migration and integration costs.

The underlying distributed engine is built on a unified architecture capable of handling hybrid transactional and analytical workloads with high concurrency, low latency, and real-time responsiveness. It incorporates directed acyclic graph ("**DAG**")-based scheduling for efficient and fault-tolerant execution, hybrid row-column storage for performance optimization, and multi-version concurrency control ("**MVCC**") to ensure snapshot isolation. Its decoupled compute-storage design allows for elastic scaling, while containerized resource isolation and cross-data center deployment support secure, scalable, and geographically distributed operations. Our technology has passed industry-standard benchmarks such as TPC-DS, validating its suitability for mission-critical enterprise environments.

(v) AI and Machine Learning Operation Technology

We have developed full-lifecycle operations and management tools for artificial intelligence models, including Sophon MLOps for traditional machine learning and deep learning, and Sophon LLMOps for LLMs. These platforms support unified management of model development, evolution, deployment, monitoring, and application across diverse environments. Sophon LLMOps provides key capabilities such as prompt engineering, data governance, pre-training, fine-tuning, model version control, intelligent agent construction, and inference optimization. The platform also incorporates inference acceleration, heterogeneous computing resource management, and compute pooling, along with end-to-end security and access control for the entire corpus-knowledge-model-application pipeline.

In particular, our knowledge platform, Infinity Intelligence, built for private server-side deployment, has been deeply optimized for compatibility with mainstream domestic GPUs, significantly improving inference efficiency and deployment speed. The platform supports lightweight private deployment of LLMs on AIPCs using as little as 8GB of video memory or 32GB of shared memory, enabling smooth local operation of LLMs. This significantly lowers the technical barrier and total cost of adoption, promoting broader accessibility and mass deployment of LLMs. Combined with resource virtualization and model adaptability, Sophon LLMOps empowers organizations to flexibly scale and customize LLM-driven applications while maintaining fine-grained control over performance, cost, and security.

(vi) Knowledge Engineering and Knowledge Graph Technology

We have developed an integrated technology framework that combines knowledge engineering and knowledge graph capabilities to help organizations transform fragmented, unstructured data into structured, actionable knowledge. Our platform supports the full lifecycle, from data cleaning and synthesis to indexing, tagging, and retrieval, and includes enterprise-grade tools for corpus management, access control, and quality evaluation. It enables multimodal knowledge representation and search, enhanced by embedded RAG techniques, helping users efficiently locate relevant information and make informed decisions.

Built on this foundation, our knowledge graph engine supports the automated extraction and structuring of entities, relationships, and events from diverse data sources using advanced techniques such as LLMs, few-shot learning, and zero-shot learning. The resulting knowledge graphs power real-time semantic understanding and intelligent reasoning in practical applications. For example, documents can be automatically converted into knowledge graphs to support tasks such as question-answering, fault diagnosis in complex systems, maintenance and operations manuals, or design guideline extraction. By integrating natural language, visual, and graph-structured data, our system enhances the precision, flexibility, and scalability of knowledge-based AI across a wide range of industrial and enterprise scenarios.

(vii) Big Data Development Technology

Our big data development technology is embodied in our self-developed TDS platform, which offers an end-to-end suite of data management tools that span the entire lifecycle of enterprise data assets. TDS is built on a distributed architecture and includes modules for data integration, governance, asset management, labeling, and data exchange. It supports integration with heterogeneous data sources and databases, as well as intelligent rule design and metadata management. Core innovations include real-time data synchronization, AI-driven data asset governance, and distributed workflow orchestration. These capabilities collectively enable enterprise users to transform raw data into structured, secure, and service-ready assets across data warehouses, data lakes, and mid-platforms.

This technology incorporates several advanced capabilities that improve efficiency and scalability in enterprise data environments. The real-time synchronization engine enables incremental data capture from mainstream databases such as Oracle, IBM DB2, and SQL Server, allowing enterprises to move from traditional batch processing to real-time analytics. TDS's data asset governance tools, such as Governor and Catalog, leverage machine learning to automatically match datasets with quality rules and provide cell-level lineage tracking, minimizing manual intervention in data quality management. In parallel, the Workflow engine supports the orchestration of 0.7 million data development tasks per day, with features such as dynamic scaling, priority scheduling, and task health monitoring, ensuring high reliability and performance under complex workloads. These capabilities collectively enhance data productivity, reduce operational latency, and lay the foundation for scalable AI applications.

The table below summarizes the main technologies underpinning each product and illustrates how they form part of a unified and interoperable product ecosystem.

No.	Underlying Technologies	TDH	TDC	Argo DB	KunDB	TDS	Sophon	TKH
(i)	Container-based data cloud technology	√	√	√	√	√	√	√
(ii)	Distributed computing technology	√	√	√	√	√	√	√
(iii)	Unified multi-model data processing technology	√		√				
(iv)	Distributed database technology	√		√	√			
(v)	AI and machine learning operation technology						√	√
(vi)	Knowledge engineering and knowledge graph technology						√	√
(vii)	Big data development technology					√		

RESEARCH AND DEVELOPMENT

We place innovation and independent research and development ("**R&D**") at the core of our long-term strategy and technological competitiveness. As of December 31, 2025, we had over 890 employees, of whom over one third were engaged in R&D roles. Among our R&D personnel, near 60% held doctoral or master's degrees, reflecting our deep and multidisciplinary talent pool spanning fields such as distributed computing, database engineering, AI infrastructure, and algorithm programming.

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

We primarily develop our software products in-house to ensure full control over product quality and technological advancement. Guided by mainstream domestic and international project management standards such as the Capability Maturity Model Integration (CMMI), and drawing on years of practical experience, we have established a comprehensive set of quality manuals, procedural guidelines, and management documents to govern our R&D process. Our product development process is structured into four main stages:

- *Planning stage*: We conduct demand research, market capacity assessment, and technical feasibility analysis to identify projects with promising commercial potential or strategic importance.

- *Design stage*: Following project approval, our product management team defines core product functions, delivery formats, and user experience, while our R&D team carries out technical architecture design and prototype development to validate technical feasibility.

- *Development stage*: We decompose the product into modules or components and assign them to sub-teams for detailed development and component-level testing. Upon completion, we integrate and optimize all components and conduct comprehensive integration testing.

- *Release stage*: After integration testing, we release a preview version internally for product validation testing to ensure that new products meet design specifications, quality standards, and compatibility requirements before official launch.

Our product planning strategy targets one major version release per year. At the beginning of each year, we finalize our annual R&D plan, including project scope, objectives, and budget, and submit formal project proposals. At year-end, completed projects undergo acceptance and closing procedures, with most R&D cycles lasting approximately one year.

Core R&D Members

Our research and development team is led by four core members. Each of our core R&D team members has extensive working experience in software engineering in reputable technology companies. The following table sets forth the details of our core research and development members.

Mr. SUN Yuanhao (孫元浩)

Mr. SUN Yuanhao is our executive Director, chairman of the Board and general manager. With over a decade of R&D and technical management experience in core system technologies including distributed computing, operating systems, computer language compilation, and databases, Mr. SUN is primarily responsible for overall strategic planning, R&D, business direction and management of our Group. Mr. SUN Yuanhao founded our Group in June 2013 and has served as a Director and chairman of the Board since April 2014. He also currently holds directorships and managerial positions in certain subsidiaries of our Group. Prior to founding our Group, Mr. SUN Yuanhao held a technical management position at Intel Asia Pacific Research and Development Co., Ltd. from July 2003 to May 2013. Since May 2014, he has served as the executive director and general manager of Shanghai Zanxing Investment Management Co., Ltd. Mr. SUN Yuanhao obtained a bachelor's degree and a master's degree in computer science from Nanjing University in June 2000 and June 2003, respectively.

Mr. LV Cheng (吕程)

Mr. LV Cheng is our executive Director and vice president. He is primarily responsible for overall management of R&D and technology of our Group. Mr. Lv joined our Group in July 2013 and has held various positions, including senior software engineer (July 2013 to December 2014), technical director of the infrastructure department (December 2014 to July 2021), and vice president since August 2021. He has served as a Director of our Company since December 2020. Prior to joining our Group, Mr. Lv served as a software engineer at Intel Asia Pacific Research and Development Co., Ltd. from July 2008 to May 2013, where he was involved in the product development and platform-level innovations from Intel product and technology groups. Mr. Lv obtained a bachelor's degree in software engineering from Nanjing University in June 2008. During his study in Nanjing University, he achieved seventh place in the ACM/ICPC competition, demonstrating a solid technical foundation. His years of experience in coding and working with new technologies not only provide strong support for or Group's product development process but also play a crucial role in the selection and cultivation of technical talent.

Mr. LIU Wanggen (劉汪根)

Mr. LIU Wanggen is a vice president of our Group, responsible for the R&D management and product planning of our big data development technology. Prior to joining our Group, he worked as software engineer at Intel Asia Pacific Research and Development Co., Ltd. where he was involved in the product development and platform level innovations from Intel product and technology groups, from January 2008 to January 2010. From January 2010 to December 2013, he served as a GPU Architect at NVIDIA, where he was responsible for the architecture design and performance optimization of the GPU infrastructure. As a primary inventor, he has participated in the development of multiple domestic and international patents for our Group and has published numerous papers in the field of big data. In 2019, he was awarded the Shanghai High-Tech Achievement Transformation Pioneer Award (上海市高新技術成果轉化先鋒人物). In 2020, he won the Second Prize of the China Energy Research Society Energy Innovation Award (中國能源研究會能源創新獎二等獎). Mr. Liu received a degree of bachelor in electronic information engineering from University of Science and Technology of China in 2006.

Mr. ZHU Junchen (朱珺辰)

Mr. ZHU Junchen is an executive Director and vice president of the R&D department of our Group. Mr. Zhu joined our Group in December 2013. He successively held several positions in our Group since then, including software engineer from December 2013 to November 2015, director of the data engineering department from December 2015 to July 2021, and a vice president of our Company since August 2021. He has been appointed as a Director of our Company since April 2017. Prior to joining our Group, Mr. Zhu was a software engineer at Intel Asia Pacific Research and Development Co., Ltd. from April 2011 to December 2013. Mr. Zhu obtained a bachelor's degree in computer science and technology from South China University of Technology (華南理工大學) in July 2010 and a master's degree in software engineering from Nanjing University in June 2012. In his current position, Mr. ZHU primarily oversees the technical innovation implementation and validation for our Group's Data Infrastructure and AI Infrastructure product lines. He drives the refinement, validation, and maturation of new technology solutions in the market to ensure the feasibility and market value of technological innovations. Simultaneously, leveraging practical experience in deploying new technologies, he conducts in-depth analyses of the unique advantages and differentiators of products to formulate competitive product solutions. He then promotes large-scale market rollouts to efficiently translate technological innovations into market competitiveness. Additionally, he oversees the standardization of quality benchmarks and scenario-based technical solutions for relevant products. By synthesizing and abstracting customer usage scenarios, he refines standardized technical solutions for product scenarios. Collaborating with product quality and security teams, he enhances scenario-based quality standards for R&D products. This approach elevates product release quality, enriches the product standards knowledge base, ultimately improving product usability and stability while reducing operational maintenance costs.

We have established a fair and incentive-driven remuneration and performance management system to attract and retain our core R&D members. In addition to competitive compensation, we have implemented equity incentive plans to align the long-term interests of key R&D personnel with those of the Company, enabling them to share in our growth and development. We also provide clear career development paths and continuous learning and skill enhancement opportunities, which strengthen the stability and cohesion of our core technical team.

When a core R&D member indicates an intention to leave, we conduct exit interviews jointly through the employee's direct supervisor, next-level supervisor, and the human resources department to understand the reasons for departure. Where appropriate, we seek to address relevant concerns such as workload, job responsibilities, or compensation through reasonable adjustments to encourage continued employment. If the employee nevertheless decides to depart, we have established a series of measures to minimize potential impact, including ensuring business continuity through successor arrangements, enforcing standardized handover procedures, and implementing confidentiality, non-solicitation, and, where applicable, non-compete agreements to safeguard our intellectual property and proprietary information.

SPECIALIST TECHNOLOGY INDUSTRIES AND ACCEPTABLE SECTORS

We believe that our core businesses and major products fall within the Specialist Technology Industry of Next-generation Information Technology under the acceptable sectors as set forth in the table below.

Business Lines			Products	Acceptable Sectors
AI and Big Data Infrastructure Software Business . . .	Infrastructure Software	Big Data and Cloud Infrastructure Platform Software	TDH	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
			TDC	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (c) IaaS
		Distributed Database Software	ArgoDB	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
			KunDB	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
		Data Development and AI Analytics Tools Software	TDS	AI — (a) Technology and infrastructure enabling AI; Cloud-based services — (b) PaaS
			Sophon	AI — (b) AI-empowered algorithm programming; Cloud-based services — (b) PaaS
			TKH	AI — (b) AI-empowered algorithm programming; Cloud-based services — (b) PaaS
	Technical Services		N/A	AI — (a) Technology and infrastructure enabling AI; AI — (b) AI-empowered algorithm programming; AI — (c) AI solutions; Cloud-based services — (b) PaaS; Cloud-based services — (c) IaaS
Solution Business			Various Solutions	AI — (c) AI solutions
Other Business			N/A	N/A

AI and Big Data Infrastructure Software Business

Infrastructure Software

Big Data and Cloud Infrastructure Platform Software

- TDH: We believe that TDH falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide for New Listing Applicants (the "**Guide**"). TDH supports the full lifecycle of AI model development, including data preparation, training, and inference. It enables efficient processing of diverse data types and provides semantic search, knowledge retrieval, and data indexing capabilities critical for RAG scenarios. By facilitating the construction and integration of enterprise knowledge bases with LLMs, TDH serves as a core infrastructure platform enabling differentiated, real-time AI applications.

  In addition, TDH also falls within the sub-sector of "Cloud-based services — (b) PaaS." TDH offers a cloud-native, modular environment through which enterprises can develop and deploy AI and data applications without managing underlying infrastructure. It supports elastic scaling, resource orchestration, and multi-tenant management, while exposing its analytics and database engines through integrated API. These capabilities align with the definition of PaaS under the Guide, enabling customers to build scalable, data-intensive applications atop a unified platform.

- TDC: We believe that TDC falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. TDC provides the core computing and resource orchestration infrastructure required for large-scale AI workloads, including training, inference, and data processing. It supports GPU virtualization and fine-grained scheduling for high-efficiency use of acceleration resources, and allows multiple departments or organizations to operate within isolated environments under a unified infrastructure. By integrating with our upstream data platforms and downstream AI tools, TDC enables full-stack lifecycle support for enterprise AI applications, making it a foundational layer of AI infrastructure.

  In addition, TDC falls within the acceptable sector of "Cloud-based services — (c) IaaS." TDC offers elastic, on-demand provisioning of computing, storage, and network resources through a cloud-native platform, abstracting hardware heterogeneity and allowing users to flexibly scale resources based on workload demands. It enables enterprises to pool infrastructure, decouple applications from physical systems, and operate large-scale distributed environments. TDC also supports upper-layer PaaS functionalities by hosting our full software stack as modular cloud services. These capabilities are consistent with IaaS criteria under the Guide, and reflect TDC's role as an enabling infrastructure for AI and big data applications.

Distributed Database Software

- ArgoDB: We believe that ArgoDB falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. ArgoDB supports enterprise AI workloads by providing real-time access to structured and multi-model data, enabling efficient training, inference, and analytics. Its distributed architecture, strong scalability, and hybrid transactional and analytical processing allow high-performance integration with machine learning pipelines and decision-making systems. These features make ArgoDB a foundational data infrastructure layer for deploying reliable and responsive AI applications.

  In addition, we believe that ArgoDB falls within the acceptable sector of "Cloud-based services — (b) PaaS." ArgoDB is deployed as a cloud-native, service-oriented platform that enables customers to develop and run data-intensive applications without managing underlying infrastructure. Through features such as elastic scaling, containerized orchestration, and multi-tenant isolation, ArgoDB delivers database services as configurable modules within enterprise cloud environments. These capabilities align with the definition of PaaS under the Guide, allowing users to build, operate, and scale AI and data applications efficiently in a cloud setting.

- KunDB: We believe that KunDB falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. As a distributed database designed for high-concurrency, mission-critical transactional workloads, KunDB provides the foundational infrastructure for AI applications that require accurate, real-time access to enterprise operational data. Its ability to process large volumes of transactions with strong consistency and low latency ensures that downstream AI models receive reliable data inputs for real-time inference, monitoring, and decision support especially in risk management and anti-fraud scenarios. KunDB's support for SQL standards and compatibility with Oracle and MySQL ecosystems, position it as a core data infrastructure layer that enables the secure, efficient operation of enterprise-level AI deployments.

  In addition, we believe that KunDB also falls within the acceptable sector of "Cloud-based services — (b) PaaS." KunDB is designed to operate as a cloud-native, service-oriented database platform, supporting containerized deployment, elastic scaling, and automated lifecycle management. When deployed via our TDC platform, KunDB allows customers to provision database clusters, manage upgrades and backups, and deliver high-performance transactional services without managing the underlying infrastructure. These capabilities align with the definition of PaaS under the Guide, where enterprise users can flexibly develop and operate data-driven applications on top of managed infrastructure services.

Data Development and AI Analytics Tools

- TDS: We believe that TDS falls within the acceptable sector of "AI — (a) Technology and infrastructure enabling AI" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. TDS plays a foundational role in supporting enterprise AI readiness by enabling the large-scale orchestration, integration, and governance of data pipelines used for AI model development, training, and deployment. It allows enterprises to efficiently process structured and unstructured data, trace metadata lineage, and ensure data quality across environments. These capabilities form the basis for trustworthy and high-quality data inputs required by downstream AI workloads, including model training and inference.

  In addition, we believe that TDS also falls within the acceptable sector of "Cloud-based services — (b) PaaS." TDS is delivered via cloud infrastructure and abstracts the complexity of underlying distributed computing and storage environments, enabling data engineers and analysts to carry out sophisticated development tasks through a low-code, browser-accessible interface or API. The platform supports elastic scheduling, multi-tenant isolation, and lifecycle management of data services, which are features aligned with core PaaS characteristics. TDS enables customers to develop and operate full-fledged data workflows and analytics services in containerized or hybrid cloud environments, without needing to manage infrastructure-level components directly.

- Sophon: We believe that Sophon falls within the acceptable sub-sector of "AI — (b) AI-empowered algorithm programming" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. Sophon provides the foundational infrastructure for enterprise AI development, including a full set of AI-empowered tools to create and deploy algorithms and models of image recognition, NLP, statistical machine learning, deep learning, generative AI and LLMs. The model training module supports pre-training and post-training of generative AI models, as well as deep learning algorithms. The corpus module supports a set of NLP algorithms to pre-process the documents and generate the training dataset to pre-train or fine-tune language models. The agent development module supports creation, deployment and evaluation of AI applications with a set of AI models. These capabilities directly falls into the AI-empowered algorithms under this sub-sector.

  In addition, we believe that Sophon falls within the acceptable sub-sector of "Cloud-based services — (b) PaaS." Sophon is delivered via a modular, microservices-based architecture and provides users with a cloud-native environment to build, train, and deploy AI models without managing underlying infrastructure. It supports resource scheduling, version control, model publishing, and service invocation, allowing users to conduct AI-related development and operations through configurable interfaces and APIs. These characteristics — a hosted platform for application development and deployment — align with the definition of a PaaS under the Guide.

- TKH: We believe that TKH falls within the acceptable sub-sector of "AI — (b) AI-empowered algorithm programming" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. TKH enables enterprise deployment of AI by providing NLP algorithms, knowledge graph algorithms, image recognition (including OCR), audio recognition, LLMs as well as multi-modal visual language models to organize and retrieve knowledge across structured and unstructured data sources (including tables, text documents, images, audios, videos, etc.). These functions are essential for grounding LLMs with enterprise-specific knowledge and enabling domain-adapted AI applications.

  We also believe that TKH falls within the sub-sector of "Cloud-based services — (b) PaaS." TKH is delivered as a service-oriented, modular platform that allows enterprise users to build and operate semantic intelligence applications in a cloud-native environment. It abstracts infrastructure complexity and provides APIs, orchestration tools, and runtime environments to support development and management of AI-enabled services. These features are consistent with the PaaS definition under the Guide.

Technical Services

We believe that our technical services fall within five subcategories under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. These include: (i) AI — (a) Technology and infrastructure enabling AI, (ii) AI — (b) AI-empowered algorithm programming, (iii) AI — (c) AI solutions, (iv) Cloud-based services — (b) PaaS, and (v) Cloud-based services — (c) IaaS. Technical services are delivered in connection with all three core product categories within our infrastructure software business, namely, big data and cloud infrastructure platform software (e.g., TDH, TDC), distributed database software (e.g., ArgoDB, KunDB), and data development and AI analytics tools software (e.g., TDS, Sophon, TKH). These services support the full lifecycle of customer adoption, including cloud deployment, system orchestration, algorithm pipeline integration, and AI application delivery. By enabling enterprise and government clients to operationalize our software platforms in cloud-native environments, configure MLOps/LLMOps toolchains, and achieve high-performance, scalable AI solutions, our technical services constitute a functional extension of our Specialist Technology Products and satisfy the sector definitions under the Guide.

Solution Business

We believe that its Data Application Solutions fall within the acceptable subcategory of "AI — (c) AI solutions" under the Specialist Technology Industry of Next-generation Information Technology, as set out in the Guide. These solutions are designed to deliver intelligent, domain-specific applications that embed AI capabilities into enterprise workflows across industries such as finance, transportation, and energy. Built on our proprietary platforms, they provide pre-configured modules for intelligent analytics, real-time decision-making, risk monitoring, and operational automation. Each solution is tailored to solve specific business problems by integrating structured data, algorithmic logic, and contextual insights, often leveraging embedded AI models and decision engines. As such, these solutions represent end-user-facing AI applications that drive measurable improvements in business efficiency and accuracy, which are in line with the definition of AI solutions under the Guide.

Based on the aforesaid, we believe that our core businesses and major products fall within the Specialist Technology Industry of Next-generation Information Technology under the relevant acceptable sectors as set forth in the table above. Our industry consultant Frost & Sullivan confirms, and our Directors are of the view, that based on the above, our Company meets the definition of a Specialist Technology Company under Chapter 18C of the Listing Rules.

Alignment with the Definitions of PaaS and IaaS

Our customers in finance, government, energy, transportation, telecommunications and manufacturing rely on cloud computing as the prevailing model for deploying and managing IT resources. In China, these customers generally prefer private cloud deployment, either on-premise in their own data centers or externally hosted by third-party providers but dedicated to their use. In such models, customers provide infrastructure-related assets including physical servers, networks and storage, while we deliver AI infrastructure software, deployment and technical services that enable them to operate cloud-native environments. Although we do not own physical servers or related hardware infrastructure, our products and services enable customers to access and use computing power, storage, networking resources, and development tools through private-cloud environments in an as-a-service model. Customers supply the underlying hardware, while our software virtualizes, orchestrates and manages such resources, thereby allowing them to operate AI and data workloads in a cloud-native manner.

Cloud computing is widely recognized, including in the PRC Ministry of Industry and Information Technology's *Cloud Computing White Paper* and the U.S. National Institute of Standards and Technology ("NIST") definition of cloud computing, as having five essential features: resource pooling, rapid elasticity, measured service, on-demand self-service and broad network access. Our products and services collectively deliver the key characteristics of cloud computing through an integrated technology framework centered on TDC. TDC serves as the unified platform for deploying, managing, and orchestrating our software portfolio, virtualizing and managing customers' CPUs, GPUs, memory, networks, and storage resources within their private cloud environments (IaaS-level capability). On this foundation, TDC provisions and manages our core software products, including TDH, ArgoDB, KunDB, TDS, Sophon, and TKH, as platforms that provide distributed databases, data development tools, and AI model management frameworks to support data analytics and AI application development (PaaS-level functionality). Through this layered structure, our technology enables customers to efficiently utilize computing and storage resources while developing, deploying, and scaling data and AI applications in a cloud-native manner.

Certain customers also purchase TDC on a standalone basis to centrally manage the hardware resources used by their own third-party databases, AI tools or application systems. In these situations, TDC operates purely as an infrastructure management layer that optimizes resource utilization, improves workload scheduling and provides operational isolation, without requiring customers to acquire our other software products. Taken together, TDC corresponds to the IaaS category, while our TDH, ArgoDB, KunDB, TDS, Sophon and TKH products correspond to PaaS. Please refer to the diagram in "Business — Our Core Technologies." Collectively, these products enable customers to access and use computing, storage, network resources, development tools and application environments within private cloud settings in an as-a-service model, which is consistent with the definition of a cloud computing company under the Guide.

PATH TO PROFITABILITY

We have formulated a clear and actionable strategy to achieve sustainable profitability by capitalizing on favorable market trends, driving revenue growth through targeted customer and market expansion, exercising disciplined cost management, and progressively narrowing our net loss.

Favorable Industry Outlook

We operate in China's rapidly expanding AI infrastructure software market, which is expected to experience robust growth in the coming years, driven by accelerated enterprise adoption of AI technologies, digital transformation, and the rollout of large language models, cloud-native platforms, and industry-specific AI solutions. Against this backdrop, we believe that increasing demand for high-performance, scalable, and secure AI infrastructure software will provide significant opportunities to expand our customer base, increase product adoption, and enhance monetization.

Our revenue growth is supported by the strong expansion of the AI infrastructure software market in China. According to Frost & Sullivan, the market size of AI infrastructure software market, in terms of revenue, has grown from RMB5.7 billion in 2020 to RMB13.5 billion in 2024, representing a CAGR of 24.1% from 2020 to 2024. Looking forward, the market size of AI infrastructure software market in China, in terms of revenue, is expected to reach RMB46.4 billion in 2029 with a CAGR of 28.0% from 2024 to 2029, providing a solid tailwind for our business.

Driving Revenue Growth

We have experienced net losses and net operating cash outflows during the Track Record Period primarily due to our continued investment in research and development, talent recruitment and market expansion. These investments were necessary to build our core technological capabilities, enrich our product portfolio, and establish long-term customer relationships, laying the foundation for sustainable growth.

We have demonstrated a recovery in revenue momentum since the second half of 2024, supported by our diversification into new industry verticals such as finance, energy, transportation, telecommunications, and manufacturing, which mitigated the temporary slowdown in government-related projects. Our revenue increased by 20.6% from RMB370.8 million in 2024 to RMB447.1 million in 2025.

Growing Customer Base

We have built a large, diversified, and rapidly expanding customer base spanning a wide range of verticals. As of December 31, 2025, we had served over 1,800 customers across more than ten core sectors of the national economy, including finance, government, energy, healthcare, transportation, and manufacturing etc. Our customer base continued to expand. In particular, the number of customers increased from 521 in 2024 to 558 in 2025. We have developed the specialized management approach to enhance our relationship with our existing high-value customers, who significantly contribute to our sustained revenue and profit. The dedicated management team for key clients shall conduct mandatory monthly reviews and submit business reports to monitor performance and risks, while also being responsible for ensuring the quality of project delivery. In addition to strengthening long-term relationships with existing customers, we are also consistently expanding our client portfolio. We employ various methods to acquire customers, such as organizing industry exchange meetings and conducting regular client visits. We will also invite customers to technical seminars hosted by us and promptly share the latest product and training updates with them. Initiatives such as dedicated account management, customized solution development, and proactive after-sales support have enhanced customer retention and recurring engagements. See "Business — Development Strategies — Expand Customer Base, Deepen Strategic Partnerships, and Strengthen Market Presence."

Strategic Technology Partnerships

We are strengthening our long-term competitiveness through deeper strategic technology partnerships that enhance both our product capabilities and our market reach. In particular, we have recently entered into a three-year strategic cooperation framework with a leading domestic high-end processor designer with both central processing unit (CPU) and data computing unit (DCU) research and development capabilities. This partnership enables the joint development of optimized big data and AI infrastructure solutions that integrate our software with the processor designer's high-performance processors. Although the quantitative impact of this collaboration has yet to be reflected in our financial results, it is expected to support long-term business expansion by improving the performance and cost-efficiency of our products, enhancing customer adoption across sectors such as finance, transportation and government, and enabling us to offer integrated hardware-and-software solutions that strengthen our competitiveness against major industry peers. In addition, the partnership creates an additional sales channel through joint market engagement, which may improve our project win rate and deepen customer penetration over time.

These initiatives, together with the natural concentration of revenue recognition in the fourth quarter each year, are expected to support steady revenue growth, broader market coverage and greater operating scale over the forecast period. Our business follows a seasonality pattern commonly seen in the enterprise software and digital infrastructure industry in China, where government and large-enterprise customers typically complete project acceptance and payment procedures toward the end of the fiscal year following their annual budget and procurement cycles. According to Frost & Sullivan, this pattern is consistent across the market, and our historical results likewise reflect a higher proportion of revenue being recognized in the fourth quarter. With improved execution, an expanding customer base and a healthy pipeline of contracted projects scheduled for delivery, we expect project implementation and acceptance to accelerate in the fourth quarter, contributing to stronger full-year revenue momentum. See "Business — Development Strategies — Expand and Enrich Product and Solution Offerings to Drive Market Share Growth."

Expanding Overseas Market

In addition, expanding into the Middle East and Southeast Asia offers us a pathway to break through the domestic market's growth constraints while capturing multidimensional opportunities in policy support, market potential, and capital investment across these regions. From an industry perspective, governments worldwide have introduced favorable policies to promote the development of AI infrastructure software. In Southeast Asia, Malaysia has launched the "National AI Roadmap," and Thailand has rolled out the "National AI Strategy and Ethics Guidelines," both positioning AI as a core driver of economic growth. In the Middle East, Saudi Arabia has initiated the "Beyond Plan," with plans to invest up to USD100 billion in AI projects. These policy-driven opportunities not only create natural application scenarios for AI infrastructure software but also directly stimulate growing demand for related products in overseas markets.

Leveraging the growth potential of the global AI infrastructure software market, we intend to progressively expand our presence in overseas markets. Our infrastructure software products are largely standardized in design and can be adapted, with appropriate localization and configuration, for use across different industries and jurisdictions. To support our international expansion, we have established subsidiaries in Hong Kong, Singapore and Canada as regional operational hubs. We

have commenced commercial deployment of selected products, including TDH, TKH and Sophon, in markets such as Singapore and the Middle East, and are testing additional products for potential rollout in other jurisdictions. We expect these initiatives to gradually broaden our overseas customer base, diversify our revenue sources and support long-term business growth. See "Business — Development Strategies — Expand Global Footprint and Increase International Market Penetration."

Economies of Scale

Our gross profit increased from RMB178.7 million in 2024 to RMB236.0 million in 2025, and our gross profit margin increased from 48.2% to 52.8% over the same year. Our gross profit and gross profit margin have shown steady quarter-on-quarter improvement in 2025, reflecting both enhanced project execution and a healthier business mix. In recent periods, a larger share of our revenue has been derived from higher-margin software products and maintenance services within our technical services segment, which has contributed meaningfully to margin expansion. We expect this positive trend to continue as we further increase the contribution of our core AI and big data infrastructure software, deepen customer adoption of our maintenance and recurring service offerings, and pursue more standardized and scalable solution delivery.

At the same time, we have maintained disciplined cost management. Our administrative, selling and research and development expenses, over 50% of which relating to personnel costs, remained broadly stable in absolute terms during the Track Record Period. As revenue grows and operating efficiency improves, these expenses are expected to decline as a percentage of revenue, allowing us to capture greater operating leverage. In 2025, our administrative expenses decreased as a percentage of revenue from 32.0% in 2024 to 25.5%, selling expenses decreased from 55.0% to 35.7%, and research and development expenses decreased from 61.3% to 45.6% in the same periods. The combination of margin uplift from an optimized revenue mix and a more efficient cost structure provides a clear pathway for sustained improvement in profitability.

Optimization of Working Capital

We have strengthened our receivables collection and liquidity management through more coordinated efforts across our sales, delivery, business operation, finance and legal teams. Since 2025, cash-collection performance has been incorporated into the key performance indicators of the sales, delivery and business operation teams, and we now track payment progress on a weekly basis. Invoices are issued promptly upon delivery to reduce billing delays, and overdue receivables are followed up through structured reminders and, where necessary, legal action. These measures, together with our ongoing customer-engagement efforts, have contributed to a gradual improvement in our cash-collection efficiency and are expected to further enhance receivable turnover going forward.

At the same time, we have aligned supplier payment arrangements with customer collection schedules, typically allowing for an additional buffer period to ensure inflows precede outflows, thereby improving our working capital cycle without affecting supplier relationships. We have also maintained stable banking relationships and access to credit facilities to support seasonal working capital needs and provide financial flexibility. With strengthened cash-collection discipline and a more predictable cash-flow profile, our overall liquidity position has improved, supporting our pathway toward achieving sustained net operating cash inflows. As of December 31, 2025, we had cash and cash equivalents of RMB354.0 million and financial assets at FVTPL of RMB93.9 million, and as of January 31, 2026 we had unutilized banking facilities of RMB113.1 million.

Narrowing Losses and Achieving Profitability

We expect to narrow our net losses and transition toward profitability through sustained revenue growth, continued gross margin improvement and increasing operating leverage. Our commercialization strategy will focus on deepening the adoption of our core AI and big data infrastructure products across a broader set of industry verticals, expanding higher-margin software and maintenance service revenues, and strengthening distribution through strategic technology partnerships and ecosystem collaborations. At the same time, we are maintaining rigorous cost discipline across administrative, selling and research and development functions, and implementing coordinated working capital measures that enhance cash collection efficiency and liquidity management. These initiatives collectively support a more scalable operating model and provide clearer visibility over our path to achieving net operating cash inflows.

PRICING

We establish and update our product and service pricing structure annually based on our product launches and market analysis. For software products, our pricing system takes into account various factors such as purchase volume, industry sector, customer strategic status, customer budget, sales channel, bidding (if applicable), and market competition. For software product related services, we consider a range of factors such as software purchase volume, service implementation costs, customer budget, and market competition. For standalone technical services and application solutions, our pricing varies depending on the specific type of service: (i) for paid maintenance services, our pricing is based on a certain percentage of the software price, and (ii) for non-maintenance technical services and application solutions, our pricing is typically determined by considering factors such as project implementation difficulty, overall investment, customer budget and importance, market competition, and the impact on software product sales, combined with the principle of cost-plus pricing. Currently, we sell software products to customers under a perpetual licensing model, charging customers based on the number of software products licenses according to customer and project requirements. As we expand into overseas markets, we may explore subscription-based pricing models.

SALES AND MARKETING

Sales

We employ two distinct sales models tailored to different customer types as follows:

- *Direct sales model*. We generally enter into contracts directly with end-users and delivers our products, services and solutions without third party intermediaries. Our sales team focuses on acquiring new customers and addressing the evolving needs of existing clients and both our headquarter and local subsidiaries possess robust sales capabilities and comprehensive service support. Moreover, we may partner with SIs and ISVs, who mainly serve medium-to-large end-users, to sell our products, services and solutions. These business partners have deep industry expertise, often offer their own IT products, and collaborate with us to develop tailored solutions. They procure our products based on end-user demand, integrating them with their own offerings or third-party solutions (where applicable) for deployment.

- *Distributorship model*. We enter into distribution agreements that outline performance targets (e.g., sales quotas, market share, or product volume) with distributors, typically experienced software promotion partners. Distributors generally resell our products to end-users, SIs and ISVs.

Our Direct Sales Model

Our sales cycle primarily consists of initial communications with users, project evaluation, bidding (if applicable) and design, proof of concept and contracts execution. As we primarily focus on providing services to enterprise-level users, we may spend significant time on communications with users, project evaluation and design, thereby resulting in longer sales cycles. We leverage both our in-house sales team as well as ISVs and SIs to promote our products, services and solutions. We have established a professional in-house sales team. In our ongoing efforts to enhance user satisfaction and improve service quality, we maintain a dedicated technical service team that is focused on real-time problem-solving with the ultimate goal of increasing user experience and stickiness. In addition, we also gather feedback on how to improve our products, services and solutions and respond to user suggestions. Our employees have deep knowledge of the industries and users that they are responsible for. Our in-house sales team works closely with our product team to ensure that they can propose the best products, services and solutions to address the pain points faced by market participants in the relevant industry verticals. To encourage and incentivize our in-house sales team, we have designed a compensation structure that includes a fixed component as well as a performance-based component. We set specific performance targets for each team member. We evaluate such employee's performance every year and pay out performance-based compensation accordingly.

We also work closely with third-party partners, which primarily consist of SIs and ISVs, and leverage their understanding of end users' demands, thereby developing tailored marketing strategies. For details, see "— Customers and Customer Support" in this section.

We employ various methods to acquire and maintain customers, such as organizing industry exchange meetings and conducting regular client visits. We will also invite customers to technical seminars hosted by us and promptly share the latest product and training updates with them.

Through our ERP system, our business operations staff categorize customers based on their geographic location and industry during the initial data entry phase, and assign them to the appropriate sales teams for follow-up. The allocation of potential high-value clients is determined quantitatively, taking into account their production output and estimated gross profit. For existing end-users with assigned sales representatives, direct sales are prioritized. Quotations and authorizations are uniformly managed by the direct sales team. If a selected channel partner wins a bid, the salesperson supporting that channel may split the credit with the assigned sales representative, with the total performance credit amounting to 100%. If the channel partner exclusively handles finance business, their clients must be transferred to the corresponding direct sales team.

Customers are classified into four categories — key accounts, major accounts, general accounts, and others — based on their revenue, industry standing, and market segment ranking. For the first three categories, all clients are considered company-wide resources. SIs and ISVs are encouraged to collaborate, and they may share performance credits with the direct sales team, subject to filing with the business operations department. For other customers, SIs and ISVs work alongside us as business partners to secure orders.

Sales representatives responsible for assigned clients are required to maintain regular follow-up and visit records. Internally, customer management metrics categorize clients into key accounts, major accounts, general accounts, and others (including dormant and lost clients), with different release rules applied to each level. Our business operations department maintains customer master data, including client names, assigned sales representatives, customer tiers, industries, locations, and credit ratings. Any changes to client names or invoicing information must be supported by relevant documents and submitted to the business operations department for updates. Additionally, the department oversees customer satisfaction surveys and feedback collection, sharing the results with all relevant internal stakeholders. If any unresolved issues or dissatisfied feedback are identified, the department will follow up with the responsible parties until the matters are fully resolved.

The salient terms and conditions of a typical agreement with our direct customers are set out below:

- ***Deliverables***: For sales of our software products and solutions, we typically offer non-exclusive licenses for the use of our products and solutions as well as maintenance services related to our products and solutions. For application development and other services, we typically develop customized applications based on the customer's specification.

- ***Minimum purchase amount***: Not specified.

- ***Pricing***: We typically charge customers on a project basis, the pricing of which is either specified in the agreement entered into with the direct customer or the winning bid price specified in the tender documents with our end customers.

- ***Payment schedule***: We are typically entitled to (i) an upfront payment or initiation payment within a specified time period following the effectiveness of the relevant agreements, and (ii) typically one or more milestone payments when the relevant projects reach certain development milestones or events specified in the relevant agreements. Milestone event refers to key progress points as specified in the contract, which primarily include events such as the formal written approval of the project and the termination of the technical service after final acceptance. The upfront or initiation payment constitutes 30%-50% of the total contract value, and the milestone payments constitutes 50%-70% of the total contract value.

- ***Customer support***: We typically provide the standard technical support for one year after the sale of our products and solutions. The level and scope of such support are subject to our standard customer support terms. We may also provide additional fee-based services based on customers' requirements.

- ***Ownership***: Unless otherwise specified in the agreement, all intellectual property rights arising from the process of performing the agreement and the relevant project development belong to us. All intellectual property rights relating to the products and solutions that we deliver under the agreement, including but not limited to copyrights, patents ownership of the proprietary technologies and trademarks, belong to us.

- ***Product return***: Generally not allowed.

- ***Product warranty***: We typically offer a one-year free product warranty of our products and solutions after users' acceptance.

  Upon customers' needs and payments of additional service fees, we may also offer an extended warranty period or additional maintenance services, in accordance with the terms specified in the agreements.

- ***Confidentiality***: Each party shall keep confidential the trade secrets, technologies and proprietary rights of the other party.

- ***Termination***: The agreements may be terminated (i) upon mutual consent of both parties; (ii) in the event of a force majeure; and (iii) by the non-defaulting party in the event of a material breach.

- ***Dispute resolution***: In the event of any dispute related to the enforcement of any agreement during our agreement term, both parties shall negotiate amicably.

There are no material differences in key terms of sales agreements entered into between us with our end users compared to those with SIs and ISVs. During the Track Record Period, there were early termination of 23 contracts due to the related projects being postponed or canceled. As such early terminations were mutually agreed upon, no notice period was required. In addition, since these contracts had not been performed, no project losses were incurred.

During the Track Record Period, there were 16 loss-making projects, primarily due to (i) our strategic investments in projects to enhance our relationships with key customers, (ii) our expanded work scope during the project execution to meet customers' demands, and (iii) our advance investments outpaced the actual revenue generated. In response to the latter two causes, we have strengthened management controls in both project quoting and project delivery processes. The aggregate revenue from these loss-making projects accounted for approximately 2.4% of our total revenue during the Track Record Period, and the total loss incurred from these projects amounted to approximately RMB8.6 million, representing a relatively small impact on our overall financial performance. The majority of these loss-making projects were related to our solution business, which primarily involves pre-project consulting and solution design services. These services typically generate relatively lower service fees but are undertaken to support customers' planning and digital transformation initiatives and often serve as a channel to facilitate subsequent sales of our AI and big data infrastructure software products and related services.

During the Track Record Period, for the amount of revenue attributable to our successful tendering/bidding, see "Financial Information — Revenue — Revenue by Sales Model." As of the Latest Practicable Date, we have not been found to have violated or circumvented any regulations, or policies relating to the tendering and bidding processes in which we were involved. We are not subject to administrative fines or penalties. Furthermore, we have not received any warnings or notices from the relevant authorities regarding the non-compliance with our bidding process.

Our Distributorship Model

During the Track Record Period, we also sold and marketed our software products, services and solutions through third-party professional distributors, who contributed to approximately 6.0%, 6.3% and 2.5% of our total revenue in each year in 2023, 2024 and 2025, respectively. After purchasing the products from us, our distributors may at their discretion perform onward sales to their respective customers. Our distributors are primarily engaged in distribution and sales of software products.

Distributor Management

We consider a number of factors in selecting distributors, including their market coverage and channel capabilities, service and support capabilities, brand and reputation in the industry, their overall business management and financial performance. Typically, a distributor enters into a distribution agreement, which sets three sales target level, namely certified, silver-level and gold-level, with each level corresponding to various promised performance tier. If a distributor achieves the promised performance as agreed-upon in the distribution agreement, we shall calculate and provide the rebate according to the corresponding tier rebate rules. Our rigorous quality control procedures ensure that our products are properly examined before being sold. As a result, we did not experience any material product return during the Track Record Period. We typically offer a one-year free product warranty of our products and solutions after users' acceptance. We may also provide additional fee-based services based on customers' requirements. As advised by our Industry Consultant, we believe our distributorship model is in line with industry norm.

We do not maintain a "buy-out" relationship with our distributors as we generally recognize revenue when our end customers, namely the customers of SIs and ISVs, confirm acceptance of our products, services and solutions. Therefore, our Directors believe that there was no channel stuffing issue during the Track Record Period. We are able to supervise the market operations of our distributors, including product promotion, maintenance of our reputation, and orderly competition among our distributors. Our distributors shall actively cooperate with us in conducting supervision and inspection operations and proactively provide relevant information. In addition, along with the sales of software products, we provide after-sales technical support to downstream customers. Additionally, our distributors are authorized to market and resell our products, services and solutions solely within their designated business segments and geographic territories, as pre-approved in written form by us, and our distributors shall register sales of licensed software products with us, ensuring the normal operation and orderly competition among our distributors. We maintain an internal policy to control the numbers of distributors in the designated business segments and geographic territories, and we also conduct regular oversight of our distributors' operations, including the competition ecosystem, our Directors believe that these measures effectively prevented cannibalization risks during the Track Record Period.

We have established a comprehensive compliance framework to govern the conduct of our business partners, including distributors. In cases where partners engage in prohibited activities, we will impose appropriate sanctions based on the severity of the violation. These measures may include termination of cooperation, imposition of financial penalties, downgrading of partner ratings, or issuance of formal warnings. Violations by our business partners are categorized as follows: (i) improper marketing practices, including but not limited to defamatory statements about the company, misrepresentation of qualifications, or unauthorized use of corporate identity; (ii) non-compliant sales activities, such as circumventing authorized sales channels, submitting fraudulent low quotes, violating sales territory agreements, or unauthorized e-commerce platform sales; (iii) other serious violations, including inventory hoarding, deliberate falsification of performance data, tampering with equipment, or bribing company employees.

In addition, certain of our distributors operate in a dual capacity: as direct end-users of our products, services and solutions and as authorized distributors. This arrangement stems from these customers' operational needs to utilize our products, services and solutions internally and other commercial considerations. Therefore, such customers also entered into distribution agreements with us, pursuant to which they are authorized by us to distribute our products, services and solutions to their downstream customers. During the Track Record Period, the sales to distributors who are concurrently direct end-users amounted to RMB1.1 million, RMB1.9 million and nil and no rebates were paid to such distributors during the Track Record Period, primarily because their sales performance failed to meet the rebate eligibility criteria.

To the best of our knowledge, all of our distributors are Independent Third Parties. The distributors are not connected to any of the Company, its subsidiaries, their shareholders, directors, senior management or any of their respective associates. To our best knowledge, besides the ordinary course distribution arrangement with us, there is no other relationship between the distributors and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of their respective associates.

The below table sets forth the movement of our distributors during the Track Record Period.

	Year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the period	90	139	131
Number of terminated distributors for the period	47	71	90
Net increase (or decrease) in number of distributors for the period	49	(8)	(26)
Number of distributors at the end of the period	139	131	105

In general, we maintain good business relationship with our current distributors during the Track Record Period. In 2023, 2024 and 2025, we engaged 96, 63 and 64 new distributors respectively. We stringently review our business relationship with distributors through periodic assessment. In 2023, 2024 and 2025, we terminated business relationship with 47, 71 and 90 distributors, respectively, primarily due to the expiration of the distribution agreements. The fluctuation in the number of distributors during the Track Record Period is primarily in relation to

the number of distributors who decide to renew the distribution agreements with us. As the distributor role represents only one form of collaboration within our broader business partnership framework, the cessation of their distributor status did not result in any material impact on our business and financial results.

Through our distribution channels, we are able to expand our product market and enhance the visibility of our products and brand. Going forward, we aim to attract and establish long-term business relationship with new distributors by expanding our sales and marketing team, participating in industry exhibitions, strengthening our brand promotion, providing sufficient technical support and after-sales services, and collaborating with top market players in the industry. We also plan to improve the abilities of our in-house sales and marketing team members. In addition, we aim to improve our capabilities to provide high-performance products which helps improve customer stickiness.

Subsequent Sales of Our Products to Downstream Customers

Our major distributors primarily sell our products to their respective customers from different verticals with our prior consent. The customers of these industries primarily comprise our major downstream customers. These downstream customers purchase our products for facilitating their business operations and management.

According to the distribution agreements entered into with our distributors, our distributors are obliged to provide evidence and information to verify the authenticity of their procurement requirements.

Key Terms of Distribution Agreements

We have entered into typical framework distribution agreements with our distributor customers. The key terms and conditions of our framework distribution agreements with our distributor customers are summarized as follows:

- ***Term***: We typically enter into a one-year distribution agreement with our distributor customer. Our distributor customer has priority renewal rights if it meets annual sales targets and complies with all the terms specified in the distribution agreement.

- ***Sales target***: We typically set various sales targets for different levels of distributor customers. Specifically, the first level ranges from RMB0.5 million to RMB1.0 million, the second level ranges from RMB1.0 million to RMB2.0 million, and the third level encompasses above RMB2.0 million.

- ***Pricing***: The prices of our products shall be in strict accordance with our nationally standardized tiered pricing system. Any adjustments to national pricing will be implemented uniformly, with one month prior written notice to our distributor customers.

- ***Business model:*** The distributor customers buy and resell our products to downstream customers who need to be acknowledged and approved by us in advance, and the distributor customers pay us for the required products in the agreed manner. In addition, we shall rebate our distributors once their sales achieved the performance metrics set forth in the distributor agreements.

- ***Obligations of each party:*** We ensure that our software products fully comply with the national or industry standards. We are obligated to provide our distributors with business training, technical guidance, marketing consulting, and other services necessary for them to conduct their business operations, and to assist our distributors in expanding their markets. We could conduct regular oversight of our distributors' operations, including the competition ecosystem, promotional activities and brand stewardship. Our distributors may conduct lawful commercial activities under the name of "Transwarp Certified/Silver-level/Gold-level Distributor Partner." Our distributors shall actively develop the market within the authorized region or field/industry and gradually increase the market share of our products in the authorized region or field/industry and shall register sales of licensed software products with us.

- ***Ownership***: Unless otherwise specified in the agreement, all intellectual property rights arising from the process of performing the agreement and the relevant project development belong to us. All intellectual property rights relating to the products and solutions that we deliver under the agreement, including but not limited to copyrights, patents ownership of the proprietary technologies and trademarks, belong to us.

- ***Product return***: If a distributor processes product returns, the returned amount shall be excluded from sales performance calculations. If such returns have already been included in rebate calculations and rebates were granted, we reserve the right to retroactively adjust the rebates. Should a distributor have used rebates for deduction and the deducted amount exceeds the adjusted rebate value, such distributor shall reimburse the difference to us.

- ***Product warranty:*** Upon our confirmation, during the warranty period, we generally provide reasonable remedial services for our defected products, subject to our existing technologies and commercially reasonable efforts.

- ***Confidentiality***: Each party shall keep confidential the trade secrets, technologies and proprietary rights of the other party.

- ***Termination***: The agreements may be terminated (i) upon mutual consent of both parties; (ii) in the event of a force majeure; and (iii) by the non-defaulting party in the event of a material breach.

- ***Dispute resolution***: In the event of any dispute related to the enforcement of any agreement during our agreement term, both parties shall negotiate amicably.

Marketing

We enhance the awareness of our brand and promote our new and existing products, services and solutions through both offline and online channels. We adopt a comprehensive approach to brand building, focusing on eight core dimensions, including: brand visuals, product brand, ecosystem brand, technology brand, service brand, employer brand, responsibility brand, and investment value. We organize technology summits and product launches, conducts co-branded campaigns and city roadshows as well as actively participating in major AI conferences and industry forums. Such events further enhance our market presence by cultivating the Transwarp Developer Community, improving product demonstration capabilities, and optimizing customer trial experiences to ensure effective last-mile delivery. In addition, we have integrated digital channel marketing strategies while strengthening communication with both investors and media outlets. These coordinated initiatives work synergistically to articulate the brand philosophy, elevate brand recognition, and drive sustainable brand growth.

We place strong emphasis on expanding and deepening our partner network through strategic collaboration. We maintain close technical cooperation with leading CPU, GPU, operating system, and hardware vendors to ensure product compatibility and performance optimization. Through partnerships with industry-specific ISVs, we develop tailored joint solutions that enhance our penetration across diverse sectors. Our ecosystem strategy is further supported by the continuous identification and engagement of new strategic partners, which is expected to promote ongoing innovation, broaden market coverage, and enhance our overall competitiveness.

CUSTOMERS AND CUSTOMER SUPPORT

We have two main categories of customers: (i) direct customers, including (a) end users purchasing our products, services and solutions directly and (b) ISVs and SIs that embed our products, services and solutions into their offering to cater for end users' specific needs, and (ii) our authorized distributors who enter into distribution agreements with us. Such distributors are certain of our business partners who have entered into distribution agreements with us and their sales goals primarily depend on the specific term that we agreed upon in the executed distribution agreements. Our distributors are mainly mid-market business-to-business technology solution providers specializing in developing industry-specific software solutions and IT services, primarily serving sectors such as finance and energy. They maintain flexible operational models, handling core capabilities internally while strategically collaborating with specialized partners to scale resources and undertake large projects beyond their in-house capacity.

Certain end users of our products, services and solutions, especially those government end users, use ISVs and SIs when selecting suppliers or service providers. This approach saves them from the trouble of directly negotiating with a large number of different suppliers or service providers and to benefit from the various other services provided by such ISVs and SIs. Such end users typically lay out the goals they plan to achieve and the budget for their projects and engage ISVs and SIs, instead of engaging us directly. These ISVs and SIs typically embed our products, services and solutions into their offering to cater for end users' specific needs, and provide various other services to end users, such as implementation services. According to Frost & Sullivan, engagement with end users through ISVs and SIs is an industry norm. These ISVs or SIs are not distributors that we engage to broaden our sales channels. Instead, they are selected by our end users to implement their projects, and the ultimate decisions as to which service provider to choose are primarily made by the end users. As such, we do not believe that our business relationship with them raises any concern in relation to inventory risk, cannibalization or recoverability of accounts receivables. In 2023, 2024 and 2025, revenue generated from direct customers accounted for 94.0%, 93.7% and 97.5% of our total revenue, respectively. We typically grant a credit term ranging from 30 to 365 days for direct customers.

Additionally, we typically enter into one-year distribution agreement with third-party professional distributors. After purchasing the products from us, our distributors may at their discretion perform onward sales to their respective downstream customers. Our distributor customers are primarily engaged in distribution and sales of software products. In 2023, 2024 and 2025, revenue generated from such distributor customers accounted for 6.0%, 6.3% and 2.5% of our total revenue, respectively. We typically grant a credit term ranging from 30 to 365 days for distributor customers.

The table below sets forth our operating metrics about customers during the Track Record Period.

	Year Ended December 31,		
	2023	2024	2025
Number of revenue-generating customers	575	521	558
Direct customers[1]	544	493	527
End users	241	221	265
ISVs and SIs	303	272	262
Distributors[2]	31	28	31
Number of new customers	198	153	130
Customer retention rate[3]	66%	71%	77%

Notes:

(1) Direct customers include (a) end users purchasing our products, services and solutions directly and (b) ISVs and SIs that embed our products, services and solutions into their offering to cater for end users' specific needs. We adopt the following measures to avoid double counting of end users: (a) the counting is based on contracted customers and do not include their potential downstream users and (b) if a contracted customer is both an end user and an ISV or SI in the same year, such customer will be labeled as an end user instead of counting as ISV or SI.

(2) Distributors include authorized distributors who enter into distribution agreements with us.

(3) Customer retention rate of each year is calculated as the number of customers who generated revenue in both the current year/period and the prior year/period, divided by the total customers who generated revenue in the year/period.

Our top five customers in each year during the Track Record Period in aggregate accounted for 16.4%, 14.4% and 22.2% of our total revenues in 2023, 2024, and 2025, respectively. Our largest customer in each year during the Track Record Period accounted for approximately 4.7%, 3.2% and 5.8% of our total revenue for the respective year.

The following tables set forth a summary of our five largest customers for the years indicated.

For the year ended December 31, 2023

Ranking	Customer	Nature of revenue	Year of business relationship with us	Type of customer	Credit Period	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	
1	Customer A[1]	AI and big data infrastructure software; solution	12	End user; SI	30-45 days	Bank settlement	23,168	4.7
2	Customer B[2]	AI and big data infrastructure software; solution	4	End user; SI	30-90 days	Bank settlement	19,432	4.0
3	Customer C[3]	AI and big data infrastructure software; solution	11	End user; SI; ISV	30-90 days	Bank settlement	14,893	3.0
4	Customer D[4]	AI and big data infrastructure software; solution	11	End user	30-120 days	Bank settlement	11,914	2.4
5	Customer E[5]	AI and big data infrastructure software; solution	12	SI	90 days	Bank settlement	11,280	2.3

For the year ended December 31, 2024

Ranking	Customer	Nature of revenue	Year of business relationship with us	Type of customer	Credit Period	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	
1	Customer F[6]	AI and big data infrastructure software	4	End user	30-240 days	Bank settlement	11,865	3.2
2	Customer C[3]	AI and big data infrastructure software; solution	11	End user; SI	30-90 days	Bank settlement	11,632	3.1
3	Customer G[7]	AI and big data infrastructure software; solution	6	End user; SI	30-240 days	Bank settlement	10,350	2.8
4	Customer D[4]	AI and big data infrastructure software; solution	11	End user	30-120 days	Bank settlement	9,995	2.7
5	Customer H[8]	AI and big data infrastructure software; solution	7	End user; SI	30-240 days	Bank settlement	9,364	2.5

For the year ended December 31, 2025

Ranking	Customer	Nature of revenue	Year of business relationship with us	Type of customer	Credit Period	Payment method	Revenue	Percentage of total revenue
							(RMB'000)	
1	Customer I[9]	AI and big data infrastructure software; solution	2	End user	90-180 days	Bank settlement	25,787	5.8
2	Customer J[10]	AI and big data infrastructure software; solution	5	End user	120-240 days	Bank settlement	24,220	5.4
3	Customer K[11]	Solution	3	End user	30-90 days	Bank settlement	17,867	4.0
4	Customer L[12]	AI and big data infrastructure software	7	End user	45-180 days	Bank settlement	15,720	3.5
5	Customer M[13]	AI and big data infrastructure software; solution	2	End user	90-180 days	Bank settlement	15,520	3.5

Notes:

(1) A Shanghai-based company primarily engaged in software and information technology services, established in 2003 with the registered capital of RMB15.0 million. It is an IT service provider for numerous large government and enterprise clients in the Shanghai region, maintaining a stable market share in the local market.

(2) The second-largest wireless carrier in China, established in 1995 and listed on Shanghai Stock Exchange and Hong Kong Stock Exchange with the s operating revenues amounting to RMB529.4 billion in 2024. Its user base and network capacity rank among the world's largest, holding a dominant position in the fixed broadband, government and enterprise ICT, and Tianyi Cloud services markets.

(3) A Wuhan-headquartered, large-scale, state-owned company in China providing information and communications products and integrated solutions, established in 2018 with the registered capital of RMB30.0 billion. Its fiber optic cables and optical transmission equipment hold a dominant share in the domestic carrier market.

(4) A Hangzhou-headquartered regional joint-stock bank, established in 2022 with the registered capital of RMB5.0 billion. It is one of the largest regional banking systems in Zhejiang Province, with assets ranking among the top nationwide in its category, it has established a deep presence in the province's county-level and rural financial markets.

(5) A Beijing-headquartered company providing cloud computing solutions and industry-based digital services, established in 1998 and listed on Shanghai Stock Exchange with the net assets of RMB5.1 million as of December 31, 2024. It is a long-established domestic IT service provider offering comprehensive technical services from consulting to operations and maintenance to clients across multiple industries including finance, telecommunications, and government.

(6) A Chinese provincial government-affiliated agency responsible for the management of administrative approval and government information management throughout the province. It holds absolute dominance in the digital government sector of Henan Province.

(7) A Shanghai-based futures exchange, a non-profit-seeking incorporated body under the CSRC, established in 1999. It is one of China's major futures exchanges, with massive annual trading volume, exerts significant influence on global commodity pricing and serves as a national-level financial infrastructure.

(8) A Shanghai-based specialized information technology services company focusing on cloud computing and big data, industry solutions, and intelligent products as its core business, established in 1993 and listed on Shanghai Stock Exchange with the net assets of RMB4.9 billion as of December 31, 2024. As a key player in Shanghai's urban digital transformation, it ranks among the top players in the cloud computing and smart city solutions market across the Yangtze River Delta region.

(9) A Xi'an-based, small-scale, municipal state-owned company in China engaged in digital technology services, information technology consulting and technical consulting. It was established in 2024 with the registered capital of RMB2.0 billion.

(10) Established in 1957, a Beijing-based core research institute in the defense sector for computer and control technology, which integrates research, design, testing, production, and service, focusing primarily on the development of computer hardware and software as well as product application.

(11) A Beijing-headquartered, large-scale, state-owned company in China engaged in coal mining and production, established in 1982. It is one of China's major state-owned coal energy enterprises, ranking among the industry leaders in coal production and sales volume, and serving as a primary nationwide supplier in coal production, trade, and coal chemical markets.

(12) A Shanghai-headquartered nationwide joint-stock commercial bank, ranking among the top ten domestic banks in terms of total assets and competing nationally across multiple sectors including corporate finance, retail banking, and financial markets, established in 1992 and listed on Shanghai Stock Exchange with the net assets of RMB744.8 billion as of December 31, 2024.

(13) A Beijing-headquartered, large-scale central enterprise directly managed by the Sate-owned Assets Supervision and Administration Commission of the State Council, primarily engaged in the exploration, transportation, and sale of oil and natural gas; oil refining; wholesale and retail of refined oil products; and the production and sale of petrochemical products. It was established in 1983 with the registered capital of RMB326.5 billion.

We acquainted our five largest customers in each year through marketing efforts, which mainly include visiting our downstream customers and attending industry seminar participants.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with the aforementioned customers, nor did we receive any material complaints from such customers. We did not receive any material product returns from our customers during the Track Record Period and up to the Latest Practicable Date, and to the best knowledge of our Directors and senior management, there were no potential material product returns as of the Latest Practicable Date.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest customers in each year as of the Latest Practicable Date. We enter into written agreements with our direct customers and distributor customers. The value of our contracts with customers can vary substantially from customer to customer, depending on their business needs.

SUPPLIERS AND PROCUREMENT

Our procurement can categorized into two types according to the operational needs, namely (i) internal procurement and (ii) project procurement. Internal procurement focuses on acquiring servers, office equipment, and related hardware essential for daily operations and R&D. These purchases are executed by the procurement department based on internal requirements. Project procurement, by contrast, involves obtaining services and software/hardware for customer project implementation. To optimize project profitability, delivery efficiency, and implementation timelines, we source services through two pricing models: (i) daily or monthly rates and (ii) project-based contracts. Procured materials primarily include hardware components for integrated systems and general-purpose software tools.

To ensure procurement standardization, we have implemented comprehensive internal regulations and operational guidelines. These frameworks govern both internal and external procurement processes while establishing robust supplier management protocols. The procurement department executes all project purchases in strict alignment with customer specifications and organizational policies, maintaining rigorous oversight throughout the procurement lifecycle.

Our suppliers primarily consist of (i) software providers, (ii) service providers, such as delivery service providers, and (iii) others, such as providers of servers and cloud services and providers of other professional services. Our top five suppliers in each year during the Track Record Period in aggregate accounted for 43.2%, 39.1% and 37.6% of our total purchases in 2023, 2024 and 2025, respectively. Our largest supplier in each year during the Track Record Period accounted for approximately 23.3%, 14.6% and 9.9% of our total purchases in 2023, 2024 and 2025, respectively.

The salient terms of a typical agreement with our software providers are set out below:

- *Delivery and inspection.* Our suppliers shall deliver the products within the prescribed time period, and deliver all relevant documents. We are entitled to inspect the packages of products before the acceptance.

- *Installation and maintenance.* Suppliers are entitled to provide free installation and debugging of the software products, and provide our staff with free training for the products' operation, maintenance and repairment, in accordance with our requirements as specified in the agreement.

- *Copyright*. Suppliers are obligated to ensure they possess all the necessary rights to the software products provided to us, including full authorization for our use and the authority to grant or transfer the associated licenses and materials. We are entitled to sublicense and transfer the software license to our customers and conduct derivative development without any copyright restrictions. Suppliers shall not impose additional license fees beyond the payment obligations under this agreement, guaranteeing our non-exclusive, perpetual, global, and irrevocable usage rights. We are entitled to all rights in relation to the contract fulfillment, including but not limited to the intellectual property rights, ownership and corresponding benefits.

- *Termination*. The agreement may be terminated upon mutual consent between the parties.

The salient terms of a typical agreement with our service providers are set out below:

- *Delivery and inspection.* Our suppliers shall complete the project within the prescribed time period, and deliver all relevant software and documents. We are entitled to inspect their work products and provide comments for suppliers to address.

- *Copyright.* We are entitled to all copyrights in relation to the R&D projects, including but not limited to the technical materials, documents, source codes and applications.

- *Termination*. The agreement may be terminated upon mutual consent between the parties.

We have established internal procedures for the selection and management of suppliers, taking into account factors such as technical capabilities, commercial terms, business background, financial condition and project-specific requirements. Potential suppliers may be recommended by relevant departments and are subject to a structured qualification process conducted by our procurement team, including initial screening, registration and submission of required documentation through our internal systems. Suppliers are then assessed against our qualification standards and categorized accordingly, with those meeting the requirements approved for engagement and others retained for future consideration. This process enables us to maintain flexibility in sourcing while ensuring consistent and rigorous supplier management.

The following tables set forth a summary of our five largest suppliers for the years indicated.

For the year ended December 31, 2023

Ranking	Supplier	Nature of Purchase	Year of business relationship with us	Credit Period	Payment method	Purchase amount	Percentage of total purchase
						(RMB'000)	
1	Supplier A[(1)]	Technical services	3	60-270 days	Bank settlement	21,698	23.3
2	Supplier B[(2)]	Technical services	9	30-120 days	Bank settlement	5,876	6.3
3	Supplier C[(3)]	Technical services	6	60-270 days	Bank settlement	4,993	5.4
4	Supplier D[(4)]	Technical services	6	30-120 days	Bank settlement	4,021	4.3
5	Supplier E[(5)]	Technical services	5	60-270 days	Bank settlement	3,621	3.9

For the year ended December 31, 2024

Ranking	Supplier	Nature of Purchase	Year of business relationship with us	Credit Period	Payment method	Purchase amount	Percentage of total purchase
						(RMB'000)	
1	Supplier F[6]	Technical services	3	30-45 days	Bank settlement	10,109	14.6
2	Supplier B[2]	Technical services	9	30-120 days	Bank settlement	5,638	8.1
3	Supplier C[3]	Technical services	6	60-270 days	Bank settlement	5,490	7.9
4	Supplier D[4]	Technical services	6	30-120 days	Bank settlement	2,972	4.3
5	Supplier G[7]	Technical services	9	30-120 days	Bank settlement	2,896	4.2

For the year ended December 31, 2025

Ranking	Supplier	Nature of Purchase	Year of business relationship with us	Credit Period	Payment method	Purchase amount	Percentage of total purchase
						(RMB'000)	
1	Supplier H[8]	Technical services	3	45-180 days	Bank settlement	8,330	9.9
2	Supplier F[6]	Technical services	3	30-45 days	Bank settlement	7,687	9.2
3	Supplier G[7]	Technical services	9	30-120 days	Bank settlement	5,367	6.4
4	Supplier I[9]	Technical Services	1	30-45 days	Bank settlement	5,132	6.1
5	Supplier B[2]	Technical services	9	45-180 days	Bank settlement	4,908	5.9

Notes:

(1) A Wuhan-based IT solution provider in China committed to providing services for enterprise-level users to improve the level of convenience and intelligence for their information exchanges and business interactions, established in 2005 and listed on Hong Kong Stock Exchange with the net assets of RMB1.6 billion as of December 31, 2024. We became acquainted with Supplier A at another client's project site and learned of Supplier A's substantial experience in smart community solutions. The technical services procured Supplier A during the Track Record Period include: (a) building the foundational framework, database, and platform and WeChat-side applications such as monitoring, (b) enterprise services and policy-related service solutions, (c) energy management related services, including power plant and component analysis, along with safety early warning systems, and (d) visual data parsing and algorithm development. There were/are not any past or present relationships (including family, employment, business, trust, financing or otherwise) between Supplier A and the Company, or their respective associates other than being a supplier of the Group.

(2) A Shanghai-based, non-listed, high-end software customization development and UI design company, specializing in the digital transformation and upgrading of traditional industries such as education and healthcare, established in 2006 with the registered capital of RMB6.3 million.

(3) A Shanghai-based and non-listed company dedicated to pioneering innovation in domestic big data products, it develops intelligent big data operational platforms, integrated intelligent analytics management systems, and industry-specific vertical data application solutions, providing big data, artificial intelligence products and services, established in 2019 with the registered capital of RMB12.0 million.

(4) A Shenzhen-based and non-listed company primarily providing information technology services, established in 2016 with the registered capital of RMB5.0 million.

(5) A Chongqing-based and non-listed company primarily providing software and information technology services, established in 2014 with the registered capital of RMB1.0 million.

(6) A Jiangxi-based and non-listed company providing outsourced labor services, established in 2022 with the registered capital of RMB10.0 million. We became acquainted with Supplier F through market research, given that it is a wholly owned subsidiary of a company which is a parent company of a recognized provider of human resources and related outsourcing services. The technical services procured from Supplier F during the Track Record include outsourced technical personnel support provided on a service-fee basis. There were/are not any past or present relationships (including family, employment, business, trust, financing or otherwise) between Supplier F and the Company, or their respective associates, other than being a supplier of the Group.

(7) A Shanghai-based and non-listed company providing information technology services, established in 2016 with the registered capital of RMB1.0 million.

(8) A Beijing-based and non-listed company engaged in information technology services industry, established in 2013 with the registered capital of RMB10.0 million.

(9) A Suqian-based, small-scale company in China providing labor dispatch services. It was established in 2023 with the registered capital of RMB10.0 million.

We acquainted our five largest suppliers in each year through our standard supplier selection process.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuation in prices set by our suppliers, material breach of contracts on the part of our suppliers, or delay in delivery of our orders from our suppliers.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with the aforementioned suppliers.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year as of the Latest Practicable Date.

Our Directors confirmed our negotiations with these companies were on an arm's length basis. In addition, the terms of transactions with these companies are in line with market practice and similar to those with our other customers and suppliers.

Overlapping Customer and Supplier

During the Track Record Period, Supplier B was our major supplier, which was also our customer. In 2023, 2024 and 2025, the total revenue we generated from such overlapping customers and suppliers amounted to nil, RMB0.9 million and nil, respectively, and the purchases from these overlapping customers and suppliers amounted to nil, RMB5.6 million, and nil in the same year, respectively. The total gross profit we derived from the sales of products to such overlapping customers and suppliers was approximately nil, RMB0.8 million and nil in each year during the Track Record Period, accounting for less than 1% of the total gross profit we derived in the same year. The overlap between our customers and suppliers arises from the different business functions performed by our customers' separate entities and our business needs for both procurement and sales. According to Frost & Sullivan, the overlapping of our customers and suppliers is common in the AI infrastructure software industry, where companies often operate multiple business lines with different business models. Our Directors have confirmed that none of our sales to and purchases from our overlapping customers and suppliers during the Track Record Period was inter-conditional, inter-related or otherwise considered as one transaction.

SEASONALITY

Our results of operations historically have been seasonal because our end customers engaging in finance, government, telecommunications, energy, and manufacturing fields typically adhere to strict budget management systems. We typically provide our products, services and solutions on a project-by-project basis, with delivery and acceptance of these projects typically occurring in the fourth quarters. This seasonality primarily reflects the procurement and budget management cycles of our major customers, who generally begin their procurement budget planning for the following year in the fourth quarter of the current year, followed by project initiation, implementation, and final acceptance and settlement which is typically completed by the end of the following year. According to the Industry Consultant, such timing is typical among enterprise software and digital infrastructure providers in China, as government and large enterprise customers often complete project acceptance and payments in the fourth quarter under their annual budget and accounting schedules. As a result, our revenue is usually concentrated in the final quarter of each year, while our expenses are incurred relatively evenly throughout the year, leading to quarterly variations in profitability.

QUALITY MANAGEMENT

We have always been committed to delivering high-quality and reliable products and have established an internal quality assurance system in accordance with industry technical standards and customer requirements, and implemented comprehensive, end-to-end quality management. We possess a well-established system architecture and management processes and have obtained multiple quality system certifications, including ISO9001 Quality Management System Certification, ISO45001 Occupational Health and Safety Management System Certification, ISO14001 Environmental Management System Certification, ISO20000 Information Technology Service Management System Certification, and ISO22301 Business Continuity Management System Certification, among others.

COMPETITION

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

DATA PRIVACY AND SECURITY

Data Collection

Our data processing activities can be primarily categorized into the following two scenarios: (a) when providing products comprising both AI infrastructure and data infrastructure layers to enterprise and other clients, we process data on behalf of and based on instruction of the clients: all the products are locally deployed within the clients' own environments and under full control by the client. We do not own, nor do we access, collect, control, process, analyze, or transmit such business data of the client. Only upon the client's explicit request and authorization, our technical service personnel will provide on-site technical support within the client's operational environment and operating system, subject to confidentiality agreement signed with the client and the client's security management policies; (b) when operating publicly accessible websites and mini-programs, we collect limited and necessary personal information of users for the purpose of providing such services. Most of our websites and mini-programs primarily target existing or potential clients. We collect commercial contact information, including but not limited to email addresses, phone numbers, names, company names, positions, contact addresses, service records, and communication interaction records, for purposes such as account registration and login, business communication, commercial cooperation management. We also provide generative AI services to end users through Wuya–Wenzhi website and mini-program. We collect data such as mobile phone numbers or email addresses for account registration and login, and collects content actively input or uploaded by users to generate content based on user instructions. When users purchase subscription services, we collect order and transaction information for order management and after-sales support provision. In aforesaid services, we collect limited and necessary user data within the scope permitted by law and for legitimate business purposes as stated in its privacy policy, and do not collect irrelevant user data. These data collection practices align with the common practices of similar products in the industry.

Training Data for AI Models

The training data sources used by us mainly include open-source corpus, self-collected corpus, and commercial corpus.

(1) Open-source corpus. We prioritized the use of open-source corpus released by well-known universities and research institutions both domestically and overseas. Such corpora are highly constrained in both content and form, and are mainly employed to support code generation capabilities.

(2) Self-collected corpus. The self-collected corpus is sourced from publicly available and authoritative financial information (including but not limited to financial reports and other announcements of listed companies, IPO prospectuses and other listing-related announcements, financial regulations, policies, regulatory announcements, etc.), as well as SQL code-related data owned by ourselves.

(3) Commercial corpus. The commercial corpus was sourced from financial news and market announcement data provided by a well-known financial news service provider holding an Internet News Information Service License. We signed an agreement with this financial news service provider, obtaining authorization to use the data for large language model training. Up to the Latest Practicable Date, the agreement with this service provider has expired, and we will not use commercial corpus to train models.

We have adopted the following measures to ensure the compliance of training data:

(1) With respect to corpus acquisition, we prioritized the use of corpora provided by high-reputation entities, verified the source and scope of authorization, and entered into agreements with the commercial provider. We have set up internal review mechanism to refrain from using data of unknown origin or materials prohibited for commercial use.

(2) With respect to corpus data handling, we implemented procedures including corpus cleaning and detection, to remove personal information, content potentially infringing intellectual property rights, harmful information, discriminatory content, and other content that might infringe upon the rights and interests of others.

(3) We have established a dedicated complaint channel capable of promptly evaluating and responding to complaints regarding the corpus and training.

Data Transfer

For products comprised of both AI infrastructure and data infrastructure layers to enterprises and other clients, whether to conduct cross-border deployment of business data, or whether to provide data to third parties, is entirely at the client's discretion within the network environment architecture under the client's own control. For publicly accessible websites and mini-programs operated by us, all data collected and generated during our operations within the territory of the PRC are stored domestically and does not involve the cross-border data transfer.

In the course of conducting business outside the PRC, all infrastructure-layer products will be deployed within the environment designated by the client. The client will remain the owner and processor of their business data. We will not own, nor will it access, collect, control, process, analyse, or transmit such business data of the client. Whether to conduct cross-border deployment of business data, or whether to provide data to third parties, will be entirely at the client's discretion. We will implement robust security and compliance measures in future business scenarios, to ensure compliance with applicable laws and regulations in all material respects.

Data Storage

In the scenario of providing products comprising both AI infrastructure and data infrastructure layers to enterprise and other clients, all such products are locally deployed within the clients' own environments. We do not own, nor do we access, collect, control, process, analyze, or transmit client data.

In the scenario of operating public accessible websites and mini-programs, data collected and generated during our operations within China is stored domestically. Depending on the specific scenario and purpose of processing, the storage periods for personal information relating to various products and services may differ. We determine the retention period primarily based on the following criteria: (i) requirements under applicable laws and regulations. For example, in compliance with relevant Chinese laws and regulations, product and service information as well as transaction records should be retained for no less than three years from the date of transaction completion, while cybersecurity logs should be stored for a minimum of six months; (ii) the purposes for which the personal information is collected and used; (iii) the duration of product or service provision; (iv) requirements related to the statute of limitations; and (v) whether the user has deactivated the account, withdrawn consent, or agreed to an extension of the retention period. Upon expiration of the applicable retention period, we will delete or anonymize personal information.

Data Security and Privacy Protection Measures

Data security and protection are among our highest priorities. In this regard, leveraging our deep understanding of regulatory requirements and industry trends and rooted in own practices, we have established a data security and privacy protection compliance framework that covers all of our business lines to ensure that necessary authorizations are obtained for data processing and to prevent unauthorized data access and leakage. In the scenario of providing products comprising both AI infrastructure and data infrastructure layers to enterprise and other clients, only upon the client's explicit request and authorization, our technical service personnel will provide on-site technical support within the client's operational environment and operating system. The technical personnel are subject to confidentiality agreements signed with the client and the client's security management policies.

In the scenario of operating public accessible websites and mini-programs, we have outlined how these websites and mini-programs process and protect personal information in privacy policies, requiring users to read and agree to the applicable privacy policy before registering an account and submitting personal information, thereby obtaining necessary authorization and consent. Unless another applicable legal basis of personal information processing applies, we will not process user personal information without consent.

In addition, we have implemented the following measures to protect data privacy and security and prevent unauthorized access or disclosure of data:

(1) We have established a personal information and data security management mechanism. The General Manager's Office serves as the leading institution, responsible for comprehensive planning, coordination, and promoting our personal information management and data security management.

(2) With respect to cybersecurity protection, we have implemented a series of protective measures, including but not limited to: using network firewalls and intrusion prevention devices; dividing networks into zones with logical isolation; employing necessary software encryption technologies; deploying an internal monitoring platform to conduct real-time surveillance.

(3) With respect to access control, we configure system and data access permissions and usage durations in accordance with the "principle of least privilege", prohibiting the granting of account permissions beyond job responsibilities. We analyze, trace, and audit account usage through logs to prevent unauthorized access.

(4) With respect to data lifecycle processing, we have established a set of internal data security and privacy protection policies, stipulating principles and norms for data processing, classified and grading protection of data, response mechanisms for personal information rights requests, and handling of personal information security incidents.

(5) With respect to incident management, we have established a cybersecurity incident management system and data center disaster contingency plan. We also developed backup plan and business continuity plan for business systems.

During the Track Record Period and as of the Latest Practicable Date, we had not experienced any material data or personal information leakage or loss, infringement of data or personal information, or information security incident, we had not been subject to any investigation, inspection or penalty from the PRC authorities or any other relevant regulatory bodies in relation to violation of cybersecurity, data security and personal data protection laws and regulations. Based on the foregoing, we and our PRC Legal Advisors are of the view that both the Company's existing products, services and solutions, and their data privacy features as mentioned above comply with data privacy and cybersecurity laws in the PRC effectively in all material respects.

INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business. We currently hold many intellectual properties related to our core solutions, and we devote significant time and resources to their development and protection. We rely on a combination of patent, trademark, copyright, domain name, trade secret and other proprietary rights protection laws in China and other jurisdictions as well as confidentiality procedures and contractual provisions to protect our intellectual properties. During the Track Record Period, our core technologies were patented. Such patents are typically valid for 20 years.

As of the Latest Practicable Date, we had over 170 patents registered with the National Intellectual Property Administration of the PRC and over 100 pending patent applications in the PRC. Among the pending applications, Patent Application No. 2024119885725 — *Method, Apparatus, Electronic Device and Storage Medium for Cluster Resource Management* — is of particular significance, as it relates to our TDC 5.0 platform and enables unified management of workloads and namespaces across multiple clusters, thereby enhancing system flexibility and adaptability. Other pending patents primarily represent forward-looking research and are not expected to pose any material impediments to approval or to our ongoing operations. We also had over ten registered patent overseas spanning Europe, Singapore, Japan and Canada. As of the Latest Practicable Date, we had over 640 trademarks registered in the PRC, Hong Kong, Japan, Singapore, the United States, Canada, the European Union, the United Kingdom, Saudi Arabia, among others. As of the Latest Practicable Date, we had over 470 copyrights registered with the National Copyright Administration of the PRC. As of the Latest Practicable Date, we had 18 co-own or co-share arrangements of our patents and patent applications with third parties. See "Appendix VI — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property" for details of our material intellectual property rights.

The following table sets forth the details of our key patents which are crucial to our business operations:

No.	Intellectual Property	Name of Registered Proprietor	Origins and Ownership	Place of registration	Date of Registration	Expiry date
1	A distributed database transaction processing system (一種分佈式數據庫事務處理系統)	Our Company	Self-developed; Proprietary	The PRC	February 7, 2020	December 24, 2038
2	A machine learning model training method, computer device, and storage medium (一種機器學習模型的訓練方法、計算機設備及存儲介質)	Chongqing Transwarp	Self-developed; Proprietary	The PRC	February 2, 2024	December 28, 2040
3	A method, device, equipment and storage medium for managing LLM hallucinations (一種大模型幻覺治理方法、裝置、設備及存儲介質)	Our Company	Self-developed; Proprietary	The PRC	May 31, 2024	October 22, 2043
4	A method for determining vector similarity and a method for searching vectors (一種向量相似度確定方法及向量搜索方法)	Our Company	Self-developed; Proprietary	The PRC	May 14, 2024	November 27, 2043
5	A large language model question answering optimization method, device, electronic device and storage medium (一種大語言模型問答優化方法、裝置、電子設備及存儲介質)	Our Company	Self-developed; Proprietary	The PRC	October 29, 2024	January 29, 2044
6	A method, device, equipment and medium for improving NL2SQL system capabilities (一種NL2SQL系統能力提升方法、裝置、設備和介質)	Our Company and Nanjing Transwarp Intelligent	Self-developed; Proprietary	The PRC	October 1, 2024	April 10, 2044
7	A management and scheduling system and method for heterogeneous acceleration cards based on K8s (一種基於K8s的異構加速卡的管理調度系統及方法)	Our Company	Self-developed; Proprietary	The PRC	May 31, 2024	September 12, 2043
8	A data quality evaluation method, computer device, and storage medium (一種數據質量評估方法、計算機設備及存儲介質)	Henan Transwarp	Self-developed; Proprietary	The PRC	January 10, 2025	September 28, 2041
9	Distributed processing method, apparatus, computer device, and storage medium (分佈式處理方法、裝置、計算機設備及存儲介質)	Our Company	Self-developed; Proprietary	The PRC	October 1, 2019	June 27, 2038
10	A method, device, and storage medium for synchronizing files (一種文件同步方法、設備及存儲介質)	Beijing Transwarp	Self-developed; Proprietary	The PRC	June 21, 2022	September 14, 2041

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending legal proceedings regarding intellectual property rights with third parties.

EMPLOYEES

We had 897 employees as of December 31, 2025, 894 of whom were based in Chinese Mainland. The following table sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number of Employees	Percentage
		(%)
R&D	327	36.5
Sales and marketing	153	17.1
Technical service	304	33.9
General and administrative	113	12.5
Total	897	100.0

Our success depends on our ability to attract, retain and motivate qualified personnel, and we view our talent pool as a core strength. We recruit through multiple channels, including campus recruitment, online platforms, internal referrals and executive search, to meet our evolving talent needs. We support employee integration and development through structured onboarding and training programs, including mentorship initiatives and role-specific development tracks. In addition, we maintain a competitive compensation and incentive system, informed by regular market benchmarking, and offer diverse career development opportunities to promote employee engagement and retention, thereby supporting our long-term growth.

As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial government, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We also procure that subsidiaries we acquired comply with applicable labor-related laws and regulations. Due to the preference of certain employees to participate in local social insurance and housing provident fund schemes in their place of residency, we used third-party agencies to pay social insurance and housing provident fund contribution for a few employees in certain locations where we had no branch or legal entity during the Track Record Period on time and in full. Pursuant to the written confirmation issued by the third-party human resources agent, they had made the contributions for our relevant employees in a timely manner pursuant to the applicable laws and regulations in China during the Track Record Period. As of the Latest Practicable Date, (i) there had been no disputes between us, such employees and the third-party human resources agent with regard to such arrangement, and (ii) we had not received any notice of rectification from, or been imposed any administrative penalty by, the relevant governmental authorities as a result of such arrangement. Due to historical reasons, differences in local practices and administrative complexities, we used third-party agencies to pay social insurance and housing provident fund contribution for a few employees during the Track Record Period on time and in full. As of the Latest Practicable Date, we had not received any administrative penalty or rectification notice from PRC authorities in connection with social insurance or housing provident fund contribution. As advised by our PRC Legal Advisors, the risk of us being imposed of material penalties is remote, provided that we rectify the third-party payment arrangements for our social security and housing provident fund contributions in a timely manner after receiving notices to rectify the non-compliance from the relevant PRC authorities.

Our Directors believe that the incidents above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we had not received any administrative penalty or rectification notice from PRC authorities in connection with social insurance or housing provident fund contribution, nor did we received any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, or any employee complaint concerning their payment of social insurance and housing provident funds; and (ii) we will make full and timely payments for the outstanding amount and overdue charges under our own accounts as soon as requested by relevant authorities.

We will review our practice and adopt the plan for remedial measures, including: (i) We will establish an internal control department to monitor our ongoing compliance with the social insurance and housing provident fund contribution regulations and oversee the implementation of any necessary measures. (ii) We will continuously review and monitor the reporting and contributions relating to the social insurance and housing provident funds and we will consult our PRC Legal Adviser for advice on relevant laws and regulations in China to keep us abreast of relevant regulatory developments; and (iii) Going forward, we will continue to implement the above measures to ensure us we comply with the social insurance and housing provident fund contributions requirements under the relevant laws and regulations and undertake to make timely payments for the outstanding amount and overdue charges under our own accounts as soon as requested by relevant authorities.

We enter into standard contracts and agreements regarding confidentiality, intellectual property, employment, commercial ethics and non-competition with our executive officers and full-time employees. These contracts typically include a non-competition provision effective during and up to two years after their employment with us and a confidentiality provision effective during and after their employment with us. Our employees are represented by labor unions. We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance, as required by PRC laws and regulations. We also purchase supplemental commercial medical insurance for our employees. In addition, we maintain the liability insurance for our directors, supervisors, and senior management.

In line with general market practice, we do not maintain any business interruption insurance, product liability insurance or other specialized insurance policies such as first-edition software quality liability insurance or cloud service liability insurance, which are not mandatory under PRC laws. See "Risk Factors — Risks Related to Our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources" in this document. During the Track Record Period, we did not make any material insurance claim in relation to our business. During the Track Record Period and up to the Latest Practicable Date, we had not made or been subject to any material insurance claims and/or product liability claims. We will review and assess our risks on an ongoing basis and make necessary adjustments to our insurance coverage in line with our needs and industry practice in the PRC. As advised by our PRC Legal Advisor, the absence of aforementioned insurance does not materially and adversely affect the Group's business and operations. Accordingly to Frost & Sullivan, the absence of product liability insurance is in line with the prevailing market practice.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to be a responsible corporate citizen, to abide by applicable laws and generally accepted ethical principles and to increase the wellness of the society. As we vision ourselves to provide world-leading enterprise-level AI and big data infrastructure products, services and solutions that catalyze progression of society and growth of enterprises, we attach great importance to environmental, social and governance matters, including environmental sustainability, social responsibility and governance ("ESG").

Environment, Climate and Sustainability

Given the nature of our business, the energy resources consumed in our operations and R&D activities are mainly electricity and domestic water resources with stable consumption levels and we do not operate any production facilities or otherwise impose any material threats to the environment or the climate. Therefore, we are not subject to significant environmental or climate-related risks. Nonetheless, we have made significant efforts towards environmental protection, change and sustainability.

We actively strengthens our end-to-end process control over our daily operations, optimizing resource allocation and further improving our operational efficiency. Our internal enterprise resource planning, business intelligence, and reporting systems have all been independently developed by us and are currently in operation and under management, with the aim of reducing operational costs and energy consumption as well as improving quality and efficiency through technological means. Leveraging our technological innovation to support sustainable energy

development, we strive to empower government, enterprises and organizations to achieve carbon neutrality and emission peak via our products and solutions. For example, we developed a carbon emissions monitoring service platform solution to provide comprehensive carbon neutrality services; we optimized flight routes for airlines to save tens of millions of tons of fuel annually; we provided automated modeling and intelligent monitoring and early warning platforms for weather forecasting in the middle and lower reaches of the Yangtze River, among other initiatives. Moreover, in collaboration with the National Supercomputing Center, we have established a marine big data center aimed at promoting the healthy development of the marine big data industry and safeguarding marine ecological diversity. By effectively leveraging the value of big data, we are building a new model for marine big data sharing services. Through the integrated research, education, industry, and application efforts, we contribute to the sustainable development of humanity and nature. Additionally, the intelligent power distribution and utilization big data application system built on our big data platform TDH closely aligns with the production needs of power companies and the social application requirements of governments. It conducts in-depth data analysis research and business application development to drive the development of power distribution and utilization, realize customer-centric core values in the power sector, efficiently allocate clean energy resources, and thereby promote the green transformation of China's energy structure.

In addition, we make efforts to save electricity energy in our daily office life as a part of our corporate culture. We operate most of our businesses digitally and utilize cloud-based services to reduce consumption of paper in an effort to keep our carbon consumption low. We have displayed notices in the office and surrounding areas to remind our employees of energy conservation and environmental protection, such as waste sorting, water and electricity conservation, and double-sided printing.

Energy Consumption

We are not a high energy-consuming and high-emission enterprise. In the course of operations and R&D, our main resource consumption consists of electrical energy and domestic water resources, both of which are sourced from local water supply systems and power grids. The Board of Directors will review key material performance indicators annually to ensure that emission reduction targets align with development needs. When reviewing performance targets, it will take into account internal and external factors, and compare quantitative targets with historical actual data to ensure that the targets set are consistent with the Company's operational development and achievable. When formulating performance targets, the Company will refer to historical data, comprehensively and prudently consider future business expansion, and strive to strike a balance between business growth and performance targets to achieve sustainable development.

Category	Indicator	Unit	2023	2024	2025
Greenhouse Gases (GHG)	Total GHG Emissions (Sum of Scope 1, 2 and 3)	tCOe	5,014.6	4,476.0	4,393.1
	Total GHG Emissions per Unit of Revenue	tCOe/RMB1 Million	10.2	12.0	9.8
Scope 1 GHG	Gasoline Consumption	Litres (L)	2,307.7	2,304.8	2,737.4
	Scope 1 GHG Emissions	tCOe	5.5	5.5	6.5
Scope 2 GHG	Total Electricity Consumption	Megawatt-hours (MWh)	1,303.8	1,151.8	1,014.3
	Electricity Consumption/ Revenue	MWh/RMB1 Million	2.7	3.1	2.3
	Scope 2 GHG Emissions	tCOe	763.5	674.5	594.0
Scope 3 GHG	Office Area	Square Metres (㎡)	12,950.7	11,555.1	11,555.1
	Office Computers (Amount in RMB)	RMB('000)	1,423.0	1,724.0	32.5
	Scope 3 GHG Emissions	tCOe	4,245.6	3,796.0	3,792.6
Water Consumption	Total Water Consumption	Tonnes	733.3	1,244.4	1,335.8
	Total Water Consumption per Unit of Revenue	Tonnes/RMB1 Million	1.5	3.3	3.0

We strictly comply with relevant environmental laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Noise Pollution Prevention and Control Law of the People's Republic of China, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, and actively fulfill our social responsibilities for ecological and environmental protection.

Although we are not exposed to material environmental or climate-related risks, we remain committed to reducing energy consumption through a series of targeted policies to contribute to environmental protection efforts. We regard energy consumption tracking as a key means to evaluate the effectiveness of environmental protection measures, and we will continue to monitor energy consumption in the future to reassess the efficiency of water and electricity usage in our operations. In the course of business operations, the Company will implement the following measures:

- Clearly post environmental protection and energy conservation reminders in office areas and their surroundings, covering waste sorting, water and electricity conservation, and double-sided paper usage;
- Promote a paperless office and prioritize video conferences;
- Encourage the use of electronic documents to reduce paper consumption;
- Significantly reduce energy consumption in the office area of the Shanghai headquarters through the deployment of an intelligent building management system;
- Continuously enhance employees' environmental awareness and cultivate good habits of resource conservation among employees, such as waste sorting and turning off lights when leaving work.

In terms of cost control, we will first clearly define the implementation objectives of the aforementioned environmental initiatives and then conduct a reasonable estimation of the costs required to achieve these objectives. These costs mainly include the deployment and maintenance costs of the intelligent building management system, the production costs of environmental publicity materials, training expenses, and the optimization costs of paperless office tools, so as to ensure that environmental protection investments are aligned with the Company's operational development.

Waste and Hazardous Waste

Given the nature of our operations, we do not generate significant amounts of waste or hazardous waste in our daily production and business activities.

- For general waste such as electronic waste and domestic and office waste, the Company actively guides all employees to place and handle the waste in accordance with sorting requirements through internal advocacy and management guidelines, to ensure the standardization and regularization of the waste management process.

Social Responsibility

Social matters

We have always upheld a strong sense of social responsibility, expanding and deepening exchanges and cooperation with various sectors of society, including government departments, research institutions and universities, industry partners, investment institutions, industry associations, and public media. Through initiatives such as jointly establishing university-enterprise joint research centers, we actively promote cutting-edge technological research and industrial application in the big data field, strengthen the foundation of China's big data technology, and contribute our strength to the construction of "Digital China" through practical actions. While focusing on technological innovation, we also actively engage in public welfare and charitable undertakings, fulfilling corporate citizenship responsibilities in multiple dimensions and fields: we continuously carry out charity education programs to safeguard the healthy growth of poor and left-behind children; we focus on promoting employment and provide employment support for key groups such as fresh college graduates and people with disabilities; we actively assist people in need and care for vulnerable groups; and we deeply integrate the concept of sustainable development into corporate operations.

Employee care

We attach great importance to the development of talent development system and the protection of employees' legitimate rights and interests. We have always adhered to the "people-oriented" management philosophy, and regard employees as the core resource and key driver supporting the sustainable development of the Company's business and the achievement of its strategic goals. We have built a workforce with a relatively rational structure and comprehensive professional coverage, and the workforce exhibits diversified characteristics in dimensions such as gender distribution, educational background and professional background. The specific details are as follows (as of December 31, 2025):

Category	Item	Headcount	Percentage
Total Employees	–	897	100%
Gender	Male	667	74%
	Female	230	26%
	Total	897	100%
Educational Background	Doctoral Degree Holders	15	2%
	Master's Degree Holders	339	38%
	Bachelor's Degree Holders	510	58%
	Below Bachelor's Degree	33	4%
	Total	897	100%
Employee Category by Role	R&D Staff	327	36%
	Sales and Marketing Staff	153	17%
	Technical Service Staff	304	34%
	General and Administrative Staff	113	13%
	Total	897	100%

We strictly comply with relevant laws and regulations, including the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China. We sign written labor contracts with all employees in accordance with the law, clearly defining the rights and obligations of both parties. We have fully implemented the full and timely payment of basic social insurance (including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance) and housing provident fund. Additionally, we pay a supplementary housing provident fund for some employees based on actual circumstances to protect employees' legitimate rights and interests. To build stable and healthy employee relations and support the Company's long-term development, we have established a comprehensive employee care system covering seven dimensions: diversity and equality & inclusion, compensation and benefits, career development and promotion, employee incentives, employee communication, health and safety, and employee activities. Details are as follows:

We believe that diversity (including but not limited to gender diversity) is a key factor in driving business competitiveness and achieving sustainable development. We actively promote inclusive collaboration among employees from different backgrounds. Throughout the entire employment process (including recruitment, employment, compensation, promotion, etc.), we do not engage in differential treatment or discrimination based on factors such as employees' age, gender, disability status, citizenship, ethnicity, race, religious belief, or marital status. Meanwhile, we have established transparent and fair recruitment, compensation, and promotion systems, explicitly prohibiting all forms of workplace discrimination and harassment to create a work environment of equality and respect.

We strictly implement the principle of "equal pay for equal work regardless of gender" to ensure that employee compensation aligns with job value and work performance, and that employees of different genders receive equal compensation for the same position and performance. In addition, we provide employees with comprehensive welfare guarantees, including commercial insurance (such as supplementary medical insurance), annual physical examination services, statutory holiday leave, and paid annual leave, to enhance employees' sense of work well-being.

We attach great importance to employees' career growth and have established a clear employee career development system. We systematically streamline talent selection and internal promotion processes, optimize compensation and incentive plans, and continuously attract and retain high-quality talent by providing a broad development platform and competitive remuneration. Meanwhile, we have built a systematic training system focused on improving employees' capabilities, covering new employee orientation training, job skill training, and management competency training, to support the common development of employees and the Company.

To deeply align the interests of shareholders, the Company, and the core team, and fully stimulate the enthusiasm and creativity of core employees, we have launched equity incentive plans. By enabling core employees to share in the Company's development achievements, we enhance their sense of belonging and cohesion, and achieve long-term coordinated growth between employees and the Company. We attach importance to constructive communication with employees and have established a standardized labor management mechanism. We handle potential labor relations disputes in strict accordance with relevant national and local laws and regulations, as well as the Company's rules and systems. Up to the date of signing this document, no material labor disputes have occurred during the reporting period, and the employee team remains stable.

We place employee health and safety in a prominent position. We have newly launched a Traditional Chinese Medicine (TCM) physiotherapy program to provide employees with professional health conditioning services. Meanwhile, we continuously improve the quality of the office environment by regularly updating office equipment and optimizing office space layout (such as enhancing lighting and ventilation conditions), so as to ensure employees' occupational health and work comfort. Adhering to the philosophy of "Teamwork, Pride and Joy," we focus on enriching employees' spare-time cultural life. We have established a unified sports association, covering multiple interest clubs including swimming, table tennis, badminton, and football. We organize various sports activities and team-building activities on a regular basis to enhance communication and collaboration among employees and create a positive team atmosphere.

Governance

ESG Governance Scheme

As part of our efforts to promote corporate social responsibility and sustainable development, we are in the process of optimizing our corporate governance on environmental, social and corporate governance. We will establish a comprehensive ESG policy framework in accordance with the standards set out in Appendix C2 to the Listing Rules. Our ESG policies will clearly define the division of responsibilities and delineation of authority for the management of various ESG matters.

The Board of Directors will establish a clear ESG policy decision-making mechanism and implementation pathway. The Strategy Committee will take the lead in the top-level design of ESG, responsible for formulating the ESG strategic framework, clarifying the priority of major issues, and deeply integrating them with the Company's business strategy. The Audit Committee will oversee the quality of ESG data, track the management's preparation for the new climate disclosure guidelines, and review the compliance of ESG reports to ensure they conform to the relevant standards of the Stock Exchange of Hong Kong. The Remuneration and Assessment Committee will strengthen ESG incentives and constraints, actively link ESG performance to executive remuneration, and establish a long-term incentive mechanism. The Nomination Committee will optimize the ESG governance structure, give priority to candidates with ESG expertise in the subsequent director appointment process, and ensure board diversity.

Our Board members have extensive experience in professional technology, risk management, finance and accounting, audit and internal control, legal and compliance, and other fields, which can provide multi-dimensional support for ESG management. This enables the Board to formulate ESG policies from the perspective of stakeholders and avoid the limitations of single financial objectives. Risk management experts will assist in identifying the potential impact of climate risks (such as the impact of extreme weather on supply chains) on the business and incorporate them into the overall corporate risk framework to enhance technical and environmental management capabilities. Finance, accounting, audit, will ensure the accuracy of ESG data and compliance of disclosures, supervise the climate data accounting process, and prevent greenwashing risks. The Strategy Committee will promote the integration of ESG goals into the Company's long-term planning to play a leading role in strategy and culture. Meanwhile, we will engage third-party professional institutions to obtain more authoritative professional support and ensure the professionalism, effectiveness, and credibility of ESG management.

ESG Materiality Assessment

We attach great importance to the ESG materiality assessment and identify it as the core of sustainable development management. The Board of Directors will review material ESG issues and supervises the implementation of management measures. The assessment process will include issue identification, stakeholder engagement, and prioritization. We will integrate the results to formulate an annual assessment report, which involves systematically identifying risks and opportunities, developing a list of material issues, collecting stakeholder feedback, and finally determining the priority of annual material issues based on the feedback and management assessment. Meanwhile, we will continue to develop quantifiable ESG indicators, establish metrics for material issues to monitor risks and performance, and the Board will continuously oversee the impact of ESG risks on the business, strategy, and finances.

ESG Risks in the Supply Chain

We attach great importance to the end-to-end development of the supply chain system, continuously optimize procurement processes, and establish an open, fair, and impartial procurement evaluation and management system. This ensures the standardization and transparency of procurement activities, actively maintains positive business cooperation with upstream and downstream suppliers, and, under the premise of safeguarding our Company's own legitimate rights and interests, fully respects and protects the legitimate rights and interests of suppliers to promote the building of a symbiotic and win-win supply chain ecosystem.

We actively embed ESG policies into supplier management. During supplier bidding and onboarding processes, we conduct due diligence to identify potential supply chain risks and incorporate ESG assessment as an onboarding criterion, ensuring that ESG requirements are applied throughout the entire lifecycle of supplier cooperation. Meanwhile, we incorporate ESG compliance checks at key business nodes, such as supplier onboarding reviews, contract term approvals, and purchase order issuances. We promptly translate the latest regulatory requirements into internal review standards to ensure the continuous compliance of supply chain ESG management.

Technology Ethics

We have promulgated and implemented the Measures for Ethics Review of Science and Technology Activities of Transwarp. Our data processing is aligned with national data security regulations; we have established a comprehensive risk monitoring and emergency response mechanism to consolidate the data security defense line. Furthermore, we ensure that algorithm and system R&D adhere to the principles of fairness, impartiality, transparency, reliability, and controllability, so as to guarantee the compliance and impartiality of technologies.

In the R&D and application of AI deep synthesis technology, we conduct end-to-end management and supervision over algorithm design, implementation, testing, and deployment. We focus on preventing risks such as data privacy leakage, algorithmic discrimination, and false advertising, prohibit algorithm abuse, and safeguard users' rights and interests, as well as public interests. Meanwhile, we have established and improved a content review mechanism to strictly oversee AI-generated content. Through technologies and mechanisms, we guide models to generate positive content, enhance the legality and security of content, curb the spread of false and harmful information, fulfill the social responsibilities of a technology enterprise, and contribute to building a healthy and secure AI development environment.

Data Security and Privacy Protection

Based on a systematic review of privacy protection laws, regulations, and industry standards, we have a thorough grasp of regulatory requirements and industry trends. Combining with our own practices, we have established a data security and privacy protection compliance framework covering all business lines. By formulating internal systems such as the Transwarp Data Security Management Measures and the Transwarp Personal Information Management Measures, we effectively guide the implementation of data security and privacy protection work. Meanwhile, we have developed independent and public privacy policies for our official website and products such as Infinity Intelligence, which is a knowledge platform integrated with TKH, integrating privacy protection into our products and services.

Under the compliance framework, we continuously strengthen supplier management, assess their data compliance capabilities, and sign data protection clauses. Furthermore, we effectively protect users' rights, respect their right to know, right to choose, and right to control, and provide channels for accessing, modifying, or deleting the information they have provided. We adopt various techniques to prevent information leakage, standardize internal employees' data processing,

clearly inform, and obtain the legal basis for processing personal data. At the same time, we constantly track changes in laws, regulations, and industry practices, and update relevant systems and policies promptly to ensure continuous compliance.

Business Ethics

We have always adhered to the core values of "integrity, honesty, and transparency", striving to build a clean and upright working environment to create long-term value for employees, customers, and society. We uphold a "zero tolerance" policy towards commercial bribery and corrupt practices, and have promulgated the Transwarp Anti-Commercial Bribery and Anti-Corruption Policy, which clearly defines the Company's management direction in anti-corruption efforts. Meanwhile, the Employee Handbook includes supporting disciplinary provisions, providing an institutional foundation and implementation basis for the practice of integrity and compliance management.

We actively promote the "clean workplace" concept, conveying the value of honesty and fairness to employees and partners to jointly foster a responsible and trustworthy business ecosystem. We have established a whistleblower protection mechanism and set up a dedicated reporting email address to ensure that reporting leads are handled impartially. This mechanism also protects the legitimate rights and interests of whistleblowers, enabling joint efforts to safeguard an honest and fair corporate environment.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to noncompliance in relation to health, work safety or environment regulations and had not had any incident, or received any claim for personal or property damage made by our employees, which had materially and adversely affected our financial condition or business operations. Given that we operate our business primarily in the office, and that a majority of our operations are conducted online, we leave limited impact on the environment with a small carbon footprint. In light of such business nature, environmental- related and social-related risks and climate-related issues are not likely to have material negative impacts on our business, strategy and financial performance going forward. During the Track Record Period and up to the Latest Practicable Date, we had not incurred material capital expenditures or compliance costs related to climate and environmental protection. We also do not anticipate to incur material capital expenditures or compliance costs related to climate in the foreseeable future.

PROPERTIES

We do not own any properties. As of the Latest Practicable Date, we leased eight properties in the PRC, with an aggregate GFA of approximately 11,572.34 sq.m. from independent third parties. These properties were used primarily as premises of office spaces, R&D activities and daily operations. Our lease agreements in respect of the abovementioned leased properties generally have lease terms ranging from one to five years.

As of the Latest Practicable Date, with respect to one of our leased properties in the PRC, the lessor of such property failed to provide us with sufficient or valid ownership certificates. Based on the advice of our PRC Legal Advisors, if the lessor of the leased property do not have the requisite rights to lease the relevant properties, our leases may be affected. In addition, if the lessor does not have the requisite rights to lease these properties, we may be required to vacate these leased properties and relocate. During the Track Record Period and up to the Latest Practicable Date, no parties have raised questions, disputes, or conflicts regarding the leases, nor have there been any administrative penalties by any relevant authorities, or any penal or investigation notices from the relevant authorities due to the aforementioned defects. The properties in question are leased for office use. Even if we are required to move out of the defective leased properties, finding alternative properties would be relatively convenient. Based on the above, our PRC Legal Adviser is of the view that the possibility of our business operations being materially and adversely affected by the aforementioned defective leased property is relatively low.

The above non-compliances arise from circumstances that are largely beyond our control and cannot be fully rectified by us alone. For example, property ownership certificating issues stem from the property owner's historical planning and depend on the owner's willingness to undertake administrative procedures and registration matters that we cannot resolve independently. Nonetheless, to prevent recurrence of similar non-compliance issues in future leases, we have strengthened our internal control measures. In particular, we have enhanced our due diligence procedures when identifying and evaluating new leasing opportunities, with heightened scrutiny on land use planning compliance, property registration, and lessor documentation.

Therefore, our Directors believe that the aforementioned defective leased property would not materially and adversely affect our business, financial condition or results of operations on the grounds that: (i) as advised by our PRC Legal Adviser, the possibility of our business operations being materially and adversely affected by the aforementioned defective leased property is relatively low; (ii) during the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, our leases with respect to these defective leased properties had never been challenged by any third parties; and (iii) the relevant defective leased properties accounts for a relatively small area of the total properties occupied.

LEGAL PROCEEDINGS AND COMPLIANCE

Our Directors confirm that:

1. Our Group has, in all material respects, implemented the following security management and technical measures in compliance with artificial intelligence-related regulations, including the Generative AI Services Measures, the Measures for the Labeling of Artificial Intelligence Generated and Synthesized Content, and the Administrative Provisions on Deep Synthesis of Internet Information Service:

   (1) Our Group has established a self-assessment mechanism for algorithm security. Regular reviews, assessments, and validations are conducted on the research, design, and development of algorithm models.

   (2) Our Group has established a corpus review mechanism, which includes verifying the source and scope of authorization of training data, cleansing corpora to remove non-compliant content. Our Group has set up internal review mechanism to refrain from using data of unknown origin or materials prohibited for commercial use.

   (3) Our Group has adopted both technical and manual methods to review input and output content. This enables the identification and filtering of illegal and harmful information, prevent the generation of false, illegal and harmful content or discriminatory scenarios.

   (4) Our Group has established a mechanism for labeling generated content to comply with the Measures for the Labeling of Artificial Intelligence Generated and Synthesized Content and relevant mandatory national standards in all material respects, including incorporating visible labels within the interactive interface and the generated content to remind users that they are using deep synthesis technology service, and adding implicit identifiers to ensure traceability and origin verification.

   (5) Our Group has established an algorithm security monitoring and emergency response mechanism for responding to potential algorithm security incidents.

2. Our Group has completed algorithm filings and safety assessments for generative AI service with the Cyberspace Administration for the generated AI services it has launched in accordance with the Generative AI Services Measures and the Administrative Provisions on Deep Synthesis of Internet Information Service. During the aforesaid processes, our Group has submitted materials to the Cyberspace Administration detailing the algorithmic compliance measures it has adopted, and has passed the corresponding technical evaluations required by the Cyberspace Administration. As of the Latest Practicable Date, our Group has not faced any investigations, penalties, litigation, or other legal proceedings related to violations of algorithm and artificial intelligence-related regulations that have had, or would be expected to have, a material adverse impact on our Group's business.

Based on the above, as advised by the PRC Legal Advisors, our Directors are of the view, and the Sole Sponsor concurs, that our Group are in compliance with all applicable laws and regulations on algorithm and artificial intelligence-related in all material respects as of the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. According to our PRC Legal Advisors, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

U.S. OUTBOUND INVESTMENT REGULATIONS

On November 15, 2024, the U.S. Department of the Treasury published new regulations entitled "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "Outbound Investment Rule"), which became effective on January 2, 2025.

The Outbound Investment Rule prohibits or requires notification of certain investments by U.S. persons into certain People's Republic of China ("PRC")-affiliated companies operating in the semiconductor and microelectronics, quantum information technology, and artificial intelligence ("AI") sectors. "U.S. persons" include entities organized under the laws of the United States or a jurisdiction thereof, U.S. citizens and permanent residents, and any persons physically present in the United States.

Specifically, the Outbound Investment Rule applies to "covered transactions," i.e., certain investments into, with, or establishing a "covered foreign person." The Outbound Investment Rule defines "covered foreign person" to be a "person of a country of concern" engaged in a "covered activity." Currently, only the PRC, including Hong Kong and Macau, is designated as a "country of concern." The Outbound Investment Rule defines "covered activity" to include a set of specific activities in the semiconductor and microelectronics, quantum information technology, and AI sectors. "Covered transaction" is defined to include a range of transactions, including certain acquisitions of equity or contingent equity interests, debt financing, joint ventures, and investments as a limited partner in a non-U.S. person pooled investment fund, among other things.

Our Sanctions Counsels believe that our Company is not a covered foreign person. Therefore, the Outbound Investment Rule should have no impact on our Company's [**REDACTED**] and does not restrict U.S. persons from [**REDACTED**] in the [**REDACTED**]. Even if our Company were a covered foreign person, the Outbound Investment Rule does not restrict U.S. persons from acquiring publicly traded shares after the [**REDACTED**], as long as the investor does not acquire rights that go beyond certain standard minority shareholder protections. Considering our Sanctions Counsels' analysis and view, our Directors are of the view, and based on the information provided by our Company, the Sole Sponsor concurs, that the Outbound Investment Rule does not have an impact on our Company or the [**REDACTED**].

LICENSES AND PERMITS

As of the Latest Practicable Date, as advised by our PRC Legal Advisors, we had obtained all material licenses and permits required for our business operations in the PRC, and such licenses and permits had remained in full effect. Our Directors are of the view that there was no material legal impediment to renewing our material licenses and permits as of the Latest Practicable Date.

The table below sets out the main standards, certifications or requirements that we were compliant with as of the Latest Practicable Date:

Standards, certifications or requirements	Definition of the standards, certifications or requirements	Our compliance with the standards, certifications or requirements
Interim Measures for the Administration of Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法)	The Interim Measures for the Administration of Generative Artificial Intelligence Services provides a regulatory baseline for generative AI applications offered to the public within China. Article 2 states that Providers of generative artificial intelligence services that possess public opinion attributes or the ability to mobilize society shall conduct security assessments in accordance with relevant national regulations, and shall go through algorithm filing, modification, and cancelation procedures in accordance with the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services.	Our Infinity LLM has completed the filling for generative artificial intelligence services.

Standards, certifications or requirements	Definition of the standards, certifications or requirements	Our compliance with the standards, certifications or requirements
Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services (互聯網信息服務算法推薦管理規定)	Article 2 of the Provisions on the Administration of Algorithm-generated Recommendations for Internet Information Services clarifies the scope of regulatory oversight, stating that any use of algorithmic technologies for information distribution, content ranking, personalized recommendations or operational decision making in the provision of internet information services must comply with the provisions outlined in the regulation and properly registered.	Our Transwarp Infinity LLM for data analysis and report generation algorithm has completed the filing for deep synthesis in internet-based information services.
Data management capability maturity assessment model (DCMM)	DCMM (Data Capability Maturity Model) is the first national standard officially released in China in the field of data management. It divides data management capability maturity into five levels, from lowest to highest: Initial Level (Level 1), Managed Level (Level 2), Stable Level (Level 3), Quantitatively Managed Level (Level 4) and Optimized Level (Level 5). Different levels represent varying degrees of maturity in enterprise data management and application.	Our data management capacity is certified at the Quantitatively Managed Level (Level 4).
ISO 20000:2018 Information Technology Service Management System Certification Certificate (ISO 20000:2018信息技術服務管理體系認證證書)	ISO20000 is the globally authoritative standard for IT service management, requiring organizations to implement robust management systems across service design, transition, delivery and continuous improvements to ensure holistic, reliable and efficient IT services.	We have obtained the ISO 20000:2018 Information Technology Service Management System Certification Certificate
Capability Maturity Model Integration (CMMI) model	CMMI is a globally recognized framework consolidating decades of best practices in software engineering and systems engineering, serving as the benchmark for assessing the comprehensive capabilities of software enterprises. The CMMI model categorizes software organizations into five maturity levels, with higher level indicating stronger software capabilities and organizational maturity.	We have achieved the highest CMMI Maturity Level 5 certification.
Value-Added Telecommunication Business Operation License (增值電信業務經營許可證)	A type of telecommunications license that allows businesses to offer services that go beyond basic voice calls and utilize existing network infrastructure.	We have obtained the Value-Added Telecommunication Business Operation License.

Our Group's only PRC entity that actually conducts value-added telecommunication business is Beijing Transwarp, which provides second-category value-added telecommunications services, specifically internet information services, through its website "WuYa-Wenzhi Infinity" (https://www.wuya-ai.com/). As of 26 October 2025, the "WuYa-Wenzhi Infinity" has 120,608 registered users, handled 557,434 inquiries, and generated aggregate fee income of RMB449.10 from 9 paying users, since its official launch in April 2024. With respect to the second-category value-added telecommunications services Beijing Transwarp actually operates, Beijing Transwarp has obtained the Value-Added Telecommunications Business Operating Licence issued by the Beijing Communications Administration, renewed on 13 August 2025.

Under the provisions of the 2024 Negative List, the foreign equity shareholding in sino-foreign joint ventures conducting value-added telecommunications business shall not exceed 50% (excluding e-commerce, domestic multiparty communications, storage and forwarding services, and call centres). The aforesaid internet information services provided by Beijing Transwarp falls within the "restricted" category under the 2024 Negative List, which caps aggregate foreign shareholding in a sino-foreign joint venture providing such services at 50%.

Prior to and following the proposed [**REDACTED**], our Company owns 100% of Beijing Transwarp. Pursuant to the [**REDACTED**], our Company will [**REDACTED**] (i) [**REDACTED**] H Shares, representing approximately [**REDACTED**]% of the enlarged total number of Shares immediately after completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised; and (ii) [**REDACTED**] H Shares, representing approximately [**REDACTED**]% of the enlarged total number of Shares immediately after completion of the [**REDACTED**], assuming that the [**REDACTED**] is exercised in full.

Taking into account our Company's shareholding structure as of the Latest Practicable Date, the foreign shareholding is expected to remain below 50%. Therefore, upon completion of the [**REDACTED**], Beijing Transwarp's foreign shareholding ratio on a pass-through basis is projected to remain below 50%, continuing to comply with the provisions of the 2024 Negative List. Therefore, as in the view of our PRC Legal Advisors, the [**REDACTED**] will not cause our Group to breach the PRC foreign-investment restrictions, and no prohibited business is involved.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional departments.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial management, budget management and financial statement preparation. We also have procedures in place to carry out such accounting policies, and our finance department reviews our management accounts in accordance with such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

Information System Risk Management

Sufficient maintenance, storage and protection of our data and other related information are critical to our success. We have implemented relevant internal procedures and controls to ensure that our data is protected and that leakage and loss of such data are avoided. We have established an all-round information system in reference to data security requirements, national standards and industry best practices and intend to continually invest heavily in data security and privacy protection. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of our data. See "— Data Privacy and Security" in this section for more information about our information security procedures and policies.

Our information technology and software systems have not encountered any material malfunction, unexpected system failure, interruption or security breach during the Track Record Period and up to the Latest Practicable Date.

Compliance and Intellectual Property Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations, as well as the protection of our intellectual property rights. Our legal or business department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties or us to perform contractual obligations and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements. There was no material and systemic non-compliance during the Track Record Period and as of the Latest Practicable Date.

We have in place detailed internal procedures to ensure that our in-house legal or business department reviews our products and solutions, including upgrades to existing solutions, for regulatory compliance before they are made available to the general public. Our legal department is also responsible for obtaining any requisite governmental pre-approvals or consent, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines and ensuring all necessary application, renewals or filings for trademark, copyright and patent registration have been timely made to the competent authorities.

Internal Control Risk Management

We have designed and adopted strict internal procedures to ensure the compliance of our business operations with the relevant rules and regulations. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operation, and conduct regular reviews to monitor the status and effectiveness of those licenses and approvals. We obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines.

Human Resources Risk Management

We have established internal control and risk management policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training tailored to the needs of our employees in different departments. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We monitor the implementation of internal risk management policies on a regular basis to identify, manage and mitigate internal risks in relation to the potential incompliance with our code of conduct, work ethics, and violations of our internal policies or illegal acts at all levels of our Group.

In particular, we have in place a set of comprehensive anti-corruption and anti-bribery policies within our company (the "Anti-corruption Policy") to promote and support the compliance with applicable anti-corruption laws and regulations, providing guidance on anti-corruption and anti-bribery practices, the whistleblowing channel, as well as the responsibilities for implementing the policies. All of our employees and third-party agents are required to understand and comply with the Anti-corruption Policy, and we from time to time provide anti-corruption trainings to our employees and third-party agents. Under our current whistleblowing policy, one who becomes aware of any possible violations of applicable law or the Anti-corruption Policy should report the relevant incidents to the legal department immediately. Such reports will be treated with confidentiality, and the reported matter will be investigated and handled in a prompt, independent and fair manner.

Investment Risk Management

Our investment department is responsible for investment project sourcing, screening, execution and portfolio management. The department sources investment projects in accordance with our investment strategy, and conducts thorough pre-investment due diligence to assess the risks, business synergies and potential return of the investment projects.

AWARDS AND RECOGNITION

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date.

Award Year	Award/Recognition	Awarding Institution/Authority
2025	Our joint project with Fudan University won Second Prize for Technological Invention in the 2024 Wu Wenjun AI Science and Technology Awards (我們與復旦大學合作項目榮獲2024年度"吳文俊人工智能科學技術獎"技術發明二等獎)	Chinese Association for Artificial Intelligence (中國人工智能學會)

Award Year	Award/Recognition	Awarding Institution/Authority
2025	Selected as a member of "List of LLM Application Delivery Suppliers" (入選"大模型應用交付供應商名錄")	China Academy of Information and Communications Technology (中國信息通訊研究院)
2024	2023 Shanghai Science and Technology Award Second Prize for Scientific and Technological Progress (2023年度上海市科學技術獎科技進步二等獎)	Shanghai Municipal People's Government (上海市人民政府)
2024	Our product Transwarp LLM Operation Platform won the Second Prize in the Jiangsu Province Artificial Intelligence Application Innovation Award (Product Category) (我們的產品星環大模型運營平台榮獲江蘇省人工智能應用創新獎(產品)二等獎)	JiangSu Association of Artificial Intelligence (江蘇省人工智能學會)
2023	Our Infinity LLM completed the filling for generative artificial intelligence services (我們的無涯大模型通過生成式人工智能服務備案)	Cyberspace Administration of China (國家互聯網信息辦公室)
2023	Selected as one of the First Batch of Shanghai Innovative Enterprise Headquarter (入選第一批上海市創新型企業總部)	Shanghai Municipal Leading Group Office for Strategic Emerging Industries (上海市戰略性新興產業領導小組辦公室)