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Application Proof of



Semi-Tech Group Co., Ltd.*

賽美特信息集團股份有限公司

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

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Semi-Tech Group Co., Ltd.*

賽美特信息集團股份有限公司

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

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the the [REDACTED] [REDACTED])

Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)

Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation and the [REDACTED])

Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)

Nominal value : RMB0.50 per H Share

[REDACTED] : [REDACTED]

Sole Sponsor



[REDACTED]

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The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. Such notices will also be available on the website of our Company at www.semi-tech.com and on the website of the Stock Exchange at www.hkexnews.hk. Further details are set forth in “Structure of the [REDACTED]” and “How to Apply for [REDACTED].”

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this document, in particular, the risk factors set out in “Risk Factors.” The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to [8:00 a.m.] on the [REDACTED]. Such grounds are set out in “[REDACTED].” It is important that you refer to that section for further details.

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[REDACTED]

* For identification purpose only

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EXPECTED TIMETABLE

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EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a leading provider of intelligent industrial software solutions in China, leveraging proprietary technologies and independently developed intellectual properties, according to the CIC Report. We are the largest Chinese provider in China’s advanced-industry intelligent manufacturing software companies market with a market share of 1.5% in terms of industrial software revenue from advanced industries in 2024, according to the same source. The thereof market accounts for approximately 10% of China’s industrial software market. We are also the largest Chinese intelligent manufacturing software company in the semiconductor industry in terms of industrial software revenue in 2024, ranking first among Chinese companies with a clear lead over other domestic market participants. With strong commercialization capabilities, we are one of a few China-based advanced-industry intelligent manufacturing software companies to achieve profitability.

We are the first and only provider in China whose fully automated computer integrated manufacturing (“CIM”) solutions have been validated for mass production by multiple 12-inch wafer fabs, according to CIC, boosting confidence in domestic CIM solutions. As of December 31, 2025, the number of our customers reached 843, covering six of the top eight wafer fabs, the top three semiconductor silicon wafer manufacturing plants and the top three packaging and testing plants in China.

Since our inception, we have gradually built a capability framework that spans vertically, horizontally and diagonally. Vertically, we continuously expand our product portfolio, offering a variety of intelligent manufacturing solutions including Manufacturing Execution System (“MES”), Equipment Automation Program (“EAP”), Yield Management System (“YMS”), Statistical Process Control (“SPC”), Real Time Dispatch (“RTD”), Advanced Planning and Scheduling (“APS”), Material Control System (“MCS”) and MessageBus. Horizontally, we are rooted in the core industry vertical of the semiconductor sector, comprehensively covering the entire manufacturing process — from the manufacturing of semiconductor materials (such as silicon wafers), front-end wafer fabrication to back-end packaging and testing, as well as other related high-end manufacturing processes. We have also extended our expertise into other industry verticals such as electrification, electronics, automotive, display panels, photovoltaic, chemicals, new energy batteries, high-end equipment, metal products and biopharmaceuticals. Diagonally, from R&D and production automation to operations management, we bridge the factory floor and enterprise management layer.

Our Solutions

Building on our expertise and technical strengths in the semiconductor sectors, we have successfully expanded into other fields. We primarily offer intelligent manufacturing software solutions and operations management software solutions for customers:

- **Intelligent Manufacturing Software Solutions.** We operate mainly on a project-based model, offering dozens of manufacturing-related industrial software, including MES, EAP, YMS, SPC, RTD, APS, MCS and MessageBus, along with related hardware. After project completion, we provide ongoing operation and maintenance services to maintain client relationships, explore future business opportunities and achieve long-term mutual benefits. As of December 31, 2023, 2024 and 2025, our intelligent manufacturing software solutions served 296, 367 and 444 customers, respectively, with a CAGR of 22.5% from 2023 to 2025. Our revenue from intelligent manufacturing software solutions for 2023, 2024 and 2025 was RMB254.0 million, RMB372.9 million and RMB437.0 million, respectively, with a CAGR of 31.2% from 2023 to 2025.

SUMMARY

- Operations Management Software Solutions.** We offer software solutions related to operations management, such as enterprise resource planning (“ERP”), enterprise asset management (“EAM”), e-robotic process automation (“eRPA”) and intelligent document processing (“IDP”), together with customized implementation services to customers across industry verticals, primarily targeting large state-owned enterprises (“SOEs”). This includes secondary development and customization based on third-party software packages, implementation and maintenance services. As of December 31, 2023, 2024 and 2025, our operations management software solutions served 55, 304 and 392 customers, respectively, with a CAGR from 2023 to 2025 of 166.9%. Our revenue from operations management software solutions for 2023, 2024 and 2025 was RMB29.2 million, RMB101.1 million and RMB294.5 million, respectively, with a CAGR of 217.5% from 2023 to 2025. Additionally, to align with the trend of domestic innovation and the changing geopolitical landscape between China and the United States, we plan to develop our own ERP software, aiming to achieve domestic ERP substitution and further expand our market share.

COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors: (i) strong position in China’s advanced-industry intelligent manufacturing software companies industry, (ii) advanced R&D and innovation capabilities, (iii) one-stop intelligent industrial software solution, (iv) customer network and industry benchmark use cases, (v) strong M&A and integration capabilities and scalable business model and (vi) management team with extensive industry expertise.

OUR STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) further strengthening our position in the intelligent industrial software solutions sector, (ii) continuously strengthening R&D investment, (iii) optimizing operational efficiency and scientific management to unlock talent potential, (iv) empowering and expanding domestic and international customer base to become a global intelligent manufacturing software solutions provider and (v) accelerating technological accumulation through strategic acquisitions and enhancing competitiveness through integration and synergy.

ACQUISITIONS DURING THE TRACK RECORD PERIOD

We acquired four companies (“**Acquisitions**”) during the Track Record Period, the financial results of which had been consolidated into the financial results of our Group for the Track Record Period. The following table sets forth a summary of the Acquisitions in relation to each target companies (each an “**Acquired Subsidiary**”). In July 2025, we also entered into an agreement with Beijing Guoxin Power Source Technology Development Co., Ltd. (北京國信動力源科技發展有限公司) at a consideration of approximately RMB32.0 million to acquire contractual rights, customer resources, and future business opportunities related to the ERP business of the acquired party, as well as personnel associated with the acquired business. See note 37 to Accountants’ Report in Appendix I to this document.

Acquired Subsidiary	When consolidated into our Group’s financial statements	Aggregate consideration (RMB in thousands)	Counterparties ⁽¹⁾	Principal software products/services
Hangzhou Guan Tian	February 2024	15,106	(a) Kunshan Kaige Venture Investments Co., Ltd.* (昆山凱歌創業投資有限公司) (b) Kunshan Guanqin Innovation Technology Co., Ltd.* (昆山冠勤創意科技有限公司)	RPA, RCM

SUMMARY

Acquired Subsidiary	When consolidated into our Group’s financial statements	Aggregate consideration (RMB in thousands)	Counterparties ⁽¹⁾	Principal software products/services
Beijing Zhi Yang .	February 2024	12,000	(a) Mr. Ma Zhen (馬楨) (b) Shanghai Zhihao Xiaowei Enterprise Management Partnership Enterprise (Limited Partnership)* (上海智豪曉為企業管理合夥企業(有限合夥))	ERP implementation and technical consulting
Suzhou Vida. . . .	April 2024	39,800	(a) Mr. Lu Jucheng (盧聚成) (b) Mr. Zheng Anyou (鄭安佑) (c) Shanghai Saidawei Enterprise Management Partnership Enterprise (Limited Partnership)* (上海賽達威企業管理合夥企業(有限合夥))	YMS, DMS
Beijing Huiliu. . .	April 2025	30,000	(a) Shanghai Xihe Chuangzhi Enterprise Management Partnership Enterprise (Limited Partnership)* (上海曦合創智企業管理合夥企業(有限合夥))	EAM, eRPA, IDP

(1) To the best knowledge of our Directors, the counterparties to the Acquisitions were independent third parties to each other.

As of the Latest Practicable Date, we have fully integrated the business of all Acquired Subsidiaries into our Group and achieved synergies in the following aspects: (i) product and technology integration, (ii) implementation, technical services and maintenance, (iii) management integration, (iv) customer and sales synergies, (v) financial synergies and (vi) brand synergies. See “Business—Acquisitions during the Track Record Period.”

OUR CUSTOMERS AND SUPPLIERS

We have developed and offered our solutions to companies across various industries. Our customers during the Track Record Period are primarily based in Mainland China. Revenue generated from our top five customers in each year during the Track Record Period accounted for 36.2%, 28.6% and 27.6% of our total revenue in 2023, 2024 and 2025, and revenue generated from our largest customer in each year during the Track Record Period accounted for 11.5%, 10.8% and 10.1% of our total revenue in the same years, respectively.

Our suppliers primarily include (i) licensors of software products included in our solution offerings and for our daily business operations, such as our ERP as well as other computer operating systems, database software, development tools, software components and network security systems; (ii) providers of source code; (iii) providers of hardware; and (iv) human resources technical services provider. During the Track Record Period, most of our major suppliers are from Mainland China and other major suppliers are from Japan, the Republic of Korea and the United Kingdom. Purchase from our top five suppliers in each year during the Track Record Period accounted for 82.1%, 52.1% and 49.1% of our total purchases in 2023, 2024 and 2025, and purchase from our largest supplier in each year during the Track Record Period accounted for 36.7%, 19.7% and 16.4% of our total purchases in the same years, respectively. See “Business—Customers and Suppliers.”

SUMMARY HISTORICAL FINANCIAL INFORMATION

The following should be read together with the consolidated financial statements in the Accountants’ Report set out in Appendix I to this document, including the accompanying notes and the information set forth in “Financial Information.” Our consolidated financial information was prepared in accordance with the HKFRS.

SUMMARY

Summary of Consolidated Statements of Profit or Loss

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Revenue	286,772	100.0	499,692	100.0	731,496	100.0
Cost of sales	(160,685)	(56.0)	(301,885)	(60.4)	(471,265)	(64.4)
Gross profit	126,087	44.0	197,807	39.6	260,231	35.6
PROFIT BEFORE INCOME						
TAX	23,229	8.1	71,823	14.4	72,369	9.9
Income tax credit	1,336	0.5	2,009	0.4	398	0.1
PROFIT FOR THE YEAR	24,565	8.6	73,832	14.8	72,767	10.0

Non-HKFRS Measures

To supplement our consolidated financial statements which are presented under HKFRS, we also use adjusted net profit (Non-HKFRS measure) as additional financial measures, which are not required by, or presented in accordance with, HKFRS. We believe that such Non-HKFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impact of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (Non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such Non-HKFRS measures has limitations as analytical tools and you should not consider them in isolation from, or as a substitute for the analysis of, our results of operations or financial condition as reported under HKFRS.

We define adjusted net profit (Non-HKFRS measure) as profit for the year adjusted for (i) share-based payment expenses and (ii) [REDACTED]. Share-based payment expenses consisted of non-cash expenses arising from the incentive grants to eligible individuals. See note 35 to the Accountants’ Report in Appendix I to this document. [REDACTED] mainly include professional service fees incurred in relation to the [REDACTED] and the [REDACTED].

The following table sets forth a reconciliation of our profit for the year to adjusted net profit (Non-HKFRS measure) for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Profit for the year	24,565	73,832	72,767
Adjusted for:			
Share-based payment expenses	1,450	4,899	3,577
[REDACTED]	—	—	20,912
Non-HKFRS measure:			
Adjusted net profit for the year	26,015	78,731	97,256

SUMMARY

Revenue

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Intelligent manufacturing software solutions	254,017	88.6	372,919	74.6	437,012	59.7
Operations management software solutions	29,215	10.2	101,134	20.2	294,484	40.3
Others ⁽¹⁾	3,540	1.2	25,639	5.2	—	—
Total	286,772	100.0	499,692	100.0	731,496	100.0

(1) Our other business primarily included the procurement, refurbishment and resale of semiconductor equipment (including lithography machines and etching machines).

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Mainland China	265,161	92.5	474,729	95.0	719,329	98.4
Singapore	12,647	4.4	22,817	4.5	7,497	1.0
Malaysia	8,637	3.0	1,268	0.3	4,613	0.6
Others ⁽¹⁾	327	0.1	878	0.2	57	0.0
Total	286,772	100.0	499,692	100.0	731,496	100.0

(1) Our other geographical markets mainly included Poland, Serbia, France and Taiwan region of the PRC.

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
End adopters	257,940	89.9	457,059	91.5	662,256	90.5
General contractors	28,832	10.1	42,633	8.5	69,240	9.5
Total	286,772	100.0	499,692	100.0	731,496	100.0

Our revenue generated from customers operating in the semiconductor industry was RMB217.0 million, RMB366.7 million and RMB415.4 million in 2023, 2024 and 2025, respectively, accounting for 75.7%, 73.4% and 56.8% of our total revenue in the same years, respectively.

SUMMARY

Gross Profit and Gross Profit Margin

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentage)						
Intelligent manufacturing software solutions	115,056	45.3	166,131	44.5	189,558	43.4
Operations management software solutions	9,010	30.8	28,228	27.9	70,673	24.0
Others ⁽¹⁾	2,021	57.1	3,448	13.4	—	—
Total	126,087	44.0	197,807	39.6	260,231	35.6

(1) Our other business primarily included the procurement, refurbishment and resale of semiconductor equipment (including lithography machines and etching machines).

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentage)						
Mainland China	114,642	43.2	182,712	38.5	254,021	35.3
Singapore	6,906	54.6	13,960	61.2	3,746	50.0
Malaysia	4,284	49.6	341	26.9	2,425	52.6
Others ⁽¹⁾	255	78.0	794	90.4	39	68.4
Total	126,087	44.0	197,807	39.6	260,231	35.6

(1) Our other geographical markets mainly included Poland, Serbia, France and Taiwan region of the PRC.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentage)						
End adopters	112,967	43.8	181,280	39.7	236,586	35.7
General contractors	13,120	45.5	16,527	38.8	23,645	34.1
Total	126,087	44.0	197,807	39.6	260,231	35.6

Profit for the Year

Our net profit remained relatively stable at RMB73.8 million in 2024 and RMB72.8 million in 2025. This was primarily due to the increase in our gross profit from RMB197.8 million to RMB260.2 million driven by the increase in revenue generated from intelligent manufacturing software solutions and operations management software solutions, partially offset by the increase in operating expenses.

SUMMARY

Our net profit increased from RMB24.6 million in 2023 to RMB73.8 million in 2024. The increase was primarily due to the increase in our gross profit from RMB126.1 million in 2023 to RMB197.8 million in 2024, which is attributable to the business expansion and the increase in revenue generated from intelligent manufacturing software solutions and operations management software solutions. See “Financial Information — Description of Major Profit or Loss Line Items.”

Summary of Consolidated Statement of Financial Positions

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	269,845	784,361	992,765
Total current assets	1,155,456	823,562	1,778,935
Total non-current liabilities	12,925	6,854	101,131
Total current liabilities	185,101	295,111	509,514
Total net current assets	970,355	528,451	1,269,421
Total equity	1,227,275	1,305,958	2,161,055

Net Assets

Our net assets increased from RMB1,227.3 million as of December 31, 2023 to RMB1,306.0 million as of December 31, 2024, primarily due to our profit of RMB73.8 million in 2024. Our net assets increased from RMB1,306.0 million as of December 31, 2024 to RMB2,161.1 million as of December 31, 2025, primarily due to (i) the capital injection from shareholders of RMB805.1 million and (ii) our profit of RMB72.8 million in 2025.

Net Current Assets

Our net current assets decreased from RMB970.4 million as of December 31, 2023 to RMB528.5 million as of December 31, 2024, primarily due to (i) a decrease in cash and cash equivalents of RMB687.6 million; (ii) a decrease in inventories of RMB57.3 million; (iii) a decrease in prepayments, other receivables and other assets of RMB46.2 million; (iv) an increase in trade and bills payables of RMB49.6 million; and (v) an increase in interest-bearing bank and other borrowings of RMB48.7 million, partially offset by (i) an increase in trade and bill receivables of RMB117.7 million; and (ii) an increase in other financial assets at amortized cost of RMB298.7 million. Our net current assets increased from RMB528.5 million as of December 31, 2024 to RMB1,269.4 million as of December 31, 2025, primarily due to (i) an increase in time deposits of RMB280.0 million, (ii) an increase in cash and cash equivalents of RMB272.6 million, (iii) an increase in financial assets at fair value through profit or loss of RMB128.0 million, (iv) an increase in financial assets at amortized cost of RMB151.2 million and (v) an increase in trade and bills receivables of RMB140.0 million, partially offset by an increase in trade and bill payables of RMB121.9 million.

Summary of Consolidated Statements of Cash Flows

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows (used in)/ from operating activities	(88,263)	41,345	65,199
Net cash flows used in investing activities	(60,188)	(759,035)	(716,445)
Net cash flows from financing activities	256,069	29,470	923,925
Net increase/(decrease) in cash and cash equivalents	107,618	(688,220)	272,679
Cash and cash equivalents at beginning of the year	715,285	823,064	135,429
Effect of foreign exchange rate changes, net. . .	161	585	(82)
Cash and cash equivalents at end of the year	823,064	135,429	408,026

SUMMARY

Net Cash Flows (Used in)/from Operating Activities

Net cash (used in)/from operating activities primarily comprised our profit before tax for the year adjusted by: (i) non-cash and non-operating items; and (ii) changes in working capital.

Net cash flows from operating activities were RMB65.2 million in 2025, primarily due to profit before tax of RMB72.4 million plus the interest received of RMB1.8 million and minus income tax paid of RMB42 thousand, as adjusted for (1) certain non-cash and non-operating items, primarily including (i) interest and investment income of RMB12.9 million, (ii) amortization of intangible assets of RMB8.3 million, (iii) impairment losses on financial assets of RMB6.0 million, and (iv) depreciation of property, plant and equipment of RMB5.2 million; and (2) changes in working capital that negatively affected the cash flow, primarily including (i) an increase in trade and bills receivables of RMB132.7 million and (ii) a decrease in contract liabilities of RMB22.5 million, partially offset by changes in working capital that positively affected the cash flow, primarily including (a) an increase in trade and bills payables of RMB116.5 million and (b) a decrease in inventories of RMB31.2 million.

Net cash flows from operating activities were RMB41.3 million in 2024, primarily due to profit before tax of RMB71.8 million plus the interest received of RMB8.4 million and minus income tax paid of RMB0.4 million, as adjusted for (1) certain non-cash and non-operating items, primarily including (i) interest and investment income of RMB17.1 million, (ii) fair value gains on financial assets at FVTPL of RMB7.0 million, and (iii) depreciation of right-of-use assets of RMB5.1 million; and (2) changes in working capital that negatively affected the cash flow, primarily including (i) an increase in trade and bills receivables of RMB94.1 million and (ii) an increase in restricted cash of RMB29.5 million, partially offset by changes in working capital that positively affected the cash flow, primarily including (a) an increase in trade and bills payables of RMB39.3 million, (b) a decrease in inventories of RMB27.5 million, (c) a decrease in prepayments, other receivables and other assets of RMB19.0 million, and (d) an increase in other payables and accruals of RMB16.4 million.

Net cash flows used in operating activities were RMB88.3 million in 2023, primarily due to profit before tax of RMB23.2 million plus the interest received of RMB11.9 million and minus income tax paid of RMB1.8 million, as adjusted for (1) certain non-cash and non-operating items, primarily including (i) interest and investment income of RMB15.4 million, and (ii) net impairment losses on inventory of RMB8.6 million; and (2) changes in working capital that negatively affected the cash flow, primarily including (i) an increase in inventories of RMB89.0 million, (ii) an increase in trade and bills receivables of RMB47.1 million, and (iii) an increase in prepayments, other receivables and other assets of RMB23.2 million, partially offset by changes in working capital that positively affected the cash flow, primarily including an increase in contract liabilities of RMB18.3 million.

KEY FINANCIAL RATIOS

	As of/for the year ended December 31,		
	2023	2024	2025
		(%)	
Revenue growth rate ⁽¹⁾	58.4	74.2	46.4
Gross profit margin ⁽²⁾	44.0	39.6	35.6
Net profit margin ⁽³⁾	8.6	14.8	9.9
Return on equity ⁽⁴⁾	2.3	5.8	4.2
Return on total assets ⁽⁵⁾	1.9	4.9	3.3

(1) - (5) See “Financial Information—Key Financial Ratios.”

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Covision Venture Capital, which controlled approximately 46.25% of the voting rights in the issued share capital of the Company, was acting in concert with Shenzhen He Xing, which held approximately 0.48% of the issued share capital of the Company. Therefore, Covision Venture Capital and Shenzhen He Xing together had an interest in approximately 46.73% of the Company’s voting rights and were entitled to exercise control over them. Mr. Li Gangjiang and Ms. Ni Qiong, through the Management Shareholders were entitled to control the voting rights of approximately 48.63% of the issued share capital of our Company.

SUMMARY

Immediately upon [REDACTED] of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes), the Controlling Shareholders will together control the voting rights of approximately [REDACTED]% of the total issued share capital of our Company. Accordingly, Mr. Li Gangjiang and Ms. Ni Qiong, together with the Management Shareholders (namely Covision Venture Capital, Bai Sai Fund, Shanghai Semi-Tech No. 1, Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 3, Shanghai Semi-Tech No. 5, Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 4 and Hainan Semi-Tech No. 5), Shanghai Jerry and Jenny, Jia Jia Holding, Covision Private Equity and Shenzhen He Xing will be a group of Controlling Shareholders of our Company upon [REDACTED]. See “Relationship with Our Controlling Shareholders.”

PRE-[REDACTED] INVESTMENTS

Between April 2021 and December 2025, our Company obtained several rounds of investments from the Pre-[REDACTED] Investors and raised RMB[REDACTED] million in total. See “History, Development and Corporate Structure—Pre-[REDACTED] Investments—(2) Principal Terms of the Pre-[REDACTED] Investments.”

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range), [REDACTED] to be borne by us are estimated to be approximately RMB[REDACTED] (HK\$[REDACTED]), comprising: (i) [REDACTED] fees of RMB[REDACTED] (HK\$[REDACTED]); and (ii) [REDACTED] expenses of RMB[REDACTED] (HK\$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB[REDACTED] (HK\$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK\$[REDACTED]), approximately RMB[REDACTED] (HK\$[REDACTED]) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be deducted from equity upon the [REDACTED] of the [REDACTED]. The [REDACTED] are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

[REDACTED] STATISTICS

All statistics in this table are based on the assumption that (i) the [REDACTED] has been completed and [REDACTED] are [REDACTED] pursuant to the [REDACTED], and (ii) the [REDACTED] is not exercised.

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
[REDACTED] of our Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to owners of our Company as of December 31, 2025 per Share ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

(1) The calculation of [REDACTED] is based on [REDACTED] total issued Shares immediately upon [REDACTED] of the [REDACTED] (assuming the [REDACTED] is not exercised).

(2) The unaudited [REDACTED] adjusted consolidated net tangible assets of our Group attributable to owners of our Company per Share as of December 31, 2025 is calculated after making the adjustments referred to in Appendix II and on the basis of [REDACTED] total issued Shares immediately upon the [REDACTED] of the [REDACTED]. It does not take into account (i) any Shares which may be [REDACTED] and [REDACTED] upon the exercise of the [REDACTED], or (ii) conversion of convertible preferred shares of our Company.

SUMMARY

DIVIDENDS

No dividend has been paid or declared by us during the Track Record Period and up to the Latest Practicable Date. After [REDACTED] of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

We are a joint stock company incorporated under PRC laws. According to the PRC Company Law, a PRC-incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, determined under PRC GAAP, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Such company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, if any, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative range of the [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]), and that the [REDACTED] is not exercised.

We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below: (1) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used to enhance our R&D and innovation capabilities; (2) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for potential strategic investments and acquisition in the next three years to achieve our long-term growth strategies; (3) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for enhancing our delivery capabilities and commercialization efforts; and (4) approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for working capital and other general corporate purposes. See “Future Plans and Use of [REDACTED].”

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In January 2026, we continued to demonstrate notable commercial momentum and maintained a solid project pipeline, supported by a steady stream of newly signed and revenue-generating projects. This reflects our consistent execution and the sustained market demand for our solutions. We expect to experience a temporary decline in net profit year-over-year in 2026, primarily driven by strategic investments and prudent financial planning, largely attributable to continued investment in research and development to support technology innovation, a continued investment in selling and marketing to expand our customer base and a conservative approach to forecasting non-operating income, such as the share of profits of associates. At the same time, we remain focused on expanding our core business, and we expect to see continued growth in both revenue and gross profit. The decline in net profit does not reflect a deterioration in our operating fundamentals, but rather a shift in cost structure that supports our strategic objectives.

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial and trading positions or prospects since December 31, 2025, being the date on which our latest consolidated financial statements were prepared, and that there has been no event since December 31, 2025 which would materially affect the information in the Accountants’ Report set out in Appendix I to this document.

SUMMARY

[REDACTED] FOR [REDACTED] ON THE [REDACTED]

We have applied to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our [REDACTED] to be [REDACTED] pursuant to [REDACTED] (including any [REDACTED] which may be [REDACTED] pursuant to the exercise of the [REDACTED]) and the [REDACTED] to be converted from Unlisted Shares, on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue in the financial year ended December 31, 2025, being approximately RMB[731.5] million (equivalent to approximately HK\$[802.1] million), which is over HK\$500 million, and (ii) our expected market capitalization at the time of [REDACTED], which, based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low-end of the indicative [REDACTED] range), exceeds HK\$4 billion.

FORWARD-LOOKING STATEMENTS

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

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim,” “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “forecast,” “going forward,” “intend,” “may,” “might,” “ought to,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “will,” “wish,” “would” and the negative of these words and other similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These forward-looking statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in “Risk Factors,” “Business,” “Financial Information” and other sections in this document. You should read thoroughly this document with the understanding that our actual future results may be materially different from and worse than what we expect.

You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us that could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our business strategies, plans, objectives and goals and our ability to implement such strategies, plans, objectives and goals; (ii) our future business development, financial conditions and results of operations; (iii) our ability to develop new services and bring them to market in a timely manner and make enhancements to our existing services; (iv) our ability to acquire new users/customers and enhance their loyalty; (v) changes to regulatory and operating conditions in the industry and markets in which we operate; (vi) the future developments and competitive environment in our industry; (vii) our ability to stay in compliance with laws and regulations that currently apply or become applicable to our business both in China and internationally; (viii) our ability to maintain, protect, and enhance our intellectual property; (ix) margins, overall market trends, risk management and exchange rates; (x) the actions and developments of our competitors; (xi) capital market development; (xii) other statements in this document that are not historical fact; and (xiii) all other risks and uncertainties described in “Risk Factors.”

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [REDACTED] against placing undue reliance on any such statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Hong Kong Listing Rules, we undertake no responsibility to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of any subsequent unanticipated event. Statements of or references to our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the “Financial Information” section, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and prospects. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-looking Statements” in this document.

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (i) risks relating to our business and industry, (ii) risks relating to conducting business in the jurisdiction where we operate and (iii) risks relating to the [REDACTED].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The intelligent manufacturing and operations management software sectors that we operate in are characterized by constant changes. If we fail to stay abreast of technological innovation and continuously advance our solutions and services to meet the expectations and needs of our customers, our business, results of operations and financial condition may be materially and adversely affected.

The intelligent manufacturing and operations management software sectors that we operate in are characterized by constant changes, including rapid technological evolution, frequent introduction of new software products and services, continual shifts in customer demands and the constant emergence of new industry standards and practices. As such, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We need to constantly anticipate the emergence of new technologies and assess their market acceptance. To remain competitive, we must continue to stay abreast of the evolving industry trends and rapid technological development. Our business growth also relies on our ability to identify and anticipate the evolving expectations and needs of customers in a timely manner and develop and provide satisfying solutions accordingly.

We have invested and will continue to invest significant resources to enhance our intelligent industrial software solutions. Nevertheless, given the fast pace with which the technology has been and will continue to be developed, we may fail to timely upgrade our technologies efficiently, cost-effectively, or at all. We may fail to leverage new technologies effectively or adapt our offerings to meet customer needs or emerging industry standards and our technology approach might not align with our future development plans or even become obsolete if we are unable to adapt in a cost-effective and timely manner to changing market conditions, whether for technical, legal, financial or other reasons. Any of the circumstances would render our existing technologies or solutions obsolete or unattractive, resulting in customer dissatisfaction, which will materially and adversely affect our business, results of operations, financial condition and prospects.

If our competitors’ software products, services or technologies gain broader market acceptance, are introduced to the market faster, or offer better functionality, our revenues, market share and growth prospects may be adversely impacted. Aggressive pricing strategies could enable them to quickly expand their customer bases and sales networks, placing additional pressure on our pricing levels. If we cannot maintain competitive pricing, coupled with heightened competition, we may experience lower sales volumes, compressed profit margins, operating losses or erosion of our competitive position, any of which could adversely affect our business, financial condition and results of operations.

RISK FACTORS

Our limited operating history makes it difficult to evaluate our prospects and the risks and challenges we may encounter. Our historical growth may not be indicative of our future performance.

We commenced our operations in 2017 and have continued to expand our business. Through organic growth and M&A, we have evolved from a provider of specialized CIM solutions into a provider of intelligent industrial software solutions. We have developed and will continue to develop solutions across diversified use cases. Our new business initiatives have not been fully proven given the limited track record of such offerings, which may subject us to a number of uncertainties and additional costs and adversely affect our ability to project and plan for the future growth.

Our revenue increased from RMB286.8 million in 2023 to RMB499.7 million in 2024 and further increased to RMB731.5 million in 2025. However, you should not consider our historical performance as indicative of our future financial performance. As a result of our evolving business portfolio and limited operating history in certain of our solutions, it is difficult to draw an exact period-over-period comparison of our business. Furthermore, as our business further develops, we may modify our business model or portfolio. We may launch new solutions or discontinue existing ones. Any of such changes may materially and adversely affect our business, results of operations and financial condition.

Our prospects should be considered in light of the risks and uncertainties that growing companies in rapidly evolving industries may encounter, including the following ones, some of which are beyond our control: (i) China’s overall economic growth; (ii) market adoption of automation and industrial software solutions in China; (iii) the evolving regulatory environment and initiatives; (iv) favorable government policies, grants, incentives and special budgets to support automation and intelligentization; (v) awareness and widespread adoption of intelligent industrial software solutions; (vi) our ability to advance our technologies and develop new ones; (vii) our ability to attract, retain and motivate talented employees, in particular R&D talents as well as staff with in-depth industry know-how; (viii) our ability to develop and provide solutions to efficiently address our customers’ needs; (ix) our ability to retain and expand our customer base; (x) our ability to increase brand recognition; (xi) our ability to successfully compete with other companies; and (xii) our ability to manage our costs and expenses and enhance operating efficiency.

In addition, we cannot assure you that we will be able to manage our growth or implement our business strategies effectively. If the markets for our intelligent industrial software solutions do not develop as expected or if we fail to address the needs, our business, results of operations, financial condition and prospects will be materially and adversely affected.

The size of our addressable markets and the demand for intelligent industrial software solutions may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations and financial condition.

China’s advanced industries, which represent a significant portion of our core addressable market, have been developing rapidly. The future market size and the demand for intelligent industrial software solutions may, however, be difficult to anticipate since it depends on a number of variables, most of which are beyond our control. For example, the market growth may depend on supportive government policies, the prevalence of new technologies and the performance and cost-efficiency of the available solutions in the market.

To grow our business and extend our market position, we intend to accumulate our industry experience and know-how to identify customer pain points, educate our existing and prospective customers about the benefits of our solutions and enhance and innovate our technologies and features to increase market acceptance. However, if we fail to cultivate and discover long-term existing customers needs, or our intelligent industrial software solutions do not achieve widespread acceptance across advanced industries, or there is a reduction in customer demand as a result of alternative technologies, competing products or services, technological challenges, data security or privacy concerns, enhanced regulations, decreases in customer spending, macroeconomic downturns, international and regional political tensions, or other causes, our business, results of operations and financial condition will be materially and adversely affected.

RISK FACTORS

In addition, the market acceptance may vary across different industries. Whether potential customers accept intelligent industrial software solutions depends, to a large extent, on their level of awareness of such solutions, the widespread adoption of similar offerings, and more importantly, the brand recognition, industrial reputation and operating history of the solution provider, as the costs and time required to implement a particular solution or transition between solutions are substantial and any minor errors could be significantly amplified in the manufacturing process. As we aim to reach out to more customers across different industry sectors, we are focusing on industries where we already have a presence. See “Business—Overview—Our solutions.” However, we may face challenges brought by more diverse and complex use cases. We cannot assure you that the trend of adopting and utilizing intelligent industrial software solutions by potential customers will develop or continue in the future in any given industry sector, which would hinder our ability to achieve the desired level of adoption of our solutions.

If we cannot retain existing customers, attract new customers or increase their spending, our business, results of operations and financial condition could be materially and adversely affected.

Our revenue growth depends largely on our ability to retain existing customers, attract new customers or increase their spending. This in turn would depend on a number of factors, including our ability to offer high-quality intelligent industrial software solutions that address the needs of our customers at competitive prices, roll out new and enhanced features and functionalities, strengthen our technological capabilities and adapt to the evolving industry trends and competitive landscape. There can be no assurance that we will succeed. For example, we primarily provide solutions on a project basis and may need to customize the solutions based on specific customer demands. We cannot assure you that we will be able to replicate our previous selling success or reuse previous project experience in acquiring new customers, selling new or upgraded solutions to existing customers, or providing long-term services. Our customers may find their existing solutions sufficient and we may also fail to capture the cross-selling and up-selling opportunities for other offerings in our solutions. They may even develop their own intelligent industrial software solutions or otherwise utilize their internal resources to reduce or eliminate their reliance on third-party providers like us. In addition, as we acquire certain projects from SOEs through public tendering process, which involves intense competition and pricing pressure beyond our control, we may face risks in acquiring and contracting with customers on favorable terms.

Furthermore, our customer base and customer spending may decline or fluctuate due to many factors, including customer satisfaction, budget levels, changes in our customers’ underlying businesses, changes in the type and size of our customers, pricing, competitive landscape and general economic conditions. We may also fail to execute our sales and marketing strategies in a cost-effective manner or our efforts to cross-sell and up-sell may not be as successful as we anticipate. If we fail to correctly and promptly identify our customers’ demands or continuously provide them with solutions and services that add value to their businesses, our customers may choose not to renew their purchases or increase their spending on our services and software products, and could result in customer dissatisfaction and decrease in the overall demand for our solutions, which would materially and adversely affect our business, results of operations, financial condition and prospects.

As we expand our customer base across diverse industry sectors, the demands of our customers may differ and evolve over time. As such, we need to upgrade, expand and modify our solutions to satisfy their requirements. We also need to develop expertise and insights to serve customers across industry sectors and adapt our solutions accordingly to ensure the degree of our market acceptance. We cannot assure that we can always provide solutions that meet our customers’ anticipations. As a result, we may not be able to retain and expand our customer base and our business, results of operations and financial condition may be materially and adversely affected.

RISK FACTORS

If we are not able to enhance or upgrade our existing intelligent industrial software solutions and introduce new ones that are broadly accepted by the market and meet our customers' evolving demands in a timely and cost-effective manner, our business, results of operations and financial condition could be materially and adversely affected.

To remain competitive, we need to continue to enhance and improve our existing intelligent industrial software solutions and introduce new ones. The success of any enhancement or new solution depends on a number of factors, including timely completion, adequate quality testing, consistently high actual performance, market-accepted pricing levels and overall market acceptance. Enhancements and new solutions that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, may have interoperability difficulties or may not achieve the broad market acceptance necessary to generate significant revenue. If we are unable to enhance or upgrade our existing solutions to meet the evolving customer requirements or develop new ones in a timely or cost-effective manner, we may not be able to maintain or increase our revenue or recoup our investments and our business, results of operations and financial condition would be materially and adversely affected.

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

We provide full stack intelligent industrial software solutions to address the diversified needs of our customers across various industry verticals and in different use cases. We have a track record of successfully expanding into new industries and use cases. We cannot assure you, however, that we will be able to maintain this momentum in the future. Expanding into new industries and use cases involves new risks and challenges, such as the difficulty in keeping pace with evolving customer demands and preferences that we may be unfamiliar with. In addition, there may be one or more existing market leaders in such areas. Such companies may be able to compete more effectively than us by leveraging their experience in addressing customer needs in those use cases, as well as their deeper industry insights, greater brand recognition, more advanced technologies and better access to customer base and business opportunities. We could also be subject to additional regulations relating to new industries and use cases that we enter into and we may not have sufficient experience or resources in dealing with those enhanced requirements and could incur additional compliance costs as a result. During the Track Record Period and up to the Latest Practicable Date, our domestic and overseas operations did not involve any administrative licenses, franchise rights, or special qualifications that could materially and adversely affect our business operations or financial performance. The compliance costs associated with our planned expansion are expected to primarily consist of legal advisory, audit and tax advisory fees and are anticipated to remain modest, assuming no material unforeseen developments arise. Nevertheless, expansion into any new industries and use cases may place significant strains on our management and resources and failure to expand successfully could have a material adverse effect on our business, results of operations, financial condition and prospects.

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

As of the Latest Practicable Date, there are approximately 400 existing competitors in the advanced-industry intelligent manufacturing software companies market. Our competitors in the market comprising advanced-industry intelligent manufacturing software companies, may have greater brand recognition, longer corporate operating history, more advanced technical capabilities and broader established customer base than us. They may also have, or in the future gain, more financial resources and sophisticated technological capabilities than us. Furthermore, our competitors, including in-house technology development of our customers and prospective customers, may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or customer demand than us. In addition, premised on our industry expertise in advanced industries, we have curated our intelligent industrial software solutions for manufacturers in related industry verticals. As we develop new intelligent industrial software solutions catering to more diversified use cases, the customer preferences and required industry expertise will become different and we are likely to face additional competitors.

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

If we are not able to enhance our brand recognition and sales and marketing capabilities could harm our ability to increase our customer base and adversely affect our business, results of operations and prospects.

We believe that maintaining and enhancing our brand is important to market acceptance of our solutions, attracting new customers and retaining existing customers. We also believe that the importance of brand recognition will increase as competition in our market increases. Success will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable solutions that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers’ trust, our ability to continue to develop better functionalities and services and our ability to successfully differentiate our services from competitive services. However, our efforts may not always be successful or yield increased revenue.

Brand promotion requires expenditures and we expect that these expenditures will increase as the market competition intensifies. Our selling and marketing expenses were RMB27.6 million, RMB35.9 million and RMB51.2 million in 2023, 2024 and 2025, respectively, accounting for 9.6%, 7.2% and 7.0% of our total revenue in the same periods. We may also be unable to hire and train sufficient numbers of qualified sales and marketing personnel or ensure the productivity of our sales and marketing personnel in acquiring new customers or cross-selling to our existing customers. If we do not successfully maintain and enhance our brand and ensure the effectiveness of our sales and marketing efforts, our ability to expand our customer base may be impaired, which would then adversely affect our business, results of operations and financial condition.

We have been investing heavily in our R&D efforts, which may negatively impact our profitability in the short term and may not generate the results we expect to achieve.

Our R&D effort and technological advantages are crucial to our business operations and success to date. We have been investing heavily in our R&D efforts, which we believe to be helpful to our long-term sustainable growth. We have invested, and plan to continue investing, in R&D to enhance our technological capabilities by exploring into various areas with promising expansion potentials, while actively monitoring market trends to stay ahead of industry needs. See “Business—Research and Development.” Our R&D expenses were RMB52.9 million, RMB60.1 million and RMB81.7 million in 2023, 2024 and 2025, accounting for 18.5%, 12.0% and 11.2% of our revenue for the same periods, respectively. The advanced-industry intelligent manufacturing software companies market in which we operate are subject to continuous technological changes and are evolving rapidly in terms of technological innovation. We need to invest significant resources in technological advancements to ensure that our offerings will remain competitive in the market.

However, our R&D activities may not always yield the desired results. If we do not spend our development budget efficiently or effectively, we may not realize the expected benefits from our investments in R&D. We may experience difficulties that could delay or impede our R&D progress and incur significant time and financial resources. Even if our R&D efforts successfully lead to new or upgraded solutions or technology improvements, they may require lengthy period of time for testing before launching and the final solutions we offer to the market may not be well-received by our customers or generate sufficient revenue to cover the expenses incurred. We may also encounter practical difficulties in promoting our R&D results for market adoption.

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Additionally, our periodic R&D expenses may be independent of our level of revenue, which could negatively impact our financial results. We expect these expenses to increase in the foreseeable future as our technology development efforts continue with the aim to consolidate our competitive edge and diversify our service and solution offerings and there can be no guarantee that our research and development investments will result in software solutions that bring in additional revenue.

Moreover, the evolving technologies could render the technologies or solutions that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related R&D expenditures. As a result, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Our sales cycle to SOEs and large private enterprises can be lengthy and unpredictable and requires considerable time and expense. We may also encounter configuration, implementation and customer support challenges when serving them, which could cause delays in revenue recognition.

We offer our intelligent industrial software solutions primarily to SOEs and large private enterprises. Our revenue from SOEs was approximately RMB167.8 million, RMB233.8 million and RMB501.2 million in 2023, 2024 and 2025, respectively. Our revenue from large private enterprises with a registered capital of more than RMB30.0 million was approximately RMB67.2 million, RMB176.6 million and RMB144.5 million in 2023, 2024 and 2025, respectively.

The length of our sales cycle, which is the time between initial contact with a potential customer and the ultimate sale to that customer, varies upon the size of potential customer and project. The sales cycle for SOEs and large private enterprises is often lengthy and unpredictable, generally ranging from about one month to one and a half year. The cycle may be further extended in particular cases involving large-scale projects or long-term service agreements tailored to specific customer requirements. Many of our prospective customers are new entrants or at the early stage of their automation and intelligent transformation and do not have prior experience with intelligent industrial software solution. Therefore, they typically spend significant time and resources evaluating our intelligent industrial software solutions before they purchase from us. Similarly, we typically spend more time and efforts determining their requirements and educating these customers about the benefits and uses of our solutions. SOEs and large private enterprises also tend to demand more customization and additional features than their smaller counterparts. As a result, we may be required to divert more sales, product fulfillment and R&D resources to SOEs and large private enterprises and will have less personnel available to support other customers, or that we will need to hire additional personnel, which would increase our operating expenses. SOEs and large private enterprises may delay their purchases as they assess their budget constraints, negotiate early termination with existing providers or wait for us to develop new features. Any delay in closing, or failure to close, sales opportunities with such customers could significantly harm our projected growth rates and cause the amount of new sales we book to vary significantly from period to period.

In addition, we may face challenges in configuring and implementing our solutions and providing ongoing support and may not be able to recognize revenue in accordance with the expected project timetable until the customer’s technical or implementation requirements have been met. SOEs’ and large private enterprises’ facilities and operational systems are often more complex than those of smaller customers and the configuration and implementation of our solutions for these customers generally require more efforts from us as well as participation from the customers themselves. There can be no assurance that the customer will make available to us the necessary personnel and other resources for a successful configuration. The lack of local resources may prevent us from proper configuration, which can in turn adversely impact the quality of solutions that we provide and may result in delays in the implementation of our solutions. This may create a public perception that we are unable to offer high-quality solutions to our customers, which could harm our reputation and make it more difficult to attract new customers and retain existing

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customers. Moreover, SOEs and large private enterprises tend to require higher levels of customer support and individual attention, including periodic business reviews and training sessions, which may increase our costs. If a customer is unsatisfied with the quality of solutions and customer support we provide, we may decide to incur costs beyond the scope of our contract with the customer in order to address the situation and protect our reputation, which may in turn reduce or eliminate the profitability of our contract with the customer. In addition, negative publicity related to our customer relationships, regardless of its accuracy, could harm our reputation and make it more difficult for us to compete for new business.

If we fail to effectively execute the sales, configuration, implementation and ongoing support of our solutions to SOEs and large private enterprises, our results of operations and our overall ability to grow our customer base could be materially and adversely affected.

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

The fee for our PlantU series intelligent industrial software solutions is typically determined upon project complexity, amount of work and manpower involved, software products supplied and customization requests raised by our customers, service period, extent of services required. For ERP systems licensed from third-party suppliers, the annual license fee is calculated by applying a markup to our own licensing costs. See “Business—Sales and Marketing—Pricing and Fee Model.” Such pricing model requires us to undertake significant projections and planning on our costs. We may be unable to recover any cost overruns from our customers as the actual costs of providing such services may differ from our estimates due to unanticipated technical or other problems that may occur during the project development process, which may require us to incur additional costs we cannot recoup. These issues may include unforeseen technical challenges, failure to properly estimate the defect-fixing or maintenance requirements of our customers and other unforeseeable reasons. If, for the reasons aforementioned, our projections and planning differ significantly from those actually incurred, our business and results of operations could be harmed.

Furthermore, we may fail to optimize our pricing, which is predominantly determined by the competitive landscape and market conditions. We have sometimes reduced our prices either for individual customers in connection with long-term agreements or for a particular solution or project and have also sometimes failed to increase our pricing levels to cover increased costs and expenses or to reach desirable profit margins. As competitors introduce new solutions that compete with ours or reduce their prices, we may be unable to attract new customers or retain existing customers based on our historical pricing. Moreover, SOEs, large enterprises and other recurring customers, which are primary focuses of our business, may demand substantial price concessions leveraging their significant bargaining power. As a result, we may fail to increase our pricing levels, or may even be required or choose to reduce our prices or change our pricing model, which could materially and adversely affect our business, results of operations and financial condition.

Our project completion cycle can be longer than expected and may lead to increased time and expense that could affect our operating results.

The completion cycle for our projects may not be accurately predicted and may extend beyond our initial expectations. Various factors, such as changes in customer requirements, technical challenges and resource availability, can contribute to delays. Prolonged project timelines can result in increased costs and resource allocation, which may not be fully recoverable through project fees. This can lead to higher expenses and reduced profitability. Additionally, extended project cycles can delay the recognition of revenue, affecting our cash flow and financial performance. Moreover, unexpected delays in project completion timelines can complicate our resource planning and allocation. We may need to allocate additional personnel and resources to projects that are delayed, which could impact our ability to take on new projects or meet the timelines of other ongoing projects. This can create a ripple effect, leading to further delays and increased costs across multiple projects. Furthermore, longer-than-expected project completion cycles can strain our relationships

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with customers. Delays can lead to customer dissatisfaction and potential disputes, which could harm our reputation and result in the loss of future business opportunities. If we are unable to manage project timelines effectively, our operating results could be materially and adversely affected.

As the number of customers that we serve increases, we may encounter service delivery challenges, which would harm our business and operating results.

As our customer base grows, we may encounter challenges in providing our services and solutions effectively. Managing a larger number of customers can strain our resources, operational capacity and service delivery processes. If we are unable to scale our operations to meet the increased demand, it can lead to service delivery issues, customer dissatisfaction and potential loss of business. Moreover, service delivery challenges can impact our operational efficiency and increase our costs. Ensuring that we have the necessary infrastructure, personnel and processes in place to support a growing customer base is essential to maintaining service quality and meeting customer expectations. Effective resource planning, process optimization and continuous improvement are crucial to managing these challenges. Further, because we do not fully control our customers’ implementation and integration schedules, if our customers do not allocate the internal resources necessary to meet implementation timelines or if there are unanticipated implementation delays or difficulties, our revenue recognition may be delayed. Any difficulties or delays in implementation processes could cause customers to delay or forego future purchases of our software products, which would adversely affect our business, operating results and financial condition.

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

As mentioned in “Business—Our Strategies—Further Strengthening our Position in the Intelligent Industrial Software Solutions Sector,” expanding our global footprint is an important part of our future growth. Our international operations and expansion efforts may result in allocation of significant resources and management attention and subject us to intellectual property, regulatory, economic and political risks and uncertainties that are different from those in the PRC. As we increase our international sales efforts, the various risks and uncertainties that we may face include but are not limited to: (i) the need to localize and adapt our solutions for specific countries, including translation into foreign languages and the associated costs and expenses; (ii) difficulties in staffing and managing foreign operations, particularly in hiring and training qualified sales and service personnel; (iii) different pricing environments, potentially longer sales and accounts receivable payment cycles and collections issues; (iv) challenges in commercializing our solutions in new markets where we have limited experiences and no existing or developed sales, distribution and marketing infrastructure; (v) new and different sources of competitions; (vi) general economic conditions and political instability in international markets and the unexpected changes thereof; (vii) fluctuations between Renminbi and foreign currencies, which may make our solutions more expensive in other countries or regions or may impact our results of operations when our revenue are translated into Renminbi; (viii) compliance challenges related to the complexity of conflicting and changing territorial and trans-jurisdictional laws and regulations, including that on privacy and data protection, employment, tax and telecommunications and obtaining the necessary licenses, permits and approvals; (ix) weaker protection for intellectual property and other legal rights and practical difficulties in enforcing or defending against claims thereof; (x) increased risk of international telecom fraud; (xi) compliance with multiple and potentially conflicting laws and regulations governing various aspects we may be involved in, including competition, pricing, operation, tariffs, trade protection, economic or trade sanctions, anti-dumping, anti-corruption, anti-money laundering, labor protection, restrictions on foreign investment, anti-competition and other activities important to our business; (xii) laws and business practices favoring local competitors; and (xiii) increased financial accounting and reporting burdens and complexities.

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Our ability to maintain and expand our presence and competitiveness in the global market will be critical to the success of our business. However, there is no guarantee of achieving this and any of the aforementioned risks could present significant challenges for us. In recent years, rising geopolitical tensions and national security concerns have led to stricter international trade policies, trade protection measures, economic or trade sanctions and export control measures. The interpretation and enforcement of such laws and regulations and future development in global trade dynamics may impose new restrictions or uncertainties. Non-compliance with such laws could result in a restriction on our ability to conduct cross-border business, an increase in compliance burdens, or reputational damage.

If we are unable to effectively avoid or mitigate these risks, our ability to expand in international markets will be impaired, or our international business may not be able to achieve or sustain profitability, which could have a material adverse effect on our business, financial condition and prospects.

Our business, financial condition and results of operations may be materially and adversely affected by international trade policies and international export controls and economic sanctions.

On January 2, 2025, the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”) issued by the US Department of the Treasury took effect, implementing Executive Order 14105 and establishing an outbound investment screening regime that either prohibits or requires notification for certain transactions by US persons (i.e., any US citizen, US permanent resident, US company, foreign branch of a US company, or any person in the United States regardless of nationality). The Final Rule targets transactions involving persons and entities associated with countries of concern (currently including China) that engage in defined covered activities in the semiconductors and microelectronics, quantum information technologies and artificial intelligence sectors and applies to a wide range of covered transactions, including acquisitions of equity interests (such as purchases of shares in an initial public offering or contingent equity), certain debt financing, joint ventures and certain limited-partner investments in non-US person pooled investment funds.

Under the Final Rule, a transaction is prohibited where a US person invests in a covered foreign person engaged in specified categories of advanced technologies or products (for example, activities in semiconductors and AI that meet defined technical or performance thresholds, such as advanced EDA development, EUV-related inputs, integrated circuits meeting Export Control Classification Number (ECCN) 3A090.a parameters, advanced fabrication or packaging, or AI systems for military, government intelligence or mass-surveillance end-uses or trained at or above defined compute thresholds). Where the activities of a covered foreign person do not reach the prohibition thresholds but fall within the scope of covered activities, the transaction is notifiable and the US person must submit a notification to the Department of the Treasury (for example, semiconductor design/fabrication/packaging below the specified thresholds, or AI systems intended for certain sensitive applications—such as cybersecurity, digital forensics, penetration testing or robotic control—or trained at lower compute thresholds). See “Regulatory Overview—Outbound Investment Program”.

Based on our current understanding of the Final Rule, we believe our business activities currently do not fall within the “prohibited or notifiable transaction categories” under the Final Rule, because our products do not fall into the specified categories of the advanced technologies and products as mentioned above. We provide intelligent industrial software solutions for customers from a wide range of industries. Certain customers from integrated circuits sector use our products to enhance automation, quality and efficiency management, but we do not engage in any design, fabrication or packaging of integrated circuits. Some of our solutions utilize intelligent algorithms from third parties or open source to enhance efficiency and accuracy, but we do not develop any AI systems that would fall within the scope of covered activities under the Final Rule. Accordingly, investments by US persons in our publicly traded shares would not constitute “covered

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transactions” as defined in the Final Rule. However, there can be no assurance that future amendments to, or interpretations or enforcement of, the Final Rule will not affect investments by U.S. persons in us. Accordingly, investments by U.S. persons in our publicly traded shares may be subject to additional regulatory scrutiny, notification requirements or other restrictions in the future, which could adversely affect the liquidity of our Shares and the demand for our securities.

Our contracts may be modified or terminated by our customers and our contract value may not be recognized on time, or at all.

Customers may seek to modify the scope, terms or pricing due to changes in their business needs, budget constraints or other factors. Such modifications can lead to reduced contract value, delays in project timelines and increased costs, impacting our revenue and profitability. Moreover, as fees are typically settled in installments based on project development milestones, if a customer terminates a contract after we incur substantive costs and expenses but prior to the relevant payment milestone, we may not be able to recover certain costs incurred up to that point, leading to financial losses. The number of early termination or cancellation of projects by customers were four, five and three in 2023, 2024 and 2025, respectively, primarily due to changes in their business needs, which made them unable to enforce the contracts or no longer want to be bound by the contracts. Delays in project execution, disputes over deliverables or changes in customer requirements in relation to such modification can also affect the timing and amount of revenue recognized. This can lead to fluctuations in our financial performance and make it challenging to forecast our revenue accurately. Furthermore, contract modifications or terminations can disrupt our project planning and execution. We may need to reallocate personnel and resources to other projects or have a lower utilization rate, which can impact our operational efficiency and margin. If we are unable to manage contract risks effectively, our business, financial condition and results of operations could be materially and adversely affected.

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

Our trade and bill receivables represent amounts due from our customers for our intelligent industrial software solutions. We had trade and bill receivables of RMB81.4 million, RMB199.2 million and RMB339.2 million as of December 31, 2023, 2024 and 2025, net of loss allowance of RMB1.4 million, RMB1.9 million and RMB7.8 million as of the same dates, respectively. During the Track Record Period, we generally granted our customers a credit period of 30 to 180 days. Our trade and bill receivables turnover days were 74 days, 102 days and 135 days for 2023, 2024 and 2025, respectively. Our contract assets primarily related to retention money withheld by customers. For contracts with warranty, we typically permit customers to retain 5% to 10% of the contract price until the expiration of the complimentary warranty period. The complimentary warranty retention period is typically one year. These amounts are included in contract assets until the end of the warranty retention period as our entitlement to these final payments are conditional on our projects being functioning properly during such period. For major, strategic or long-term customer projects, the retention amount or warranty period may exceed the standard terms. When our right to consideration becomes unconditional, we reclassify the contract assets to trade receivables. We had contract assets of RMB9.0 million, RMB15.2 million and RMB25.4 million as of December 31, 2023, 2024 and 2025, net of loss allowance of approximately RMB0.1 million, RMB0.3 million and RMB0.3 million as of the same dates, respectively. We cannot guarantee that we will receive the full amount of contract assets, as our projects may not continue to function properly during the warranty period. See “Financial Information—Discussion of Major Consolidated Statements of Financial Position Items—Trade and Bills Receivables” and “Financial Information—Discussion of Major Consolidated Statements of Financial Position Items—Contract Assets.” We may not be able to collect our trade receivables in a timely manner, or at all, due to a variety of factors that are beyond our control, such as long payment cycles and the adverse financial situation of certain customers. We had impairment losses on trade receivables of approximately RMB0.6 million, RMB0.5 million and RMB5.9 million in 2023, 2024 and 2025, and on contract assets of approximately RMB0.1 million, RMB0.2 million and RMB0.1 million in 2023, 2024 and 2025, respectively.

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We are exposed to the risk that our customers may delay or be unable to pay us in accordance with the payment terms included in our contracts. If our customers fail to pay us under the terms of our contracts, we may be adversely affected by both the inability to collect amounts due and the costs of enforcing the terms of our contracts, including through private negotiations, demand letters and litigations. Furthermore, some of our customers are SOEs, which may prolong their payment processes. In addition, some of our customers may seek bankruptcy protection or other similar relief and fail to pay amounts due to us, or delay such payments, either of which could adversely affect our business, results of operations and financial condition. We cannot assure you that we will be able to fully recover the outstanding amounts in a timely manner, or at all. In addition, as our business continues to scale up, our trade receivables and contract assets may continue to grow, which may increase our credit risk. Any substantial delay in or default of payments from our customers could materially and adversely affect our cash flows. Moreover, we may have to terminate our relationship with customers if we cannot timely obtain payment from them, which could have a negative impact on our customer base. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

Our sales to general contractors could potentially subject us to risks relating to delays in collecting trade receivables, which may adversely impact our liquidity, financial condition and results of operations.

During the Track Record Period, we generated some of our revenue from offering our solutions to general contractors who are usually engaged by end adopters to assist with various aspects of project implementation. See “Business—Sales and Marketing—Sales Agreements with Our Customers” and “Business—Customers and Suppliers—Customers.” This business arrangement introduces inherent risks related to delays in collecting trade receivables as general contractors may prioritize settling payments from their end adopters before making payments to us as their upstream suppliers, thereby temporarily impacting our liquidity, financial condition and results of operations. There can be no assurance that our measures will always be effective in managing trade receivables collection and working capital challenges. Unforeseen disruptions, macro-economic condition fluctuations, or systemic payment delays within the value chain compounded by our business arrangement with general contractors could adversely our ability to effectively manage our trade receivables collection. See “—We are exposed to credit risk in relation to our trade receivables and contract assets.”

We have derived and expect to continue to derive, a significant portion of our revenue generated from intelligent industrial software solutions from companies in the semiconductor industry and may be particularly sensitive to further developments in such region.

During the Track Record Period, we derived a significant portion of our revenue generated from our intelligent industrial software solutions from companies in the semiconductor industry, although the revenues from other sectors have been increasing exponentially. Going forward, while we are expanding our operations in other industry sectors in Mainland China and overseas, we expect that a large part of our revenue generated from intelligent industrial software solutions will remain dependent on sales of intelligent industrial software solutions to semiconductor companies as the accumulation of proprietary expertise and brand recognition in the new sectors has been progressing at a relatively modest pace. We are therefore sensitive to the regulatory, economic and competitive conditions of intelligent industrial software solutions for the semiconductor industry. Decreases in the spending power or willingness to purchase of the semiconductor companies of our intelligent industrial software solutions may affect the demand for our solutions and our results of operations and profitability may be materially and adversely affected. For example, discontinuation of favorable government policies and incentives that encourage the establishment of semiconductor manufacturing facilities, or disruptions in economic conditions in this industry, may result in customers cutting back on their spending, which could materially and adversely affect our sales of intelligent industrial software solutions. Furthermore, natural disasters, outbreaks of contagious diseases or changes in the laws and regulations governing the semiconductor industry may have a material adverse effect on our business operations.

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While we continue to strengthen our internal capabilities, we involve third parties in our operations for certain supplies and procurement required for our intelligent industrial software solutions, which may reduce our control over supply sufficiency, quality and timeliness and could harm our business.

While our outsourcing rate is relatively low compared with the industry average, we still engage third parties for certain supplies and procurement. Our suppliers mainly consist of (i) licensors of software products used in our solutions and daily operations, including ERP systems, operating systems, database software, development tools, software components and network security systems. Specifically, we purchase ERP systems from third-party providers and resell them to domestic customers together with customization and maintenance services. See “Business—Operations Management Software Solutions—Enterprise Resource Planning (ERP).” Our ERP procurement costs accounted for 5.3%, 10.1% and 9.4% of our cost of sales in 2023, 2024 and 2025, respectively; (ii) source code providers; (iii) hardware providers; and (iv) human resources technical services providers.

Although we have internal policies governing supplier selection and quality assurance, such arrangements may reduce our direct control over supply adequacy, quality and timeliness, which could affect the quality, development and deployment of our solutions. We may face operational issues with third-party suppliers, including limited product supply and capacity, price volatility, failure to meet our specifications, inadequate quality control and delivery delays. Any failure by third-party suppliers to perform their obligations or comply with applicable laws and regulations may materially and adversely affect our ability to serve customers.

Our third-party suppliers may also suffer operational disruptions caused by equipment and system failures, pandemics, labor disputes or shortages, natural disasters, material shortages, rising costs, non-compliance and other factors. Such disruptions may increase our financial and time costs in renewing contracts or finding alternative partners that meet our existing standards and brand requirements. In addition, ambiguities in contractual terms may expose us to breach of contract risks when outsourcing services to third parties.

Furthermore, while we maintain stable relationships with third-party providers, we cannot guarantee that we will remain long-term partners, that such providers will continue to supply us, or that prices will remain at current levels. Any supply disruption or unfavorable terms may require us to spend additional time and resources seeking suitable alternatives. As a result, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected by our involvement of third-party suppliers in the business operations.

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

During the Track Record Period and up to the Latest Practicable Date, we had successfully maintained a good record with no material complaints attributed to product quality. However, we may fail to maintain the standards of our customer service, retain a sufficient number of customer support personnel and provide them with adequate training. Moreover, our customer service may fail to timely and effectively resolve the problems associated with our offerings. Furthermore, to grow our operations and expand our customer base, we need to continuously provide effective maintenance and technical support that meets our customers’ needs at scale. Any failure to maintain high-quality maintenance and technical support services or a market perception that we do not maintain such for our customers would harm our business. We may also receive complaints from our customers regarding our services. If we do not handle customer complaints effectively, our brand and reputation may suffer, our customers may lose confidence in us and reduce or cease their use of our solutions.

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As our solutions are frequently adopted by entities in their routine operations, our failure to resolve the problems of our offerings may result in significant disruptions to their businesses. Our brand image and ability to retain and bring in customers may be negatively affected. Our customers may post and discuss on social media and other channels about our offerings and complaints or other forms of negative publicity on those channels may arise from our failure to provide high-quality services. Further, our customers may seek compensation for business interruptions, data loss or other adverse impacts resulting from software failures. Such claims can be costly and time-consuming to resolve, diverting management's attention from other business activities. Therefore, if we are unable to maintain the quality and reliability of our software and solutions, our brand image, business, results of operations and financial condition could be materially and adversely affected.

Our business operations could be harmed by real or perceived material defects or errors in our intelligent industrial software solutions, as well as flaws or inappropriate usage of new technologies.

The technology underlying our intelligent industrial software solutions is inherently complex and may contain material defects or errors, particularly when new versions are first introduced, when new features or capabilities are released, or when it is integrated with new or updated third-party hardware or software. Although no material defects or errors have been found in our intelligent industrial software solutions during the Track Record Period and up to the Latest Practicable Date, we cannot assure you that our existing intelligent industrial software solutions will not contain defects or errors. Any real or perceived defects, errors, failures, vulnerabilities or bugs could result in negative publicity or lead to system downtime, data loss or other performance issues, which could affect the business operations of our customers and harm our business, reputation and customer relationship. Correcting such defects or errors may be costly and time-consuming and we cannot assure you that we will be able to detect, identify and rectify such problems in a timely manner or at all. We may also be involved in disputes and subject to legal liabilities in relation to real or perceived defects or errors. As a result, our business, results of operations and financial condition may be materially and adversely affected.

In addition, certain new technologies that we adopted in our solutions, including AI, big data analytics and IoT, are expected to continue to evolve and change. Flaws or deficiencies in such new technologies could undermine the accuracy and thoroughness of the analysis and decisions made by our solutions. We cannot assure you that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Similar to many innovations, AI technologies also present a number of operational, compliance and reputational risks, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations, or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights such as privacy or personality rights. Specifically, data sets from which large language models learn are at risk of poisoning or manipulation by bad actors, resulting in offensive or undesired outputs. The data set could also contain copyrighted content resulting in infringing outputs. AI outputs might present ethical concerns or violate current and future laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material litigation or other proceedings arising from or in relation to any misuse of our solutions. However, we cannot assure you that the measures we take to prevent the misuse of our technologies and data protection will always be effective, or that our technologies will not be misused or applied in a way that is inconsistent with our intention or public expectation. Any inappropriate, abusive or premature usage of new technologies, whether actual or perceived, whether intended or inadvertent and whether by third parties or by us, may dissuade prospective customers from adopting our solutions, impair the general acceptance of intelligent industrial software solutions in general, bring on negative publicity, or even violate applicable laws and regulations and subject us to legal or administrative proceedings. Furthermore, we expect that there will continue to be new laws or regulations concerning the use of AI and other new technologies, which might be burdensome for us to comply with and may limit our ability to offer or enhance our existing solutions or new offerings based on new technologies. Each of the foregoing events may, in turn, materially and adversely affect our reputation, business, results of operations and financial condition.

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Our IT infrastructure may experience unexpected system failures, disruptions, security breaches or cyberattacks, which could materially and adversely affect our reputation, business, results of operations and financial condition.

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload and by damages from fires, floods, earthquakes and other natural disasters, telecommunication failures, power loss, human error or other accidents. Our infrastructure and systems may be breached if any vulnerabilities therein are exploited by unauthorized third parties. We cannot assure you that any applicable recovery system, security protocol, network protection mechanism or other defense procedures are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. An actual or perceived attack or security breach may damage our reputation and brand, expose us to risks of potential litigation and liabilities and require us to expend significant capital and other resources to alleviate problems caused by such attacks or security breaches.

Despite any precautionary measures we may take, the occurrence of unanticipated problems that affect our technology infrastructure could disrupt the availability of our solutions, which, in turn, could affect the ability of customers to use our solutions and harm their experience. As a result, our reputation, business, results of operations and financial condition could be adversely affected.

Our success depends heavily on the continuing efforts of our senior management and other key personnel. If we are unable to retain, attract and train such personnel, our business may be materially and adversely affected.

We rely on the expertise, experience and vision of our senior management. Any loss of service of our senior management can significantly delay or prevent us from achieving our strategic business objectives and adversely affect our business and prospects. Our future success also depends on our ability to retain existing key personnel, including the members of our R&D teams and attract and train a large pool of other qualified employees. During the Track Record Period and up to the Latest Practicable Date, our R&D personnel retention rate is exceptionally high, with the cumulative attrition rate of key R&D individuals lower than 5%.

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

Our financial results could suffer if we are unable to achieve or maintain the productivity and utilization of our professionals.

Our profitability depends to a large extent on the productivity and utilization of our professionals. Productivity and utilization of our professionals could be affected by a number of factors, including, among other things, the number and size of customer engagements, the timing of the commencement, completion and termination of engagements, our ability to transition our professionals efficiently from completed engagements to new engagements, the hiring of additional professionals, unanticipated changes in the scope of customer engagements, our ability to forecast demand for our services and thereby maintain an appropriate number of professionals and conditions affecting the industries in which we practice as well as general economic conditions. Any of the factors above may affect our ability to achieve and maintain adequate overall productivity and utilization of our professionals, which may lead to adverse impacts on our financial results.

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Misconduct, non-compliance and omissions by our employees, officers, Directors or third parties could harm our business and reputation.

Misconduct and omissions by our employees, Directors, senior management, representatives, third-party intermediaries, business partners or agents could subject us to liability or negative publicity. For example, our employees or other relevant persons may engage in fraudulent, corrupt, bribery or other unfair business practices or other misconducts in breach of relevant laws or regulations, which may subject us or them to investigations, proceedings and/or penalties by governmental authorities or litigation. Our employees may also be involved in other misconducts against any of our internal requirements, contractual obligations, or laws and regulations, such as improper leakage of customers’ confidential information or using pirated software that infringes intellectual property rights of third parties. We cannot assure you that we or our employees will not be subject to claims or legal proceedings brought by third parties regarding breach of confidentiality obligations or infringement of patents, copyrights or other intellectual property rights that they hold. The above proceedings, among others, may result in penalties, fines, sanctions or other liabilities and could have a material adverse effect on our reputation, business, results of operations and financial condition. Although we have implemented internal rules and guidelines through our Employee Handbook and Semi-Tech Anti-Corruption and Anti-Bribery Policy (賽美特反腐敗反商業賄賂制度) covering, without limitation, our commercial practices, work ethics, employee conducts, fraud, corruption and bribery prevention mechanisms, regulatory compliance and whistleblowing, we cannot assure you that our employees will not engage in misconduct or omissions that could materially and adversely affect our business, results of operations and financial condition.

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

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

We may, from time to time, receive negative publicity about us, our business partners and the solutions we provide. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. Any such negative perception and publicity, with or without merit, could tarnish our reputation, reduce the value of our brand and have a negative impact on our ability to attract and retain customers. In addition, if other companies offering intelligent industrial software solutions or operating in similar industries receive a high degree of negative media coverage or citation concerning their products, services, customers and business practices, the perception of our reputation as a trustworthy solution provider may also be harmed.

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

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If we are unable to ensure compatibility of our solutions with a variety of hardware and software applications developed by third parties, including those of our customers and business partners, we may become less competitive and our results of operations may be harmed.

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

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

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

We are subject to complex and evolving laws and regulations regarding data security, personal information protection and AI. Actual or alleged failure to comply with the relevant laws and regulations could damage our reputation, deter current and potential customers and subject us to significant legal, financial and operational consequences.

Government authorities worldwide have been increasingly focusing on data security, personal information protection and AI. The PRC government and the overseas jurisdictions where we operate, have enacted a series of laws and regulations on the protection of personally identifiable data. For example, the regulatory framework for data security and cyber security in China is rapidly evolving and is likely to remain uncertain. For example, in recent years the Standing Committee of the National People’s Congress (the “SCNPC”) promulgated a series of laws and regulations delineate and enhance scopes of protection for data security and personal information. See “Regulatory Overview — Laws and Regulations on Data Security and Cyber Security.” In addition, on December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》, the “CAC Measures”), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review. Although as advised by our PRC Legal Advisors, we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed [REDACTED], in light of regulatory evolution, we cannot assure you that there will not be any additional regulatory requirements. In addition, any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance or perceived non-compliance with the relevant laws and regulations may prevent us from using or providing certain products and services, and may result in fines or other penalties such as making certain required rectification, suspending our related business, closing our website or taking down our operations and proceedings or actions against us by PRC regulatory authorities, customers or others, which may have a material adverse effect on our business, reputation, results of operations and financial condition.

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Further, relevant administrative authorities have also promulgated regulations requiring data processors that meet certain thresholds to apply for cross-border security assessment for the transfer of personal information and important data. See “Regulatory Overview — Laws and Regulations on Data Security and Cyber Security.” As of the Latest Practicable Date, we had not conducted any cross-border data transferring activities. As our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such case, to satisfy the legal and regulatory requirements, we may need to comply with applicable requirements. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business.

On July 10, 2023, the CAC and other six ministries jointly published the Interim Administrative Measures on Generative AI Services (the “Interim Measures on GAI”) (《生成式人工智能服務管理暫行辦法》), effective on August 15, 2023, set forth principles for provision and use of generative AI technologies (“GAI Services”) require the providers of GAI Services to conduct security assessment for provision of GAI Services with public opinion attributes or social mobilization capabilities and file for records with the CAC. On the basis that our solutions are only provided to institution users, our current businesses do not fall into the scope of provision of GAI Services to the public and thus the Interim Measures on GAI do not apply to our current businesses. Nevertheless, there can be no assurance that the relevant authorities will not subject our operations to the ambit of the Interim Measures on GAI and require us to apply for security assessment or complete the filing, change or deregistration formalities of algorithms, among others.

As of the Latest Practicable Date, we have not been subject to any warning, penalty or other sanction from the PRC authorities or any other relevant regulatory authorities in relation to data security, personal information protection or AI, nor any complaint, report or claim from individuals with respect to their personal information. We have adopted various measures to ensure our compliance. See “Business—Data Privacy and Security.” However, the laws and regulations regarding data security, personal information protection and AI in China are generally complex and evolving, with uncertainty as to the interpretation and application thereof. Moreover, different regulatory bodies in China, including among others, the MIIT, the CAC and the Ministry of Public Security have enforced laws and regulations with various standards and applications. What’s more, as we are expanding our business globally, we may be subject to additional compliance requirements in other jurisdictions. As such, we cannot assure you that our data security and personal information protection are, and will be, always considered sufficient under applicable laws and regulations. We may from time to time be required to rectify or further improve our measures in these regards which expose us to incur substantial compliance costs. The legal and regulatory developments could affect the way we design and roll out our offerings, our business operations, and how we and our business partners deal with data protection and AI. If we fail to effectively and timely comply with these laws and regulations and respond to relevant changes, our business operations, results of operations and financial condition will be materially and adversely affected. Additionally, the effectiveness of our data security, personal information protection measures is also subject to system failures, disruptions, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations or to address any data security, personal information protection and AI concerns, such actual or alleged failure could damage our reputation, deter current and potential customers and subject us to significant legal, financial and operational consequences.

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

We cannot assure you that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. During the Track Record Period and up to the Latest Practicable Date, our Directors are not aware of any intellectual property claims, disputes or proceedings against our Company. However, we may still in the future from time to time be subject to such proceedings and claims. We also cannot assure you that holders of patents purportedly relating to some aspects of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdiction. For example, third parties may claim that our employees have misappropriated or divulged their former employers’ proprietary rights or confidential information. Furthermore, the application and interpretation of China’s patent laws and the procedures and standards for granting patents in China are still evolving and subject to uncertainties and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual

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property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time-consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, results of operations and financial condition could be materially and adversely affected.

Moreover, our agreements with customers generally include a warranty that we hold the necessary intellectual property rights and/or licenses related to our solution offerings, and indemnification provisions under which we agree to indemnify the counterparty for direct losses, legal fees and other reasonable fees suffered or incurred as a result of claims of intellectual property infringement or other liabilities relating to or arising from our software or services. Indemnity payments could harm our business, results of operations and financial condition. As of the Latest Practicable Date, no customer has made any claims against us under the indemnification provisions. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing and new customers and harm our business and results of operations.

We are subject to risks related to protecting customers' business and operation data, and the improper collection, use or disclosure of such data could harm our reputation and have a material adverse effect on our business and prospects.

We view data privacy and security of vital importance to our brand and reputation, and our customers' confidence in our offerings. As a leading provider of intelligent industrial software solutions, we may have access to certain data of our customers when we conduct on-site solution deployment or maintenance for customers, such as those data relating to semiconductor and other advanced technology product manufacturing and operations. We may also have access to certain personal data relating to staff location and trace for our solutions that assist customers in security and emergency management. However, access limitations are in place such that only selected personnel relevant to the project are authorized to access such data for service purpose. Customer data collection is strictly confined to the customer's internal network and does not require uploading to the cloud. We will enter into confidentiality agreements with our customers to ensure data security. We do not access, use or disclose customer data unless per relevant customers' authorization or otherwise required by laws or regulations. However, we may be subject to certain challenges and risks inherent to handling and protecting the customers' business and operation data to which we have access, including confidential, sensitive data and information. Development and construction defects in the technical infrastructure, or errors or malfeasance of our staff implementing the operation and maintenance services, may also subject us to cyberattacks, computer viruses, physical or electronic break-ins or similar disruptions.

The improper collection, use or disclosure of customers' business and operation data could result in a loss of customers and other business partners, loss of confidence or trust in our solutions, litigation, regulatory investigations, penalties or actions against us, and significant damage to our reputation, any of which could in turn have a material adverse impact on our business, results of operations, financial condition and prospects. Our security protocols, network protection mechanisms or other defense procedures deployed to safeguard the data security during our business operations may not function as we expect or could be breached. Because the technologies and mechanisms used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognizable until they are launched against a target, we may be unable to anticipate or to implement adequate preventative measures against, such technologies and mechanisms. Any accidental or willful security breaches or other unauthorized access could cause confidential data to be stolen and used for improper or criminal purposes. Security breaches or unauthorized access because of third-party actions, employee errors, malfeasances or other similar factors, or design flaws in our technology infrastructure, if any, could damage our relationships with our customers and other business partners, and we could incur significant liabilities or subject to legal or regulatory actions that may materially and adversely affect our business, results of operations, financial condition and prospects.

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

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

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

In connection with the foregoing strategic transactions, we may issue additional equity securities that would dilute our Shareholders, use cash that we may need in the future to operate our business and incur substantial debts and liabilities. Such strategic transactions may also subject us to legal and regulatory scrutiny and increase our compliance costs. As a result, our business, results of operations and financial condition may be adversely affected.

We recorded net operating cash outflow in the past, which may continue in the future.

We had recorded net operating cash outflow during the Track Record Period and we may continue to experience negative operating cash flow in the future. Specifically, we recorded net operating cash outflow of RMB88.3 million in 2023. We cannot assure you that we will be able to generate sufficient operating cash flow in the future. Sustained negative operating cash flow could limit our ability to fund operations internally and may require us to obtain additional financing through equity or debt offerings, which could result in shareholder dilutions, increased leverage or restrictive covenants on us. Our ability to obtain external financing is subject to uncertainties, including our future finance condition, operating results and market liquidity. There can be no assurance that such financing will be available on favorable terms, or at all.

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

We may require additional capital beyond those generated by the [REDACTED] from time to time to grow our business, better serve our customers, develop and enhance our offerings, and improve our operating infrastructure. Accordingly, we may need to sell additional equity or debt securities or obtain a credit facility. Future issuances of equity or equity-linked securities could significantly dilute our existing Shareholders, and any new equity securities we issue could have

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rights, preferences and privileges superior to those of holders of our H Shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our Shareholders.

Our ability to obtain additional capital is subject to a variety of uncertainties, including: (i) our market position and competitiveness in China’s market comprising advanced-industry intelligent manufacturing software companies or other sectors of digital intelligence solutions; (ii) our future profitability, overall financial condition, and results of operations; (iii) the general market condition for capital raising activities, which depends on the prospect of such industry; and (iv) economic, political and other conditions in China and globally.

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

We have granted and may continue to grant equity interests and share options, which could result in share-based payment expenses that may affect our financial performance, and potentially dilute existing Shareholders’ ownership.

We have adopted the 2021 Equity Incentive Scheme, the 2022 Share Option Scheme and the 2024 Share Option Scheme. We believe the granting of such equity interests and options is important as it can enhance the cohesion of our Company, improve the governance structure of our Company, establish a long-term incentive and restraint mechanism, realize the participation of human capital in the distribution, improve and perfect the remuneration incentive system of our Company and establish a mechanism of benefit sharing and risk sharing between Shareholders and the operating management, business backbone, and core employees. See “History, Development and Corporate Structure—Employee Incentive Schemes,” “History and Corporate Structure—Pre-[REDACTED] Share Option Scheme,” “Statutory and General Information—Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes” in Appendix VI to this document and note 35 to the Accountants’ Report in Appendix I to this document. We recognized share-based payment expenses based on the fair value of share options granted. We recorded share-based payment expenses of RMB1.5 million, RMB4.9 million and RMB3.6 million in 2023, 2024 and 2025, respectively. Any additional grant of share options by us will further increase our share-based payment expenses, which may adversely affect our results of operations and financial condition, and potentially dilute existing Shareholders’ ownership.

We undertook certain loss-making projects during the Track Record Period, and may undertake projects with limited or negative profitability in the future, which may affect our financial performance.

In 2023, 2024 and 2025, the amount of loss from our loss-making projects was RMB11.1 million, RMB3.5 million and RMB3.0 million, accounting for 3.9%, 0.7% and 0.4% of our total revenue during the same periods, respectively. These projects may have been pursued for strategic purposes, such as market entry, client relationship development, or long-term positioning. However, there is no assurance that all future projects will be profitable or that our cost and time estimates will be accurate. Project execution is inherently subject to a wide range of variables, including client-specific requirements, supply chain disruptions, labor availability, and unforeseen technical or operational challenges. Any significant deviation from our initial estimates may result in delays, cost overruns, or reduced margins. If such instances become more frequent or severe, they could adversely impact our profitability, strain our operational and financial resources, and materially affect our business, financial condition, results of operations, and future prospects.

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

Pursuant to the PRC Enterprise Income Tax Law and related regulations, enterprises operating in China are generally subject to corporate income tax at a statutory rate of 25% on the taxable profit, while enterprises recognized as a “High and New Technology Enterprise” (高新技術企業)

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(“HNTE”) are entitled to a preferential tax rate of 15%. A number of subsidiaries of our Group are recognized as HNTEs, and are entitled to a preferential income tax rate of 15% for three years commencing from the years when these companies are recognized as HNTEs. Continued qualification as an HNTE is subject to a three-year review by the relevant government authorities, and in practice certain local tax authorities also require annual evaluation.

In addition, a number of subsidiaries of our Group are entitled to the preferential policy of small and micro-sized enterprises, for which the applicable income tax rate is 5%. According to relevant laws and regulations promulgated by the State Council that was effective from 2008 onwards, enterprises engaging in R&D activities were entitled to claim 150% of their R&D expenses so incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction**”). The SAT announced in September 2018 that enterprises engaging in R&D activities would be entitled to claim 175% of their research and development expenses as Super Deduction from January 1, 2018 to December 31, 2020. From January 1, 2023 onwards, such enterprises have been entitled to claim 200% of their research and development expenses as Super Deduction. We have made our best estimate for the Super Deduction to be claimed in ascertaining assessable profits. In the event the preferential tax treatments are discontinued or not verified by the local tax authorities, and the affected entity fails to obtain preferential tax treatments based on other qualifications, it will become subject to the standard PRC corporate income tax rate of 25%. There is no assurance that we will continue to be qualified to enjoy the above-mentioned preferential tax treatments, or such treatments will not change in the future, which may have a negative impact on our business, results of operations and financial condition.

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

We have received government grants primarily to support our business development and to award our contributions to local economies. We recognized government grants of RMB9.3 million, RMB9.6 million and RMB13.6 million in 2023, 2024 and 2025, respectively. However, these policies may be subject to changes that are beyond our control. We cannot assure you that favorable government policies will continue. In addition, the timing, amount and conditions of government grants are within the sole discretion of the governmental authorities. Governmental authorities may require us to perform certain contractual obligations before we could receive such grants, and we cannot assure you that we could always fully satisfy these conditions or perform the obligations. In such cases, the governmental authorities may cease providing subsidies to us or even require us to repay part or all of the government subsidies we previously received. Any reduction, elimination, repayment or other negative trends in government grants could adversely affect our business, results of operations and financial condition.

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

Pursuant to the relevant PRC laws, employers must contribute to the social insurance and housing provident funds for employees. During the Track Record Period, we did not make adequate social insurances and housing provident fund contributions for certain employees. As advised by our PRC Legal Advisors, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested, we may be subject to a fine ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident funds do not satisfy the relevant requirements, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so, the relevant housing provident fund authority may apply to a PRC court for an order of mandatory payment. However, as advised by our PRC Legal Advisors, under the premise that there have been no significant changes in the relevant laws and regulations, and no major complaints from employees, the likelihood that we would be required by relevant authorities to make a centralized supplementary payment for any historical shortfalls for social insurance and housing provident fund contributions and/or be subject to material administrative penalties due to failure to make full contributions is remote, based on the foregoing and (i) interviews and/or telephone consultations with and/or confirmations obtained from the competent governmental

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authorities; and (ii) the administrative measures issued by relevant authorities expressly prohibit authorities from requiring enterprises to make lump-sum back payments of historical shortfalls in social insurance and housing fund contributions, with similar prohibitions applicable to relevant tax authorities; and (iii) during the Track Record Period and as of the Latest Practicable Date, we have not received (a) any order of correction for any historical shortfalls, nor (b) any employee reports or complaints alleging inadequate contributions remain outstanding as of the Latest Practicable Date. However, we cannot assure you that the relevant government authorities will not require us to pay the shortfall and late fees or impose fines on us, in which case our business, results of operations and financial condition could be adversely affected.

In addition, during the Track Record Period and up to the Latest Practicable Date, we engaged certain third-party human resources agencies to make social insurance and housing provident fund contributions for certain employees. We adopted such arrangements mainly to enable employees working outside the cities where we are registered to make social insurance and housing fund contributions in their actual working cities through a third party human resources agency. We had not been subject to any labor dispute relating to such arrangements as of the Latest Practicable Date. Under the contracts entered into with the third-party human resources agency, such agency has the obligations to pay social insurance and housing provident fund for our relevant employees. Furthermore, as of the Latest Practicable Date, we had not received any administrative penalties for such arrangements. Our PRC Legal Advisors are of the view that our such arrangement will not have a material adverse effect on our business operations. However, as there remains uncertainties over the interpretation and implementation of labor-related laws and regulations, we cannot assure you that our arrangements with the third-party agency are and will at all times not subject us to labor disputes or government investigations. In addition, if such agency fail to fulfill its obligations for the relevant employees, or if such arrangements are challenged by relevant regulatory authorities, we may be subject to additional contribution obligations, late fees and/or penalties imposed for failing to discharge our obligations as an employer or be ordered to rectify. We might also be subject to potential labor disputes arising from such arrangements. The occurrence of any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

In addition, on July 31, 2025, the PRC Supreme People’s Court promulgated the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025. See “Regulatory Overview—Laws and Regulations Relating to Employment and Social Welfare.” In light of (i) the absence of major complaints, reports, or labor disputes related to social insurance against our Group during the Track Record Period and up to the Latest Practicable Date; and (ii) our PRC Legal Advisors’ opinion that the new Judicial Interpretation does not expand our Company’s penalty exposure or repeal the social insurance laws and regulations currently in force of the PRC, we believe the new Judicial Interpretation would not have a material adverse effect on our business or financial results. However, as PRC labor laws and regulatory guidance continue to evolve, we cannot assure how future developments may affect our operations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to related penalties, fines or legal fees, and our business, financial condition and results of operations could be materially and adversely affected.

We currently operate our business mainly through leased properties which exposes us to risks in relation to unpredictable increases in rental and relocation costs. In addition, our leased properties may potentially be contested by third parties or government bodies causing our operations to be disrupted.

We operate our business mainly through leased properties, save for (i) a building under construction in Minhang District, Shanghai and (ii) three properties in Suzhou Industrial Park, Jiangsu, for which we have entered into property assignment agreements for their acquisition. As of the Latest Practicable Date, all of our leased properties are rented from Independent Third Parties for office spaces. Our landlords could increase the rent or impose more stringent payment terms when negotiating to renew our leases, which could in turn adversely affect our profitability and results of operations. We may not be able to successfully extend or renew such leases upon expiration, on commercially reasonable terms or at all, and may be forced to relocate, which may disrupt our operations and incur relocation costs and capital expenditures and could in turn adversely affect our financial condition. Further, we cannot assure you that we will be able to relocate such operations to suitable alternative premises in a timely manner, and failure in

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relocating our operations when required could result in disruption to our business operations. In addition, we compete with other businesses for premises at certain locations or of desirable size. In the event that we fail to relocate our operations in a timely manner, our financial position, results of operations and reputation would be adversely affected. While we remain subject to the risks associated with leased properties, we have made certain initiatives to acquire and/or construct self-owned properties to support our operations. See “Business—Properties—Mainland China.” These initiatives are expected to reduce our reliance on leased premises over time. However, there is no assurance that such measures will fully eliminate the risks associated with lease renewals or relocations, and we may still be subject to the adverse effects described above.

Pursuant to the applicable laws and regulations in Mainland China, property lease contracts must be registered with the relevant local branches of the PRC Ministry of Housing and Urban Development. As of the Latest Practicable Date, we had not completed lease registration of 12 properties we leased in Mainland China, primarily due to the landlords’ failure to provide valid title certificates or the difficulty of procuring the relevant landlords’ cooperation to register such leases. While the lack of registration will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease.

Landlords for two of our leased properties in Mainland China have not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. If the lessor is not the owner of the property and have not obtained consent from the owner or their lessor, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the owner or the party who has the right to lease the property, and the terms of the new leases may not be favorable to us.

We cannot assure you that our use of these leased properties will not be challenged by government authorities, property owners or any other third parties in the future. We may be subject to fines and forced to relocate to other premises in case our use of properties is successfully challenged, and our operation could be affected as a result. We may also involve in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. There is no assurance that we can find suitable replacement premises in a timely manner and on terms acceptable to us, or at all. Our business and financial performance may be adversely affected as a result.

Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or otherwise harm our business.

Our business is subject to regulation by various governmental agencies in China, including agencies responsible for monitoring and enforcing compliance with various legal obligations, such as privacy and data protection related laws and regulations, intellectual property laws, employment and labor laws, anti-corruption and anti-bribery laws, and tax laws and regulations. In certain jurisdictions, these regulatory requirements may be different or more stringent than in China. These laws and regulations may increase our compliance costs. Non-compliance with applicable regulations or requirements may subject us to negative consequences, including: (i) investigations, enforcement actions, and sanctions; (ii) mandatory changes to our offerings; (iii) monetary damages and fines; (iv) civil and criminal penalties or injunctions; (v) termination of contracts; (vi) loss of intellectual property rights; and (vii) failure to obtain, maintain or renew certain licenses, approvals and permits.

Responding to any action will likely result in a significant diversion of our management’s attention and resources and incur significant costs. If we fail to comply with relevant laws and regulations, or if we fail to defend ourselves in relevant legal or administrative proceedings, our business, results of operations, and financial condition could be adversely affected.

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

We may be involved in litigation, legal or contractual disputes, governmental investigations or administrative proceedings in the ordinary course of our business. As we are planning to further expand into different jurisdictions and industrial verticals, we may be exposed to an increasing number of disputes and proceedings. These may concern issues relating to, among others, labor disputes and contract disputes relating to our daily business operations. Any such claim or proceeding involving us, with or without merit, may be expensive, time-consuming and disruptive to our operations and distracting to management. In addition, even if we ultimately succeed in such disputes or proceedings, negative publicity may arise therefrom and materially and adversely affect our reputation and business. If one or more legal or administrative matters were resolved against us, or certain injunctions are granted to prevent us from using certain technologies in our intelligent industrial software solutions, our business, results of operations and financial condition could be materially and adversely affected. Furthermore, unfavorable outcomes could result in significant compensatory or punitive monetary damages, disgorgement of revenue or profits, corporate remedial measures, injunctive relief or specific performance against us that could materially and adversely affect our results of operations and financial condition.

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

We face various risks in connection with our business and may lack adequate insurance coverage or have no relevant insurance coverage. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain any insurance policies covering damages to our information technology systems. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. Our current insurance coverage may not be sufficient to prevent us from any loss, and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, results of operations and financial condition could be materially and adversely affected.

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

Our business could be materially and adversely affected by outbreaks of contagious diseases, such as the outbreak of COVID-19, or other force majeure events. For example, the outbreak of COVID-19 has materially and adversely affected the Chinese and global economy. In response to the pandemic, the mitigation measures were implemented from time to time to contain the spread of the pandemic. During the COVID-19 pandemic, we had to cancel or limit certain of our business activities. For example, we had to conduct online, instead of on-site, solution deployment and acceptance for some projects. We had also implemented measures such as restriction of employee travels, which affected our operations to certain extent. The impact from outbreaks of contagious diseases may adversely affect our customers’ ability to pay and customer demand for our solutions, which would adversely affect our business, results of operations and financial condition. In addition to the impact of outbreaks of contagious diseases, natural disasters, such as fires, earthquakes, hurricanes, floods, tornadoes and unusual weather conditions, power outages, telecommunications failures, sabotages, other pandemic outbreaks, terrorist acts, disruptive global political events, or similar disruptions could materially and adversely affect our business operations and financial performance. It is possible that we may be unable to offer our solutions in the event of a server failure. We cannot assure you that any backup system or other mitigating measures will be adequate to protect us from the effects of any of these events, which may give rise to server interruptions, breakdowns, system failures or internet failures, and could cause the inability to transmit data, loss or corruption of data or malfunctions of software or hardware. The continuance of any of these events could increase the costs associated with our operations and reduce our ability to operate our business at intended capacities, thereby reducing revenue and profitability.

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We recognized substantial goodwill and other intangible assets during the Track Record Period and may incur significant impairment charges related thereto, which may adversely affect our results of operations as a result.

As of December 31, 2023, 2024 and 2025, we had goodwill of RMB208.5 million, RMB253.3 million and RMB311.0 million, respectively. However, our acquired businesses may not generate the financial results that we expect, which could result in the occurrence of significant investments and goodwill impairment charges. We periodically review goodwill and investments for impairment. If we conclude that any of these equity investments and/or acquired businesses are impaired, we will write down the asset to its fair value and take a corresponding charge to our consolidated statements of profit or loss. Similarly, we recorded other intangible assets of RMB12.1 million, RMB73.4 million and RMB71.4 million as of December 31, 2023, 2024 and 2025, respectively, which are reviewed annually to identify any indication of impairment and the recoverable amount will be estimated if so. As a result, in case of any significant impairment charges related to the aforementioned assets, our results of operations may be negatively affected.

Our strategies to manage our cash conversion cycle by shortening our trade and bills receivables turnover days and extending our trade and bills payables turnover days may result in side effects, including strained relationships with our customers and suppliers, and diversion of resources.

We plan to manage our cash conversion cycle by shortening our trade and bills receivables turnover days and extending our trade and bills payables turnover days. See “Financial Information—Liquidity and Capital Resources—Cash Conversion Cycle.” However, these strategies may bring about the following side effects, which may adversely affect our business, results of operations and financial condition. Increasing collection efforts on trade and bills receivables may strain our relationships with customers, which may lead to the loss of some customers. Increasing the use of bank acceptance bills as a payment method for our suppliers will require significant communication efforts, which may divert our resources, as we will need to engage in repeated discussions with suppliers.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTION WHERE WE OPERATE

Changes in China’s economic, political and social conditions or global economic environment could adversely affect our business, results of operations, financial condition, cash flows and prospects.

We operate in and derive most of our revenue from China. Our business, results of operations and financial condition are affected by the economic, political and social conditions in China. In particular, factors such as corporate and government spending, business investment, level of economic development, and resource allocation could affect the growth of our business. We cannot predict the changes in China’s economic, political and social conditions in the future and the impact of the new government policies on our business and prospects.

Moreover, the global macroeconomic environment has been facing challenges and uncertainties recently. There have been heightened tensions in international relations globally. Economic conditions in China are sensitive to global economic and geopolitical conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations, financial condition and prospects.

Governmental supervision of currency conversion, and restrictions on the remittance of Renminbi into and out of China, may limit our ability to pay dividends and other obligations, and adversely affect the value of our H Shares.

The PRC government imposes supervision on the convertibility of Renminbi into foreign currencies. Most of our transactions are denominated in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments to certain suppliers, if any. Shortages in the availability of foreign currency may restrict our ability to remit

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sufficient foreign currency, or otherwise satisfy our foreign currency denominated obligations. Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses, such as direct investments, repayment of loans denominated in foreign currencies, repatriation of investments and investments in securities outside of China. Failure to obtain approval from or complete registration with competent government authorities related to overseas direct investments may result in cessation of the implementation of relevant projects, restrictions on the remittance of Renminbi into or out of China, or even legal or administrative liabilities. If the foreign exchange regulatory policies prevent us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

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

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

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax issued by the MOF and SAT (財政部、國家稅務總局關於個人所得稅若干政策問題的通知) (Cai Shui Zi [1994] No. 020) on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that individual income tax shall be levied non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, the PRC tax authorities may change these practices, which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares. Non-PRC resident

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enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ approval.

Despite the arrangements mentioned above, there remain significant uncertainties as to the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities and the PRC tax laws and regulations may also change, which may adversely affect the value of your investment in our H Shares.

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

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

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

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our [REDACTED] and there can be no assurance that an active market would develop, and the price and trading volume of our H Shares may be volatile.

Prior to this [REDACTED], there has been no [REDACTED] for our [REDACTED]. The [REDACTED] for our [REDACTED] was the result of negotiations among us and [REDACTED] (for itself and on behalf of the [REDACTED]) and the [REDACTED] may differ significantly from the [REDACTED] for our [REDACTED] following this [REDACTED]. We have applied for [REDACTED] of and permission to [REDACTED] our [REDACTED] on the Stock Exchange.

A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the [REDACTED] will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the [REDACTED] will not decline following the [REDACTED]. In addition, the [REDACTED] and trading volume of the [REDACTED] may be subject to significant volatility in responses to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the [REDACTED] of the shares of other companies engaging in similar business may affect the price and [REDACTED] of our [REDACTED]. In addition to market and industry factors, the price and [REDACTED] of our [REDACTED] may be highly volatile for specific business reasons, such as regulatory developments affecting the relevant markets, industries and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors.

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The actual or perceived sale or availability for sale of substantial amounts of our [REDACTED], especially by our Directors, senior management and substantial Shareholders, could adversely affect the [REDACTED] of our [REDACTED] and our ability to raise additional capital in the future.

Prior to the [REDACTED], there has not been a [REDACTED] for our [REDACTED]. Future sales of a substantial number of our [REDACTED], especially by our Directors, and senior management (if they become Shareholders in the future) and substantial Shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our [REDACTED] in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by certain of our Shareholders are subject to certain lock-up periods beginning on the date on which trading in our [REDACTED] commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Meanwhile, if any of our Shareholders breach the lock-up restrictions or are released from such restrictions, they may decide to dispose of the Shares they own, which, in turn, may adversely affect the [REDACTED] of our [REDACTED].

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

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

Certain facts, forecasts and statistics contained in this document are derived from various official government sources and may not be accurate, reliable, complete or up to date.

We have derived certain information and statistics in this document, particularly the section headed “Industry Overview,” from various official government publications and other publicly available publications provided by the PRC government. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], any of their respective directors and Advisers, or any other persons or parties involved in the [REDACTED], and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

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

During the Track Record Period and up to the Latest Practicable Date, most of our revenue and expenditures were denominated in Renminbi, and most of our financial assets were also denominated in Renminbi. Any significant change in the exchange rates of the Hong Kong dollar against Renminbi may materially and adversely affect our cash flows, earnings and financial

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position, and the value of, and any dividends payable on, our [REDACTED] in Hong Kong dollars. For example, a further appreciation of Renminbi against the Hong Kong dollar would make any new Renminbi-denominated investments or expenditures more costly to us, to the extent that we need to convert Hong Kong dollars into Renminbi for such purposes. An appreciation of Renminbi against the Hong Kong dollar would also result in foreign currency translation losses for financial reporting purposes when we translate our Hong Kong dollar denominated financial assets into Renminbi, as Renminbi is the functional currency of our subsidiaries inside China. Conversely, if we decide to convert our Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our [REDACTED] or for other business purposes, appreciation of the Hong Kong dollar against Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

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

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

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the [REDACTED], our Company has sought the following waivers and exemption from strict compliance with the relevant provisions of the Hong Kong Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

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

Since most of the business operations of our Group are managed and conducted outside of Hong Kong, and our executive Directors ordinarily reside outside Hong Kong, we consider it practicably difficult and commercially unreasonable for us to arrange two executive Directors to be ordinarily reside in Hong Kong, either by means of relocation of the executive Directors to Hong Kong or appointment of additional executive Directors. Therefore, we do not have, and in the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

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

- (a) we have appointed Ms. Zhang Xin (張鑫) (our executive Director) and Mr. Wong Chun Wing Samuel (黃俊穎) (our joint company secretary) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our Company’s principal channel of communication with the Stock Exchange. The authorized representatives will be readily contactable by phone and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly as and when required, including means to communicate with our Directors when they are traveling. Our Company will also inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives in accordance with the Listing Rules. We have provided the contact details of each Director (such as mobile phone numbers, office phone numbers (if any), email addresses and fax numbers (if any)) to each of the authorized representatives and the Stock Exchange;
- (c) we confirm and will ensure that all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;
- (d) we have appointed Somerley Capital Limited as our compliance advisor upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our compliance advisor will serve as the additional channel of communication with the Stock Exchange when the authorized representatives are not available and will have access at all times to our authorized representatives, our Directors and our senior management as prescribed by Rule 3A.23 of the Listing Rules; and
- (e) meetings between the Stock Exchange and our Directors can be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Hong Kong Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

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

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

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

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Hong Kong Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and
- (d) professional qualifications in other jurisdictions.

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

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

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

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Our Company has appointed Mr. Li Long (李龍) (“**Mr. Li**”), our Board secretary, as one of our joint company secretaries. He is responsible for the [REDACTED] of the Company, investment and financing, corporate governance, and investor relations management, and has the relevant experience of our administrative and corporate matters as a joint company secretary but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Wong Chun Wing Samuel (黃俊穎) (“**Mr. Wong**”), an associate member (a holder of practitioner’s endorsement) of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Mr. Li for an initial period of three years from the [REDACTED] to enable Mr. Li to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Given Mr. Wong’s professional qualification and experience, he will be able to explain to both Mr. Li and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Mr. Wong will also assist Mr. Li in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Wong is expected to work closely with Mr. Li and will maintain regular contact with Mr. Li, the Directors and the senior management of our Company. In addition, Mr. Li will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance his knowledge of the Listing Rules during the three-year period from the [REDACTED]. He will also be assisted by our compliance advisor and our legal advisers as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Mr. Li does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Li may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Mr. Li must be assisted by Mr. Wong, who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver shall be valid for a period of three years from the [REDACTED] and will be revoked immediately if and when Mr. Wong ceases to provide such assistance to Mr. Li as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Mr. Li will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange before the expiration of the three-year period to enable it to assess whether Mr. Li, having benefited from the assistance of Mr. Wong for the preceding three years, will have acquired the skills necessary to carry out the duties of a company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

WAIVER AND EXEMPTION IN RELATION TO THE PRE-[REDACTED] SHARE OPTION SCHEMES

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribe certain disclosure requirements in relation to the share options granted by our Company (the “**Share Option Disclosure Requirements**”):

- (a) Rule 17.02(1)(b) of the Listing Rules stipulates that all material terms of a scheme adopted by our Company prior to the [REDACTED] must be clearly set out in the document, and our Company is also required to disclose in the document full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon [REDACTED] as well as the impact on the earnings per share arising from the [REDACTED] of shares in respect of such outstanding options or awards;
- (b) Paragraph 27 of Appendix D1A to the Listing Rules requires our Company to set out in the document particulars of any capital of any member of our Group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and
- (c) Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires our Company to set out in the document, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to [REDACTED], together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures [REDACTED] under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

As at the Latest Practicable Date, the Company has granted outstanding Share Options under the 2022 Pre-[REDACTED] Share Option Scheme to [255] grantees (the “**Participants**”) (none of such grantees are Directors and/or core connected persons) to [REDACTED] an aggregate of [6,516,566] Shares, which consist of (i) one member of senior management; (ii) [254] other Participants (who are our employees and not Directors or senior management of the Company). The Shares underlying the outstanding Share Options represent approximately [REDACTED]% of the total issued share capital of our Company immediately upon [REDACTED] of the Share Subdivision, the [REDACTED] and Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Share Option Schemes are not exercised).

As at the Latest Practicable Date, the Company has granted outstanding Share Options under the 2024 Pre-[REDACTED] Share Option Scheme to [393] grantees (none of such grantees are Directors and/or core connected persons) to [REDACTED] an aggregate of [6,968,000] Shares, which consist of (i) one member of senior management; (ii) [392] other Participants (who are our employees and not Directors or senior management of the Company). The Shares underlying the outstanding Share Options represent approximately [REDACTED]% of the total issued share capital of our Company immediately upon [REDACTED] of the [REDACTED] and the Share Subdivision (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Share Option Schemes are not exercised).

No Share Options under the Pre-[REDACTED] Share Option Schemes will be further granted after [REDACTED]. For more details about our Pre-[REDACTED] Share Option Schemes, see “Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to this document.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Our Company has applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix D1A to the Listing Rules, and (ii) the SFC for a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the ground that strict compliance with the Share Option Disclosure Requirements would be unduly burdensome for our Company and the waiver and the exemption would not prejudice the interest of the investing public for the following reasons:

- (a) given that [255] grantees for 2022 Share Option Scheme and [393] grantees for 2024 Share Option Scheme are involved (none of whom will individually hold more than 1% of the total issued share capital of our Company immediately following the [REDACTED] of the Share Subdivision, the [REDACTED] and Conversion of Unlisted Shares into H Shares), strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees under the Pre-[REDACTED] Share Option Schemes in this document would be costly and unduly burdensome for our Company in light of a significant increase in cost and time for information compilation and document preparation;
- (b) as of the Latest Practicable Date, save for one grantee who is senior management of our Company, the remaining grantees are employees of our Group, all of whom are not connected persons of our Company. Strict compliance with the applicable Share Option Disclosure Requirements to disclose names, addresses and entitlements on an individual basis in this document will require additional pages of disclosures that do not provide any material information to the investing public;
- (c) the grant and exercise in full of the options under the Pre-[REDACTED] Share Option Schemes will not cause any material adverse impact on the financial position of our Company;
- (d) lack of full compliance with the above disclosure requirements would not prevent our Company from providing its potential investors with information for them to make an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company;
- (e) full details of the Share Options granted under the Pre-[REDACTED] Share Option Schemes to the member of senior management of our Company have already been disclosed in “Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to this document. With respect to the Participants not disclosed on an individual basis, such number of Shares is not material in the circumstances of our Company, and the grant and exercise in full of such Share Options will not cause any material adverse impact to the financial position of our Company; and
- (f) material information relating to the options under the Pre-[REDACTED] Share Option Schemes will be disclosed in this document, including the total number of Shares subject to the Pre-[REDACTED] Share Option Schemes, the exercise price per Share, the potential dilution effect on shareholding, and impact on earnings per Share upon full exercise of the options granted under the Pre-[REDACTED] Share Option Schemes. Our Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of our Company in their investment decision making process has been included in this document.

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

The Stock Exchange [has granted] us a waiver from strict compliance with the relevant requirements under the Listing Rules on the conditions that:

- (a) full details of the options under the Pre-[REDACTED] Share Option Schemes granted to each of the Directors, members of senior management of our Company and connected persons of our Company will be disclosed in the paragraph headed “Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to the document on an individual basis as required under the applicable Share Option Disclosure Requirements;
- (b) for the remaining grantees, disclosures will be made, on an aggregate basis, of (i) the aggregate number of grantees and the number of Shares underlying the options granted to them under the Pre-[REDACTED] Share Option Schemes, (ii) the consideration paid for the grant of the options under the Pre-[REDACTED] Share Option Schemes (if any), and (iii) the exercise period and the exercise price for the options granted under the Pre-[REDACTED] Share Option Schemes;
- (c) there will be disclosures in the paragraph headed “Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to the document for the aggregate number of Shares underlying the options under the Pre-[REDACTED] Share Option Schemes and the percentage of the total issued share capital of the Company represented by such number of Shares;
- (d) the dilutive effect and impact on earnings per Share upon full exercise of the options under the Pre-[REDACTED] Share Option Schemes will be disclosed in the paragraph headed “Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to the document;
- (e) a summary of the principal terms of the Pre-[REDACTED] Share Option Schemes will be disclosed in the paragraph headed “Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to the document;
- (f) the particulars of the waiver and the exemption will be disclosed in this document;
- (g) a full list of all the grantees under the Pre-[REDACTED] Share Option Schemes (including those persons whose details have already been disclosed in the document), containing all the particulars as required under the applicable Share Option Disclosure Requirements, will be made available for public inspection in accordance with the paragraph headed “Document Available for Inspection” in Appendix VII to the document; and
- (h) a certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting our Company from the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be granted.

The SFC has [granted] us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

- (a) full details of the options under the Pre-[REDACTED] Share Option Schemes granted to each of the Directors, connected persons of the Company and members of senior management of the Company will be disclosed in the paragraph headed “Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to the document on an individual basis as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

WAIVERS FROM STRICT COMPLIANCE WITH THE HONG KONG LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

- (b) for the remaining grantees, disclosures will be made, on an aggregate basis, of (i) the aggregate number of grantees and the number of Shares underlying the options granted to them under the Pre-[REDACTED] Share Option Schemes, (ii) the consideration paid for the grant of the options under the Pre-[REDACTED] Share Option Schemes (if any), and (iii) the exercise period and the exercise price for the options granted under the Pre-[REDACTED] Share Option Schemes;
- (c) a full list of all the grantees under the Pre-[REDACTED] Share Option Schemes (including those persons whose details have already been disclosed in the document), containing all the particulars as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for public inspection in accordance with the paragraph headed “Documents Available on Display” in Appendix VII to the document; and
- (d) the particulars of the exemption will be disclosed in the document and the document will be issued on or before [REDACTED].

For further details of the Pre-[REDACTED] Share Option Schemes, see “Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes—(b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to this document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

See “Directors and Senior Management” in this document for further information of our Directors.

DIRECTORS

Name	Address	Nationality

Executive Directors:

Mr. Li Gangjiang (李鋼江)	Room 1401, Building 35 Lane 1508, Meijiabang Road Songjiang District Shanghai PRC	Chinese

Ms. Zhang Ying (張影)	Room 601, Block 53 Mason Garden Phase 3 3 Moon Bay 99 Bada Street Suzhou Industrial Park Suzhou City Jiangsu Province PRC	Chinese

Mr. Li Guangzhu (李光珠)	Room 1902, Building 3B Serenity Nanshan District Shenzhen City Guangdong Province PRC	Chinese

Ms. Zhang Xin (張鑫)	Room 401, Unit 2, Building 10 No. 3, Yongfengjia Garden Guancheng Datong Baiwangfu Haidian District Beijing PRC	Chinese

Non-executive Directors:

Mr. Liu Hongnan (劉洪楠)	19/F, Gaoxin Building No.1 Nanbinhe Road, Guang'anmenwai Xicheng District Beijing PRC	Chinese

Mr. Yu Hui (余輝)	Room 1302, Building 17 666 Jinxiu Road Pudong New Area Shanghai PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Independent Non-executive Directors:		
Mr. Pang Fengzheng (龐風征)	Western unit of the 6th floor, Unit 1, Building 26 Dongguan Nanli Community Changping District Beijing PRC	Chinese
Dr. Ye Hangjun (葉航軍)	1-12 Napa Valley Xiaotangshan Town Changping District Beijing PRC	Chinese
Ms. Zhang Zhidi (張志迪)	Room 170C, 12/F Woon Yin Building 168-170 Hennessy Road Wanchai Hong Kong	Chinese (Hong Kong)

PARTIES INVOLVED IN [REDACTED]

Sole Sponsor	Haitong International Capital Limited Suites 3001-3006 and 3015-3016 One International Finance Centre No. 1 Harbour View Street Central, Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisers to our Company

As to Hong Kong and U.S. laws:

Baker & McKenzie

14/F, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

As to PRC laws:

Lifeng Partners

39/F, Tower 2
Jing An Kerry Center
1539 West Nanjing Road
Shanghai
PRC

Legal Advisers to the Sole Sponsor and the [REDACTED]

As to Hong Kong and U.S. laws:

Clifford Chance

27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC laws:

Jingtian & Gongcheng

34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

Reporting Accountants and Independent Auditors

Ernst & Young

Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King’s Road
Quarry Bay
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Compliance Advisor

Somerley Capital Limited

20/F, China Building
29 Queen’s Road
Central
Hong Kong

Industry Consultant

**China Insights Industry Consultancy
Limited**

10/F Block B
Jing’an International Center
88 Puji Road
Jing’an District
Shanghai
PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office

Room 101, 1/F, Block 7
No. 7001, Zhongchun Road
Minhang District
Shanghai
PRC

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

Units 1002, 1003, 1004, 1005, 1006 and 1007,
Floor 10 Building 1
No. 17, Hongqiao Wanchuang Center
Phase 1
Lane 500, Xinlong Road
Qibao Town
Minhang District
Shanghai
PRC

**Principal Place of Business in
Hong Kong**

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Company’s Website

www.semi-tech.com
*(information contained in this website does
not form part of this document)*

Joint Company Secretaries

Mr. Li Long (李龍)
Room 702, No. 110
Lane 615, Jipu Road
Baoshan District
Shanghai
PRC

Mr. Wong Chun Wing Samuel (黃俊穎)
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Authorized Representatives

Ms. Zhang Xin (張鑫)
Room 401, Unit 2, Building 10
No. 3, Yongfengjia Garden
Guancheng Datong Baiwangfu
Haidian District
Beijing
PRC

Mr. Wong Chun Wing Samuel (黃俊穎)
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

CORPORATE INFORMATION

Audit Committee

Mr. Pang Fengzheng (*Chairperson*)
Ms. Zhang Zhidi
Dr. Ye Hangjun

Nomination Committee

Mr. Li Gangjiang (*Chairperson*)
Dr. Ye Hangjun
Ms. Zhang Zhidi

Remuneration and Appraisal Committee

Dr. Ye Hangjun (*Chairperson*)
Mr. Pang Fengzheng
Mr. Li Gangjiang

Strategy Committee

Mr. Li Gangjiang (*Chairperson*)
Ms. Zhang Ying
Mr. Li Guangzhu
Ms. Zhang Xin
Mr. Liu Hongnan
Mr. Yu Hui

[REDACTED]

Principal Bank

China Merchants Bank
No. 2
120 Hongjing Road
Minhang District
Shanghai
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Industry Consultancy Limited (“CIC”). We engaged CIC to prepare an independent industry report in connection with the [REDACTED] (the “CIC Report”). The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], [REDACTED], [REDACTED] and [REDACTED], any of the [REDACTED], any of their respective directors, supervisors, and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF CHINA’S INDUSTRIAL SOFTWARE MARKET

Categorization of Industrial Software

Industrial software refers to software solutions designed for the industrial sector, addressing a wide range of scenario-specific needs. Based on application scenarios, industrial software can be broadly categorized into three main types: intelligent manufacturing software, operations management software, and research and design software. Intelligent manufacturing software focuses on the automation and intelligence of production processes. It manages process control and real-time monitoring on the shop floor, with key products including CIM, SCADA, DCS and PLC, among others. Operations management software supports business operations and enterprise resource management, with core solutions such as ERP, SCM and CRM. Research and design software assists with product design and R&D, covering tools such as CAD, CAE, CAM, EDA and PLM.

Among these, intelligent manufacturing software plays a vital role in industrial production. It directly impacts product quality and manufacturing efficiency, making it a high-value segment with significant technical barriers and strong market potential.

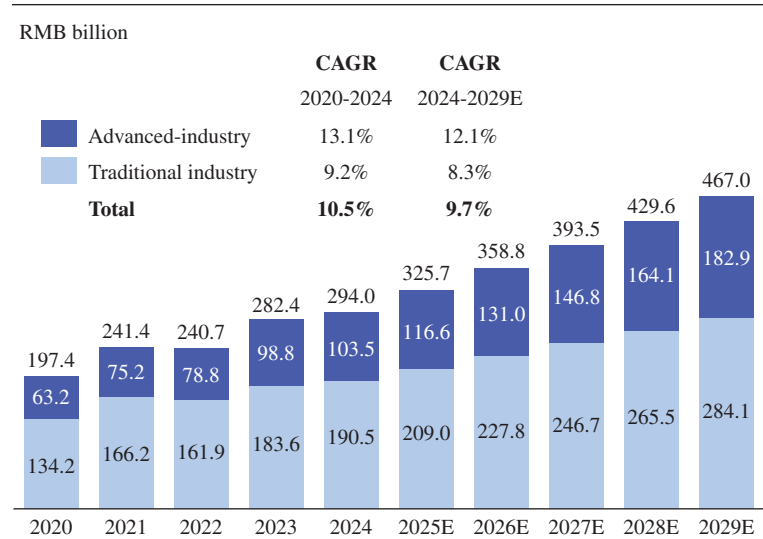
Market Size of China’s Industrial Software

China has been the world’s largest manufacturer for 14 consecutive years, with its industrial value added exceeding RMB40 trillion. It boasts the most comprehensive and diverse industry system globally, spanning traditional manufacturing as well as advanced sectors such as semiconductors, new energy, and high-end equipment. Driven by national strategies such as “Made in China 2025” and the accelerating integration of cutting-edge technologies reshaping the industrial ecosystem, the demand for intelligent and digital transformation in manufacturing is becoming increasingly urgent. As the core enabler of intelligent manufacturing, industrial software is poised to benefit from sustained and robust market growth.

According to CIC, the market size of China’s industrial software market, measured by industrial software revenue from traditional industries and advanced industries collectively, grew from RMB197.4 billion in 2020 to RMB294.0 billion in 2024, representing a CAGR of 10.5%, and is expected to reach RMB467.0 billion by 2029, at a CAGR of 9.7%.

INDUSTRY OVERVIEW

Market size of China’s industrial software market, 2020-2029E



Source: National Bureau of Statistics, CIC

Note: According to the Ministry of Industry and Information Technology of the PRC, advanced industries are characterized by high technology intensity, digitalization, and integration of intelligent systems, primarily including sectors such as semiconductors, electrification, electronics, automotive, display panels, photovoltaic, new energy batteries and high-end equipment manufacturing.

China’s industrial software market is highly fragmented, with the top five players accounting for approximately 10% of the total market, all of which are established global industrial software giants. China’s advanced-industry industrial software market is also relatively fragmented, with the top five players accounting for approximately 18% of the market.

OVERVIEW OF CHINA’S ADVANCED-INDUSTRY INTELLIGENT MANUFACTURING SOFTWARE COMPANIES MARKET

The Strategic Importance of Intelligent Manufacturing Software

The industrial software market is undergoing a clear shift toward intelligence. Intelligent industrial software, by embedding domain expertise and leveraging technologies such as AI, IoT, and big data, creates value by optimizing production processes, enhancing efficiency, and enabling predictive decision-making. Advanced industries represent the primary application fields of intelligent industrial software, as they demand highly sophisticated solutions to manage complex manufacturing systems and achieve superior productivity gains.

Advanced industries refer to high-tech-driven industrial sectors, primarily including semiconductors, electrification, electronics, automotive, display panels, photovoltaic, new energy batteries and high-end equipment manufacturing. These sectors represent the most technologically sophisticated and highest value-added segments. They play a strategic role in driving economic transformation and have become a central engine of national economic growth.

Compared to traditional industries, advanced industries involve far more complex processes across R&D, manufacturing and operations, with extremely high demands for precision, accuracy and yield management. As a result, advanced industries are highly dependent on automated and intelligent workflows, where industrial software plays an irreplaceable role, fundamentally shaping the level of sophistication achievable in every stage of the value chain.

The manufacturing process is the backbone of advanced industries, directly determining product quality and efficiency. Intelligent manufacturing software, with CIM (Computer Integrated Manufacturing) being a representative, functions as the “brain” of advanced industrial operations. By embedding and reusing industrial expertise and technical know-how, these systems optimize manufacturing workflows, improve yield rates, and enhance the efficiency of manufacturing capacity.

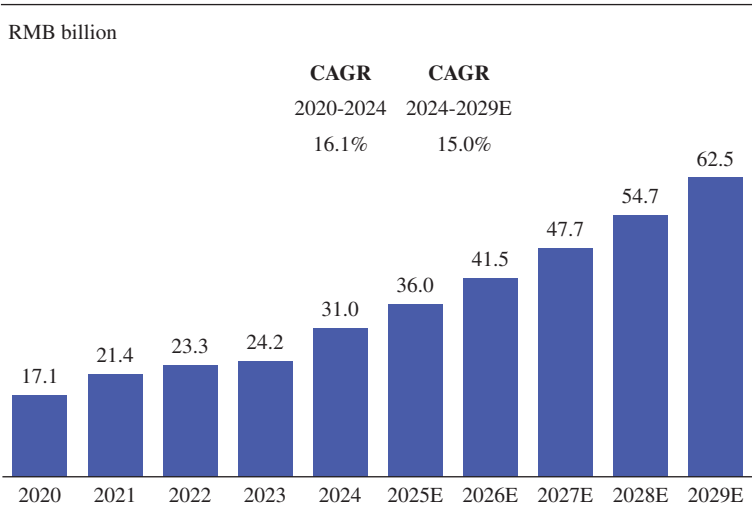
INDUSTRY OVERVIEW

Market Size of China’s Advanced-industry Intelligent Manufacturing Software Companies

Intelligent manufacturing software companies — those originating from intelligent manufacturing software — are uniquely positioned to address the core needs of industrial clients. By leveraging their foundation in intelligent manufacturing software, they are expanding into adjacent segments such as operations management and research and design software, thus covering a broader spectrum of customer needs.

According to CIC, the market size of China’s advanced-industry intelligent manufacturing software companies, measured by industrial software revenue of intelligent manufacturing software companies from advanced industries, grew from RMB17.1 billion in 2020 to RMB31.0 billion in 2024, representing a CAGR of 16.1%, and is expected to reach RMB62.5 billion by 2029, at a forecast CAGR of 15.0%.

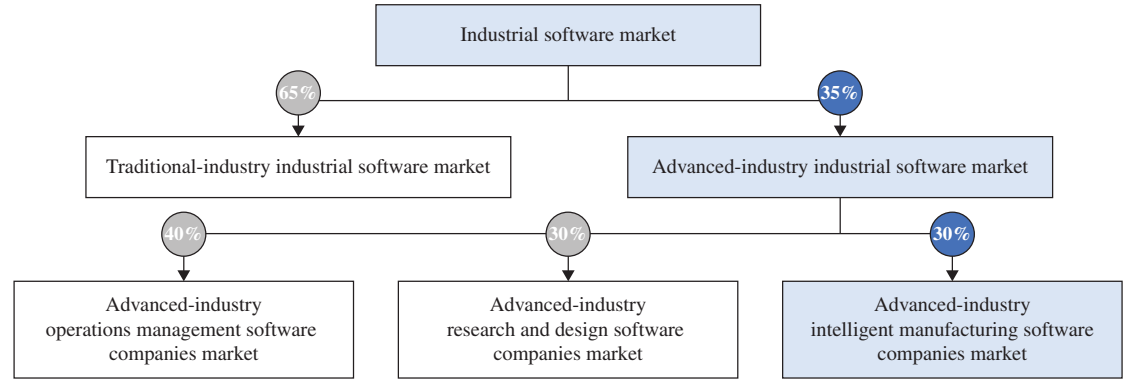
Market size of China’s advanced-industry intelligent manufacturing software companies market, 2020-2029E



Source: CIC

Note: The market size includes all industrial software revenues of intelligent manufacturing software companies from advanced industries.

China’s advanced-industry intelligent manufacturing software companies market accounts for approximately 30% of China’s advanced-industry industrial software market in 2024 in terms of revenue. The diagram below illustrates the market segmentation:



Source: CIC

INDUSTRY OVERVIEW

Development Trends

Widespread Integration of AI Technologies

The integration of AI is significantly enhancing the performance and autonomy of intelligent manufacturing software, enabling customers to build fully automated intelligent factories. AI is adding value in several critical areas:

Yield management: Yield is the lifeblood of advanced industries, directly linked to productivity and profitability. AI empowers intelligent manufacturing software with advanced yield management capabilities by deeply analyzing process data to pinpoint key factors impacting yield.

Productivity management: AI-powered intelligent manufacturing software enables real-time analysis of production workflows, accurately predicting completion times based on variables such as material inventory, equipment status, and workforce availability.

Knowledge base development: AI allows intelligent manufacturing software to build and continuously evolve a deep knowledge base. Leveraging multimodal knowledge graphs, intelligent manufacturing software integrates diverse data sources (such as equipment logs, process know-how, and expert insights) to form a comprehensive operational knowledge system.

Image recognition: An AI-driven engine is capable of recognizing and processing various images during the production process. For instance, the AI engine can identify defects on product surfaces, enhance automatic defect classification, and alert relevant personnel, or automatically adjust equipment processing parameters, therefore enhancing product yield rate.

Full-stack Software Coverage and M&A Integration

Industrial software spans numerous specialized verticals, each with high technical and knowledge barriers. This makes it difficult for single-product companies to meet end-to-end customer needs. However, due to the potential synergies among different types of software, leading companies, especially intelligent manufacturing software companies, are exhibiting strong capabilities to expand their product portfolios. With the rise of intelligent manufacturing and Industry 4.0, manufacturers are demanding seamless system integration and real-time data flow. Centering around MES, EAP, APS, YMS, RTD, RMS and other intelligent manufacturing software that helps manufacturers achieve full automation of productivity, they would naturally extend the demand for industrial software to others areas, such as supply chain optimization and resource planning, presenting intelligent manufacturing software companies with huge cross-selling opportunities.

International leaders in industrial software have historically grown through mergers and acquisitions for accelerating technology accumulation, drive product expansion, and strengthen market leadership. For example, a globally leading industrial software company offers comprehensive industrial software that spans the entire lifecycle of design, manufacturing, and operations. It was originated by developing its own PLC software, accumulating rich industrial data over time. Later, it built a full-suite industrial software ecosystem through a series of acquisitions since the 2000s. In addition, another global leader of research and design software initially focused on CAD, and completed nearly 50 acquisitions to expand its footprint across other types of research and design software and further to include MES and ERP, evolving into a one-stop industrial software provider. Similarly, leading Chinese companies are expected to follow this path of mergers and acquisitions and grow into globally leading providers of industrial software.

Rising Market Presence of Chinese Companies

While the advanced-industry intelligent manufacturing software companies market is still largely dominated by global giants, Chinese companies are gaining traction. This growth is fueled by both shifting customer demands and improvements in domestic software capabilities.

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On the demand side, Chinese customers are placing growing emphasis on software autonomy, controllability, and localized responsiveness, creating significant market opportunities for domestic companies. Intelligent manufacturing software plays a critical role in driving production schedules and ensuring product quality in advanced industries. It also manages highly sensitive and mission-critical manufacturing data. As China’s advanced industries continue to grow rapidly, customers are demanding greater control and security over their software solutions. In recent years, due to global uncertainties, the software supply and services from overseas software companies have become less stable and reliable for Chinese customers. Chinese software companies are able to offer more independent, controllable, and secure advanced-industry intelligent manufacturing software, hence meeting the demands of Chinese customers.

In addition, expectations for localized responsiveness are rising. Particularly in advanced industries, where manufacturing processes are complex and highly customized, customers would expect vendors to respond quickly to evolving needs, and provide localized and customized development services tailored to specific market conditions, while overseas companies are unable to provide services of the same quality due to global supply chain disruptions and regulatory hurdles. These emerging demands are opening up new growth opportunities for Chinese companies.

On the supply side, Chinese companies are delivering world-class performance in product functionality, system reliability, and customer services, significantly boosting customer trust and adoption.

Chinese Companies Going Global

Building on sustained technological innovation and rigorous product validation, leading Chinese advanced-industry intelligent manufacturing software companies are accelerating their global expansion, actively entering markets such as Southeast Asia and Europe. This is primarily driven by two key factors.

The Global Expansion of Chinese Clients

China’s technological leadership and economies of scale within global supply chains give Chinese manufacturers a strong competitive edge in expanding into advanced industries in the overseas markets. As they accelerate the construction of overseas production facilities in pursuit of broader market opportunities, they are raising the bar for industrial software, especially in terms of globally unified standards, real-time data synchronization and processing, and seamless communication with the support team.

Thanks to their deep understanding of local enterprise needs and longstanding cooperative relationships, Chinese advanced-industry intelligent manufacturing software companies are well-positioned to launch and execute solutions that align with their clients’ operational characteristics. As a result, they become the top-of-mind choice for Chinese clients going global.

The Proactive Overseas Expansion of Chinese Vendors

Leveraging their technological strengths and product advantages, Chinese industrial software companies are exploring new growth opportunities in international markets while enhancing global brand visibility. For example, they are increasingly expanding into Southeast Asia, where tens of billions of dollars’ worth of investments were made in the semiconductor field in the past five years, including fabs, packaging and testing plants, and R&D centers. This has significantly increased demand for intelligent manufacturing software capable of enhancing automation and precision in quality control. Meanwhile, Europe, long known for its industrial sophistication, places particularly high demands on software precision, reliability, and integration with advanced production equipment.

To better serve the customers abroad, Chinese industrial software companies have implemented a range of localization strategies. These include partnerships with local institutions and joint R&D initiatives to ensure that their products meet specific regional standards and industry norms. In parallel, they are building localized sales and marketing teams to gain deeper insight into local market needs and customer preferences, enabling the development of targeted go-to-market strategies.

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CIM: A Flagship of Advanced-industry Intelligent Manufacturing Software

CIM originated in the semiconductor industry as a type of intelligent manufacturing software designed to manage highly complex, equipment-intensive production processes. Serving as the central command tower of fabs, CIM handles multidimensional tasks such as process monitoring and optimization, equipment integration, and yield management. It is built around MES and includes numerous functional modules such as EAP, APS, and YMS. These modules operate collaboratively to enable automated and intelligent operations in fabs.

CIM Boasts Extremely High Technical Barriers

The semiconductor manufacturing process is exceptionally complex, involving numerous steps, a wide range of precision equipment, and ultra-high accuracy requirements. It places stringent demands on the technological capabilities and system reliability of CIM, making it the pinnacle of industrial software in terms of both technology and application. This is reflected in the following aspects.

Thousands of complex process steps must be efficiently managed. Semiconductor manufacturing comprises thousands of sequential steps, from silicon wafer manufacturing to front-end wafer fabrication and back-end packaging and testing, each requiring precise control and strict oversight. The sequence and timing of these steps are vital; any delays or errors can disrupt the production schedule, reduce yield, or even cause entire batches to be scrapped. CIM provides robust process flow management and execution, which is essential for ensuring production stability and product consistency.

A large number of precision tools require real-time coordination. Fabs rely on high-end equipment such as lithography systems, etching machines, and electron beam writers. These tools are extremely valuable and technically complex, and they must work in precise synchronization to execute each manufacturing step flawlessly. CIM offers powerful capabilities in equipment coordination and monitoring, ensuring seamless collaboration and timely maintenance.

Hundreds of parameters must be monitored in simultaneously. The semiconductor manufacturing process involves continuous tracking of numerous variables such as temperature, pressure, yield, among others. These parameters directly impact product quality and process efficiency. CIM can monitor these parameters in real time, enabling the early detection of anomalies, rapid process adjustment, and workflow optimization, ultimately improving yields and reducing manufacturing costs.

Demand for CIM in The Semiconductor Industry Continues to Grow

As the semiconductor industry continues to evolve, advances in process technology, the scaling up of wafer sizes, and the adoption of advanced packaging are driving an urgent need for more comprehensive, higher-performing, and stable CIM. In response, intelligent manufacturing software companies are accelerating innovation in areas such as technology migration and compatibility, system reliability, and service responsiveness, building stronger competitive moats in the process.

- As process nodes advance to 28nm and below—especially with the introduction of EUV—process complexity, parameter sensitivity, and defect control requirements rise sharply, demanding CIM with far more granular production management, precision control, and real-time analytics.
- The transition from 8-inch to 12-inch wafers and beyond increases throughput and handling complexity, requiring CIM to deliver higher system performance and tighter control over wafer transport accuracy to prevent yield loss.
- The rapid adoption of advanced packaging technologies introduces more intricate processes, stricter alignment and process control requirements, and heavier data demands, pushing CIM to manage greater equipment diversity, parameter precision, and real-time process optimization.

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CIM Continues to Expand into Other Advanced Industries Sectors

With its universal underlying architecture and modular design, CIM demonstrates strong adaptability beyond the semiconductor industry. It is well-positioned to become a foundational platform for intelligent manufacturing transformation across multiple advanced sectors, such as electronics, display panels, photostatic, high-end equipment manufacturing, and automotive manufacturing.

ERP: A Foundational System for Enterprise-wide Digital Integration

ERP refers to a comprehensive, integrated software platform that connects and manages core business functions, including finance, human resources, procurement, sales, and inventory within a single system. By automating key processes, ERP improves operational efficiency, enhances data accuracy, and provides real-time visibility across the organization, which enables better decision-making and cross-functional coordination, ultimately helping enterprises reduce costs, boost productivity, and drive overall performance.

In advanced industries, the growing emphasis on intelligent and data-driven operations has made ERP a critical enabler of digital transformation. Acting as a central platform that connects core business functions, ERP enables seamless data integration and real-time process coordination, thereby supporting the high level of operational agility and precision required by enterprises in advanced industries.

An increasing number of intelligent manufacturing software providers are extending their capabilities into the ERP space. These players bring deep domain expertise in factory operations, giving them a natural advantage in designing ERP systems tailored for manufacturing enterprises. Their existing capabilities in real-time data acquisition, production process modeling, and equipment integration allow them to build ERP platforms that are more tightly coupled with on-the-ground operations. Moreover, these companies often have an established customer base in the industrial sector, creating a seamless path for cross-selling and solution expansion.

Market Drivers

Rapid development of advanced industries. China’s rapid and high-quality advancement in advanced industries, characterized by complex production steps and intricate process management, is driving strong and sustained demand for intelligent manufacturing software in advanced industries. As end products become increasingly integrated and sophisticated, production processes must evolve accordingly, pushing enterprises in advanced industries to rely more heavily on software to achieve automation and intelligent operations.

Continuous technological empowerment by AI. Ongoing technological advancements are significantly enhancing the efficiency and intelligence of intelligent manufacturing software in advanced industries. Emerging technologies, especially artificial intelligence, enable these systems to autonomously and precisely perform critical functions, including granular production management, intelligent scheduling, predictive quality analytics, and equipment fault diagnostics. These capabilities directly address the stringent requirements of advanced industries for productivity, quality assurance, and cost control, accelerating digital transformation and strengthening overall competitiveness. Supported by both technological momentum and strong market demand, China’s advanced-industry intelligent manufacturing software companies market is expanding rapidly.

Supportive policies. The Chinese government places significant emphasis on the development of advanced industries and has introduced a series of supportive policies that provide a favorable regulatory environment for intelligent manufacturing software companies in advanced industries as summarized in the table below.

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Document Title	Executive Summary
<i>Implementation Plan for Deepening the Innovative Development of Service-Oriented Manufacturing (2025-2028)</i>	Accelerate the deep integration of information technologies such as artificial intelligence, big data, cloud computing, 5G, and the IoT with manufacturing industry. Accelerate the upgrading and replacement of smart equipment and software.
<i>Implementation Plan for Smart Factory Gradient Cultivation</i>	Position industrial software as the core infrastructure of smart factories through a four-tier gradient cultivation system comprising foundational, advanced, exceptional, and leading levels. Drives the evolution of industrial software from standalone deployment to full-process integration.
<i>Guiding Opinions on Accelerating the Transformation and Upgrading of Traditional Manufacturing Industries</i> .	Encourage leading enterprises to share solutions and toolkits, driving the comprehensive digital transformation of upstream and downstream players in the industrial chain. Strengthen digital management of supply chains and resource sharing across the industrial ecosystem.
<i>Formulating the 2024 List of Integrated Circuit Enterprises or Projects and Software Enterprises Eligible for Preferential Tax Policies</i>	The formulation of the 2024 list of integrated circuit enterprises or projects and software enterprises eligible for preferential tax policies will generally follow the 2023 listing procedures, enterprise eligibility criteria, and project standards for preferential tax policies. Key software sectors include industrial software for R&D and design, industrial software for production control, and industrial software for business management.

COMPETITIVE LANDSCAPE OF CHINA’S ADVANCED-INDUSTRY INTELLIGENT MANUFACTURING SOFTWARE COMPANIES MARKET

China’s advanced-industry intelligent manufacturing software companies market is relatively fragmented. The top ten players in terms of industrial software revenue from advanced industries in 2024 accounted for a combined market share of 32.6%, given the multiple verticals within advanced industries, the large number and regionality of customers, and diversity in demand.

The table below demonstrates the competitive ranking of the market. Our Company is the largest Chinese player in China’s advanced-industry intelligent manufacturing software companies market in terms of industrial software revenue from advanced industries in 2024, and the fastest-growing company among the top ten players in terms of CAGR of relevant revenue from 2022 to 2024.

Ranking of China’s advanced-industry intelligent manufacturing software companies market, 2024

Rank	Company	Nation	Market share, 2024	CAGR, 2022-2024
1	Company A	Germany	13.0%	<5%
2	Company B	U.S.	9.7%	~20%
3	Company C	U.S.	3.5%	~10%
4	Our Company	China	1.5%	>60%
5	Company D	China	1.3%	<5%
6	Company E	China	1.2%	~20%
7	Company F	China	0.8%	~50%
8	Company G	China	0.6%	<5%
9	Company H	U.S.	0.5%	<5%
10	Company I	China	0.4%	~20%

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Source: CIC

- (1) Company A is a multinational industrial conglomerate founded in Berlin, Germany in 1847. It primarily provides products and services across a broad range of sectors including automation, energy, medical technology, and financial services. It is a listed company on the Frankfurt Stock Exchange.
- (2) Company B is a material engineering solutions company founded in Santa Clara, California, U.S. in 1967. It primarily provides semiconductor manufacturing hardware and software. It is a listed company on the NASDAQ Stock Exchange.
- (3) Company C is a multinational industrial conglomerate founded in Schenectady, New York, U.S. in 1892. It primarily provides intelligent manufacturing solutions for energy, aviation, healthcare, and electrification industries. It is a listed company on the New York Stock Exchange.
- (4) Company D is a industrial software and solutions provider founded in Haidian District, Beijing, China in 2006. It primarily provides industrial software and AI-powered digital transformation products and services. It is a listed company on the Shanghai Stock Exchange.
- (5) Company E is a video surveillance equipment supplier founded in Hangzhou, Zhejiang Province, China in 2001. It mainly provides integrated surveillance equipment and surveillance software designed for the industrial sector. It is a listed company on the Shenzhen Stock Exchange.
- (6) Company F is an intelligent manufacturing solution provider founded in Minhang District, Shanghai, China in 2007. It mainly provides CIM solutions for display panels and photovoltaic industries. It is an unlisted company.
- (7) Company G is an AI solution provider founded in Qingdao, Shandong Province, China in 2018. It primarily provides AI-powered intelligent manufacturing platforms and solutions. It is a listed company on the Hong Kong Stock Exchange.
- (8) Company H is a software and engineering services company founded in Santa Clara, California, U.S. in 1991. It primarily provides advanced analytics, IP, hardware tools, and software platforms for semiconductor and electronics industries. It is a listed company on the NASDAQ Stock Exchange.
- (9) Company I is an intelligent manufacturing solution provider founded in Pudong District, Shanghai, China in 2001. It mainly provides CIM solutions for display panels and photovoltaic industries. It is an unlisted company.

Meanwhile, our Company is the largest Chinese intelligent manufacturing software company in terms of industrial software revenue from semiconductor industry in 2024.

Ranking of China’s semiconductor intelligent manufacturing software companies market, 2024

Rank	Company	Nation	Revenue from semiconductor industry, RMB billion, 2024
1	Company B	U.S.	2.40
2	Company A	Germany	0.75
3	Our Company	China	0.37
4	Company F	China	0.12
5	Company I	China	<0.1

Source: CIC

Competitive Barriers

Industry experience and data accumulation. Intelligent manufacturing software in advanced industries embeds deep industrial expertise, necessitating a comprehensive understanding of production workflows, precision equipment coordination, and real-time parameter monitoring to effectively address customer requirements. Moreover, the accumulation of extensive real-world application data allows leading players to solidify a first-mover advantage that new entrants may take years to overcome.

Technological barriers. As the digital backbone of advanced industries, intelligent manufacturing software must perform reliably in highly complex environments where clients demand exceptional system stability and robustness. Its development and deployment involve significant technical challenges. Such stringent requirements create substantial technological barriers for new entrants.

Customer coverage. The verification cycle for intelligent manufacturing software in advanced industries can span three years or more, and once adopted, the high switching costs and strong customer reliance on existing systems make it difficult for new entrants to penetrate the market. Therefore, early access to and coverage of core customer groups can create formidable competitive barriers.

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Mergers and acquisitions and integration capabilities. Mergers and acquisitions are common in the industrial software market. Companies must possess sharp industry foresight and a solid understanding of business dynamics to identify high-quality acquisition targets. Post-acquisition, they must also demonstrate strong capabilities in integrating technologies and teams to achieve operational synergy and ensure sustainable growth.

Capital investment and talent reserves. The development of intelligent manufacturing software in advanced industries involves long cycles and high complexity. Sustained capital investment and a deep talent pool are essential to maintain long-term leadership in technological innovation.

THREATS AND CHALLENGES

Limited competitiveness: China’s industrial software market is highly fragmented and specialized, with most domestic players still small, focused on single solutions, and lacking platform-level integration capabilities. Compared with mature international full-stack platforms, Chinese players still have ample room of improvement in technical expertise, cost efficiency, and customer acquisition, in order to establish lasting competitive advantages.

Talent shortage: Developing and implementing intelligent manufacturing solutions requires interdisciplinary expertise in both software engineering and industrial processes. The shortage of qualified professionals limits the speed of innovation and delivery capacity.

Cybersecurity and data privacy risks: Industrial software handles massive volumes of production and operational data. Any breach or data loss could expose trade secrets and disrupt operations, undermining customer trust.

HISTORICAL TRENDS OF PRICES ON MAJOR COST

As the advanced-industry intelligent manufacturing software sector relies heavily on skilled technical personnel such as R&D engineers, algorithm developers, and software integration specialists to support ongoing product development and system optimization, wages and personnel-related expenses represent the primary cost component for companies in this industry. The average wage of employees in urban private enterprises within the industry increased from RMB101 thousand in 2020 to RMB123 thousand in 2024, while that of employees in urban non-private enterprises rose from RMB178 thousand to RMB239 thousand over the same period.

Source: National Bureau of Statistics of China, CIC

SOURCE OF THE INDUSTRY INFORMATION

China Insights Consultancy was commissioned to conduct research, provide an analysis of, and to produce a report on China’s industrial software market, and other related economic data, at a fee of approximately RMB0.6 million. The commissioned report has been prepared by China Insights Consultancy independent of the influence of our Company and other interested parties.

China Insights Consultancy undertook both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, including the National Bureau of Statistics of China, Chinese Government releases, annual reports published by relevant industry participants, industry associations, China Insights Consultancy’s own internal database, among others.

The market projections in the commissioned report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to maintain a stable trend during the forecast period; (ii) certain key industry drivers are likely to continue to drive market growth during the forecast period; and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period. Our Directors confirm that, after making reasonable enquiries, there is no material adverse change in the market information since the date of the CIC Report which may qualify, contradict or have an impact on the information in this section.

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We are subject to various PRC laws and regulations that may impact both our business operations and the [REDACTED].

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) promulgated by the NPC on March 15, 2019, and came into effect on January 1, 2020, the state shall implement the management systems of pre-establishment national treatment and negative list for foreign investment, and shall give national treatment to foreign investment beyond the negative list.

According to the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was promulgated by the Ministry of Commerce of the PRC (the “MOFCOM”) and the State Administration for Market Regulation (the “SAMR”) on December 30, 2019 and came into effect on January 1, 2020, in relation to foreign investors carrying out investment activities directly or indirectly in PRC, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to these measures.

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”). The Negative List became effective on November 1, 2024. Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment.

LAWS AND REGULATIONS RELATING TO OUR INDUSTRY AND PRODUCTS

Regulations on the IC Industry and the Software Industry

According to the Circular of “14th Five-Year Plan” for the Development of Digital Economy (《“十四五”數字經濟發展規劃的通知》), promulgated by the State Council on December 12, 2021, during the “14th Five-Year Plan” period, the promotion of digital industrialization should be accelerated to make up for key technical shortcomings. Optimizing and innovating organizational methods such as “selecting the best candidates via open competition mechanism,” focusing on breakthroughs in key core technologies in the fields of high-end chips, operating systems, industrial software, core algorithms and frameworks, and strengthening the integrated research and development of general-purpose processors, cloud computing systems, and key software technologies.

The NPC promulgated the Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives through the Year 2035 of the PRC (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》) (the “14th Five-Year Plan and the Long-Range Objectives through the Year 2035”) on March 12, 2021, proposing to foster advanced manufacturing clusters and promote Industrial innovation and development of integrated circuits, aerospace, ship and ocean engineering equipment, robots, advanced rail transit equipment, advanced power equipment, construction machinery, high-end CNC machine tools, medicine, and medical equipment. The 14th Five-Year Plan and the Long-Range Objectives through the Year 2035 focuses on key areas such as high-end chips, operating systems, key algorithms for artificial intelligence, and sensors, and accelerating breakthroughs in research and development and iterative applications of basic theories, basic algorithms, and equipment materials. Furthermore, the 14th Five-Year Plan and the Long-Range Objectives through the Year 2035 also pointed out the need to focus on advantageous resources to address key core technologies in integrated circuits industry.

On July 27, 2020, the State Council announced Several Policies to Promote the High-quality Development of the IC Industry and the Software Sectors in the New Era (《新時期促進集成電路產業和軟件產業高質量發展的若干政策》), in order to further optimize the development environment of the integrated circuit industry and software sectors, deepen international

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cooperation in the industry, and enhance the industrial innovation capability and development quality, launch a series of supporting fiscal and taxation, investment and financing, research and development, import and export, talents, intellectual property rights, market application and international cooperation policies.

On November 19, 2017, the State Council promulgated the Guiding Opinions of the State Council on Deepening “Internet + Advanced Manufacturing” and Developing Industrial Internet (《國務院關於深化“互聯網+先進製造業”發展工業互聯網的指導意見》) (the “Guiding Opinions”). The Guiding Opinions encourage domestic and foreign enterprises to cooperate in tackling technical problems for weak links such as big data analysis, industrial data modeling, key software systems, and chips; it is recommended to implement relevant preferential tax policies, promote preferential enterprise income tax for software and integrated circuit industries, and encourage relevant enterprises to accelerate the development and application of industrial Internet.

LAWS AND REGULATIONS ON DATA SECURITY AND CYBER SECURITY

Regulations on Data Security

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which came into effect on September 1, 2021. The Data Security Law introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data activities which may affect national security. Violation of Data Security Law may subject the relevant entities or individuals to warnings, fines, suspension of operations, revocation of permits or business licenses, or even criminal liabilities.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), released by the SCNPC on August 20, 2021 and effective from November 1, 2021, stipulates the scope of personal information and establishes rules for processing personal information onshore and offshore. The Personal Information Protection Law sets forth certain specific personal information protection requirements, including but not limited to more specific information and consent requirements in various contexts, strengthened and classified obligations of personal information processors, and more limitations and rules on process of personal information.

According to the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), the “**Security Assessment Measures**”), which was promulgated by the Cyberspace Administration of China (國家互聯網信息辦公室, the “CAC”) on July 7, 2022 and came into effect on September 1, 2022, data processors shall apply for cross-border security assessment with the CAC through the local provincial-level cyberspace administration department under any of the following circumstances: (i) cross-border transfer of important data by data processors; (ii) cross-border transfer of personal information by critical information infrastructure operators and data processors that process more than 1 million personal information; (iii) cross-border transfer of personal information by data processors that have made cross-border transfer of personal information of 100,000 people or sensitive personal information of 10,000 people cumulatively since January 1 of the previous year; and (iv) other circumstances where an application for security assessment of cross-border data transfer is required as prescribed by the CAC.

On March 22, 2024, the CAC issued the Provisions on the Promotion and Regulation of Cross-border Data Flows (《促進和規範數據跨境流動規定》). According to these provisions, the transfer of data collected and generated during specific activities such as international trade, cross-border transport, transnational manufacturing, and marketing, which do not involve personal information or important data, is exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification. These provisions also stipulate that, if a data processor, who is not a critical information infrastructure operator, transfers personal

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information of less than 100,000 individuals cumulatively as of January 1 of the current year, it may be exempted from the requirement to undergo a data export security assessment, entering into a standard contract for transferring personal information abroad, or obtaining personal information protection certification.

Regulations on Cyber Security

The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”), which was promulgated on November 7, 2016 and came into effect on June 1, 2017, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cyber security events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data.

On December 28, 2021, thirteen government departments including the CAC jointly issued the Cybersecurity Review Measures (2021) (《網絡安全審查辦法(2021)》) which came into effect on February 15, 2022. The Cybersecurity Review Measures provide that, to ensure the security of the supply chain of critical information infrastructure and safeguard national security, a cybersecurity review is required when national security has been or may be affected where critical information infrastructure operators (關鍵信息基礎設施運營者) purchase network product or service and network platform operators (網絡平台運營者) process data. When an operator in possession of personal information of over one million users applies for a listing abroad (國外上市), it must apply to the CAC for a cybersecurity review.

On July 30, 2021, the State Council promulgated the Security Protection Regulations for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the “**CII Regulations**”), which became effective on September 1, 2021. Pursuant to the CII Regulations, “critical information infrastructures” refers to important network facilities and information systems of key industries such as, among others, public communications and information services, energy, transportation, irrigation, finance, public services, e-government and science, technology and industry for national defense, as well as other important network facilities and information systems that may seriously endanger national security, national economy and citizen’s livelihood and public interests if they are damaged or suffer from malfunctions, or if any leakage of data in relation thereto occurs. The CII Regulations also stipulate the procedures for determining critical information infrastructure. It provides that competent authorities shall promulgate detailed rules in designating critical information infrastructure, identify critical information infrastructure in the relevant industries, and notify operators of such critical information infrastructure in a timely manner.

On September 24, 2024, the State Council promulgated the Regulations on the Security Management of Network Data (《網絡數據安全管理條例》) (the “**Network Data Regulations**”), which became effect on January 1, 2025. The Network Data Regulations supplement the requirements on several aspects of the PRC Personal Information Protection Law regarding notification, consent, and the exercise of personal rights, provide more detail on compliance requirements for processors of important data, and also provide more guidance to streamline cross-border data transfers.

LAWS AND REGULATIONS RELATING TO LAND, PLANNING AND PROJECT CONSTRUCTION

Regulations on Land

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986 and latest amended on August 26, 2019, and the Regulations for the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》) promulgated by the State Council on December 27, 1998 and latest revised on July 2, 2021, the land in the PRC is either State-owned or collectively owned. The

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State-owned land use rights may be used by third parties through grant, allocation, lease, capital contribution and other forms. Third parties who have obtained the State-owned land use rights may legally use, profit from and dispose of the State-owned land use rights within the statutory term of use and scope of planned uses.

Regulations on Planning

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) promulgated by the SCNPC on October 28, 2007 and latest amended on April 23, 2019, if the construction of buildings, structures, roads, pipelines and other projects is carried out in the planned area of a city or a town, the construction entity or individual shall apply to the competent authority of urban and rural planning of the people’s government of the city or county or the people’s government of the town as determined by the people’s government of the province, autonomous region or municipality directly under the Central Government for a construction project planning permit.

Regulations on Project Construction

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997 and amended on April 23, 2019, prior to the commencement of construction work, the construction entity shall apply to the competent construction administrative authority of the people’s government at or above the county level where the project is located for a construction permit in accordance with the relevant provisions of the State, except for small-scale projects under the quota as determined by the construction administrative authority under the State Council. A construction project shall be delivered for use only after it has passed the acceptance examination. A construction project shall not be delivered for use without conducting or passing the acceptance examination.

REGULATIONS RELATING TO LEASING

We lease properties for our offices. Pursuant to the Law of the PRC on Administration of Urban Real Estate (《中華人民共和國城市房地產管理法》) which took effect in January 1995 with the latest amendment on August 26, 2019, which became effective on January 1, 2020, lessors and lessees are required to enter into a written lease contract, containing such provisions as the term of the lease, the use of the premises, rental price, liability for repair, and other rights and obligations of both parties. Both lessor and lessee are also required to file for registration and record the lease contract with the real estate administration department. Pursuant to implementing rules stipulated by certain provinces or cities, if the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS AND TECHNOLOGY

Regulations on Foreign Trade

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the “**Foreign Trade Law**”) promulgated by the SCNPC on May 12, 1994, and subsequently amended on December 30, 2022 and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations.

Regulations on Customs Law

In addition, according to the Customs Law of the PRC (《中華人民共和國海關法》) enacted by the SCNPC on January 22, 1987, and subsequently amended on April 29, 2021, effective from the same date, the Customs of the PRC is vested with the authority for the supervision and administration of entry and exit points. Under the framework of pertinent laws and administrative regulations, the Customs exercises its jurisdiction over various aspects, including the inspection and regulation of vehicles, goods, luggage, postal articles, and other items entering and departing the country. This mandate encompasses the assessment and collection of customs duties, taxes, and fees, as well as the prevention and detection of smuggling activities, compilation of customs statistics, and execution of related customs procedures.

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Furthermore, as delineated in the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs on November 19, 2021, and implemented from January 1, 2022, the term “customs declaration entities” pertains to consignees and consignors of import and export goods, as well as customs declaration enterprises officially registered with the customs authorities. Entities seeking recordation are required to hold valid market entity qualifications.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Regulations on Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), the “**Copyright Law**”) which was promulgated by the SCNPC on September 7, 1990 and latest amended on November 11, 2020 and came into effect on June 1, 2021, copyright includes personal rights such as right of publication and right of authorship, as well as property rights such as reproduction rights and distribution rights. Works include, among others, computer software, works of fine art, drawings of engineering designs and product designs and other graphic works as well as model works. Except as otherwise provided by the Copyright Law, copying, distributing, performing, projecting, broadcasting, compiling or editing a work or disseminating the work to the public through information network without the permission of the copyright owner constitutes a copyright infringement. The infringer shall, bear civil liabilities such as ceasing the infringement, eliminating the impacts, making an apology, and compensating for the loss.

Pursuant to the Regulations on Computer Software Protection (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and latest amended on January 30, 2013, and the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated on February 20, 2002, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations.

Regulations on Trademark

According to the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, and latest amended on April 23, 2019 and came into effect on November 1, 2019 and the Implementation Regulations of the Trademark Law of PRC (《中華人民共和國商標法實施條例》) which was issued on August 3, 2002 and amended on April 29, 2014, the Trademark Office under the SAMR (the “**Trademark Office**”) shall handle trademark registrations and grant a term of ten years to registered trademarks, which may be renewed for additional ten-year period upon request from the trademark owner. The Trademark Law of the PRC has adopted a “first-to-file” principle with respect to trademark registration. Any person applying for the registration of a trademark may not prejudice the existing right of others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use. A trademark registrant may, by entering into a trademark licensing contract, license another party to use its registered trademark. Where another party is licensed to use a registered trademark, the licensor shall report the license to the Trademark Office for recordation, and the Trademark Office shall publish it. An unrecorded license may not be used as a defense against a third party in good faith.

Regulations on Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC on March 12, 1984, and latest amended on October 17, 2020 and came into effect on June 1, 2021 and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》), promulgated by the State Council on January 19, 1985, and latest amended on December 11, 2023 and came into effect on January 20, 2024, there are three types of patents in the PRC,

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which are invention patents, utility model patents and design patents. The protection period of a patent right for invention patents shall be 20 years, the protection period of a patent right for utility model patents shall be ten years, and the protection period of design patent right is 15 years, both commencing from the filing date.

Regulations on Domain Names

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the MIIT is responsible for supervision and administration of domain name services in the PRC. Domain name registration services shall, in principle, be subject to the principle of “first apply, first register.” After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

LAWS AND REGULATIONS RELATING TO TAXATION

Enterprise Income tax (“EIT”)

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”) promulgated by the SCNPC on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and became effective on January 20, 2025, a domestic enterprise which is established within the PRC in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within the PRC shall be regarded as a resident enterprise. A resident enterprise shall be subject to an EIT of 25% of any income generated within or outside the PRC. A preferential EIT rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced EIT rate of 15%.

Value-Added Tax

The major PRC laws and regulations governing value-added tax are the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and latest amended on November 19, 2017) and the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) (issued on December 18, 2008 by the Ministry of Finance of the PRC (the “MOF”), came into effect on the same day and latest amended on October 28, 2011). According to the aforementioned regulations and rules, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of Value-added tax (the “VAT”) and shall pay the VAT in accordance with the law and regulation. With the VAT reforms in the PRC, the rate of VAT has been changed several times.

The SCNPC promulgated PRC Value-added Tax Law (《中華人民共和國增值稅法》) December 25, 2024, which will come into effect on January 1, 2026. According to the PRC Value-added Tax Law, the VAT rate for general VAT taxpayers engaging in sale of goods, services, lease of tangible and movable goods or importation of goods was adjusted to 13%, the VAT rate for general VAT taxpayers engaging in, among others, the sale of transportation services, postal services, basic telecommunications services, construction services, the lease and sale of real properties, and the transfer of land use rights was adjusted to 9%. From the effective date of the PRC Value-added Tax Law, which will be January 1, 2026, the Interim Regulations on Value-added Tax of the PRC will be repealed.

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LAWS AND REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Regulations on Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) (the “**Labor Law**”) (promulgated by the SCNPC on July 5, 1994, came into effect on January 1, 1995 and latest amended on December 29, 2018), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the “**Labor Contract Law**”) (promulgated by the SCNPC on June 29, 2007 and amended on December 28, 2012 and came into effect on July 1, 2013), and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) (issued by the State Council on September 18, 2008 and came into effect on the same day). According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides by state standards and provide relevant education to its employees. Violations of the Labor Contract Law and the Labor Law may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations. In addition, on July 31, 2025, the PRC Supreme People’s Court promulgated the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that there is no need to pay social insurance contributions, the People’s Court shall determine that such agreement or undertaking is invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labor Contract Law, the People’s Court shall support such claims in accordance with the law.

Regulations on Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was issued by the SCNPC on October 28, 2010 and amended on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance, medical insurance and other welfare plans. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the relevant administrative department. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and amended on March 24, 2019 prescribes the details concerning the social insurance.

Regulations on Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was implemented on April 3, 1999 and latest amended on March 24, 2019, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as of its establishment. After that, the entity shall open a housing accumulation fund account for its employees in an entrusted bank. Within 30 days as of the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund

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management center and seal up the employee’s housing accumulation fund account in the bank mentioned above within 30 days from termination of the employment relationship. Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the relevant procedures within a prescribed time limit. Any entity failing to complete the relevant procedure within the time limit will be fined RMB10,000 to RMB50,000. Any entity that fails to make payment of housing provident fund within the time limit or has a shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People’s Court.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE AND OVERSEAS INVESTMENT

Regulations Relating to Foreign Exchange

Pursuant to the Regulations on Foreign Exchange Control of the PRC (《中華人民共和國外匯管理條例》) promulgated by the State Council on January 29, 1996 and came into effect on April 1, 1996, and latest amended on August 5, 2008 and came into effect on the same date, and relevant regulations, there is no restriction on the recurring international payment and transfer, and the foreign exchange income and expenses of recurring items (such as goods trade, income and expenses of service trade and payments of interest and dividends) should be on true and legal transactions basis, and can be directly undertaken at the bank with true and valid transaction documents. Foreign exchange income and expenses of capital items (such as direct equity investment and loans) shall comply with the provisions of relevant laws and regulations, and where required for approval or registration by relevant regulations from foreign exchange administration authorities, such approval or registration shall be filed. Foreign exchange and settlement funds of capital items shall be used for purposes as stipulated in relevant competent departments and foreign exchange administration authorities.

According to the Notice on Relevant Issues Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the State Administration of Foreign Exchange (the “SAFE”) on December 26, 2014 and as amended by the SAFE Circular 16 (defined below), the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

According to the Notice of the SAFE on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) promulgated on March 30, 2015, came into effect on June 1, 2015 and as amended by the SAFE Circular 16 (defined below), partially abolished on December 30, 2019 and partially amended on March 23, 2023, foreign-invested enterprises could settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operations. Whilst, foreign-invested enterprises are prohibited to use the foreign exchange capital settled in RMB (a) for any expenditures beyond the business scope of the foreign-invested enterprises or forbidden by laws and regulations; (b) for direct or indirect securities investment; (c) to provide entrusted loans (unless permitted in the business scope), repay loans between enterprises (including advances by third parties) or repay RMB bank loans that have been on-lent to a third party; and (d) to purchase real estates not for self-use purposes (save for real estate enterprises).

According to the Circular of the SAFE on Optimizing Foreign Exchange Management Service in Support of Foreign Business Development (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE on April 10, 2020 and came into effect on the same day, on the premise of ensuring the authentic and compliant use of funds and complying with the existing regulations on the use of capital income, eligible enterprises are allowed to use capital income such as capital funds, foreign debts and proceeds from overseas listing for domestic payments without

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providing materials to the bank in advance for authenticity verification on a case-by-case basis. The concerned banks shall follow the principle of prudent development to control the relevant business risks and conduct post inspection on the use of funds under capital accounts handled in accordance with relevant requirements.

In accordance with the Circular on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which was issued and came into effect on October 23, 2019 by the SAFE and was amended on December 4, 2023, foreign-invested enterprise engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to laws and regulations under the condition that the current Special Administrative Measures (Negative List) for Foreign Investment Access are not violated and the relevant domestic investment projects are true and compliant.

Regulations on Overseas Direct Investment

Pursuant to the Regulations on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《境內機構境外直接投資外匯管理規定》) issued by the SAFE on July 13, 2009 and came into effect on August 1, 2009, upon obtaining approval for overseas investment, an enterprise in Mainland China shall apply for foreign exchange registration for its overseas direct investments. According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment, the administrative approval for foreign exchange registration approval under overseas direct investment has been canceled, and the banks are entitled to review and carry out foreign exchange registration under overseas direct investment directly.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was issued by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014, the MOFCOM and the commerce departments at provincial levels shall subject the overseas investment of enterprises to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region, or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management.

Pursuant to the Administrative Measures for Outbound Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, the investing activities of enterprises in Mainland China are required to obtain approval or filing with the NDRC in accordance with the relevant conditions of the overseas investment projects.

LAWS AND REGULATIONS RELATING TO OVERSEAS SECURITIES OFFERING AND LISTING

The China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five related guidelines on February 17, 2023, which came into effect on March 31, 2023. The Overseas Listing Trial Measures introduce a new filing regime which requires PRC domestic companies to register their direct and indirect overseas listings and securities offerings with the CSRC by filing materials on key compliance issues. The Overseas Listing Trial Measures provide that overseas listing and offering are explicitly prohibited, if any of the following applies: (i) such securities offering and listing are explicitly prohibited by specific laws and regulations; (ii) the proposed securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council; (iii) the domestic company or its controlling shareholder(s) and the actual controller, have committed crimes including corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy in the past three years; (iv) the domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations which have not definitive conclusion; or (v) there are material ownership disputes over equity held by the domestic company’s controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

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The CSRC and other three relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Provision on Confidentiality**”) on February 24, 2023, and came into effect on March 31, 2023. Pursuant to the Provision on Confidentiality, when a domestic company provides or publicly discloses the documents and materials involving state secrets and working secrets of state organs to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses such the documents and materials through its overseas listing subjects, it shall report to the competent department with the examination and approval authority for approval, and file with the same level secrecy administration department. Domestic companies providing accounting archives or copies thereof to entities and individuals such as securities companies, securities service institutions and overseas regulatory authorities shall perform the relevant procedures according to relevant regulations. The working papers formed within the territory of the PRC by the securities companies and securities service institutions that provide related services for the overseas offering and listing of domestic enterprises shall be kept within the territory of the PRC. Cross-border transferring of such working papers shall go through the examination and approval formalities in accordance with the relevant regulations.

LAWS AND REGULATIONS RELATING TO FULL CIRCULATION OF H SHARES

“Full circulation” means listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company (the “**H-share listed company**”), including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On November 14, 2019, the CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (Announcement of the CSRC [2019] No. 22) (《H股公司境內未上市股份申請“全流通”業務指引》(中國證券監督管理委員會公告[2019]22號)) (the “**Guidelines for the ‘Full Circulation’**”), which was amended on August 10, 2023.

According to the Guidelines for the “Full Circulation,” shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for “full circulation.”

On December 31, 2019, China Securities Depository and Clearing Corporation Limited (“**CSDC**”) and the Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share “Full Circulation” Business (《H股“全流通”業務實施細則》) (the “**Measures for Implementation**”). The businesses of cross-border transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, among others in relation to the H-share “full circulation business,” are subject to the Measures for Implementation.

In order to fully promote the reform of H-shares “full circulation” and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, CSDC has promulgated the Circular on Issuing the Guide to the Program for Full Circulation of H-shares (《關於發佈〈H股“全流通”業務指南〉的通知》) in February 2020, the latest version of which was issued by Shenzhen Branch of the CSDC on 27 June 2025, specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, among others. In February 2020, China Securities Depository and Clearing (Hong Kong) Co., Ltd. (“**CSDC (Hong Kong)**”) also promulgated the Guide to the Program for Full Circulation of H-shares (《中國證券登記結算(香港)有限公司H股“全流通”業務指南》) to specify the relevant escrow, custody, agent service of CSDC (Hong Kong), arrangement for settlement and delivery and other relevant matters.

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According to the Trial Measures, the H-shares “full circulation” should comply with the relevant regulations of the CSRC, and the domestic company should be entrusted to file with the CSRC.

OUTBOUND INVESTMENT PROGRAM

On January 2, 2025, the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “**Final Rule**”) issued by the US Department of the Treasury took effect. The Final Rule either prohibits or imposes notification requirements on US persons (i.e., any US citizen, US permanent resident, US company, foreign branch of a US company, or any person in the United States regardless of nationality, in connection with certain investments in, and transactions involving, Chinese and Chinese-owned entities) from engaging in certain transactions with entities or persons associated with China that perform defined activities relating to the semiconductor and microelectronics, quantum information technology, and artificial intelligence sectors.

Prohibited transactions refer to the prohibition on certain US investments in a covered foreign person engaged in covered activities pertaining to specified categories of advanced technologies and products. A US person may not engage in such transactions unless an exemption for the relevant transaction has been granted. For instance, investments by US persons in covered foreign persons engaged in the following activities in the semiconductor and AI sectors reach the threshold for “prohibited transactions” under the Final Rule: (i) developing or producing any electronic design automation software for the design of integrated circuits or advanced packaging; (ii) developing or producing specified front-end semiconductor fabrication equipment, equipment for performing volume advanced packaging, or commodity, material, software, or technology designed exclusively for use in or with extreme ultraviolet lithography fabrication equipment; (iii) designing integrated circuits that meet or exceed the performance parameters listed in ECCN 3A090.a (under the U.S. Export Administration Regulations (EAR)), or integrated circuits for operation at or below 4.5 Kelvin; (iv) fabricating certain advanced integrated circuits with specified parameters; (v) packaging any integrated circuit using advanced packaging techniques; (vi) developing AI systems designed to be exclusively used for or intended to be used for military, government intelligence, or mass-surveillance end use; or (vii) developing AI systems trained using computing power reaching a specified quantity threshold.

Notifiable transactions refer to the transactions where the business activities conducted by a covered foreign person do not reach the threshold for prohibited transactions but still require notification by a US person of their transactions to the US Department of Treasury. For instance, a US person shall file a notification of their covered transactions with the US Department of Treasury if the covered foreign person in the semiconductor sector is engaged in: (i) designing, fabricating or packaging ICs that do not meet the specific threshold mentioned above; or (ii) developing AI systems that do not meet the specific threshold mentioned above but are designed for military, government intelligence, or mass-surveillance end use; (iii) developing AI systems that do not meet the specific threshold mentioned above but are intended to be used for cybersecurity applications, digital forensic tools, penetration testing tools, or the control of robotic systems; or (iv) developing AI systems that do not meet the specific threshold mentioned above but are trained using computing power reaching a lower specified quantity threshold.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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We are a leading provider of intelligent industrial software solutions in China, leveraging proprietary technologies and independently developed intellectual properties, according to the CIC Report. Our history can be traced back to 2017.

BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our business development milestones since our establishment in 2017 and up to the Latest Practicable Date:

Year	Event
2017	The predecessor of our company, TMESIS Software Technology (Shanghai) Co., Ltd., was established.
2018	We released our first PlantU MES product.
2019	We became the first solution provider in China to sign a contract for both 12-inch wafer fab and silicon wafer manufacturing plant.
2020	We established the first company named under Semi-Tech, namely Semi-Tech Technology Co., Ltd., previously known as Suzhou Semi-Tech Technology Co., Ltd.* (蘇州賽美特科技有限公司)
2021	We vertically expanded equipment automation software products such as EAP and RMS, which marked the completion of the initial layout of our CIM system. We released the PlantU SPC product to realize the coverage of the production quality management system. We expanded non-semiconductor MES and WMS products and horizontally position our business in the non-semiconductor smart manufacturing field.
2022	We vertically expanded APS, RTD and WFA products, complemented product matrix of production scheduling planning system. We completed the development of APC products and further improved the production quality management system matrix. We horizontally improved industry solutions by developing SAP MES business to cover large manufacturing customers. We became the project leader of “Intelligent CIM for Fully Automated 12-inch (Wafer) Fab,” a major project in Shanghai’s strategic emerging industries. Our self-developed semiconductor CIM solution was successfully validated from Auto1 to Auto3 (full automation) in a 12-inch semiconductor fab.
2023	We completed the development of FDC and AMS products to further improve the production quality management and equipment automation product matrix.
2024	We vertically extended RPA, RCM, YMS and DMS products, completed the strategic layout of an autonomous and controllable CIM solutions, with complete coverage of the core aspects of intelligent manufacturing. We horizontally expanded our SAP ERP business and penetrated the intelligent manufacturing business of large manufacturing centralized enterprises and SOEs. We integrated AI technology into our self-developed PlantU series software, and officially released AI products such as “AI RPA,” “AI FDC,” “AI APC” and “AI YMS.” In cooperation with Tsinghua University, we undertook the “14th Five Year Plan” national project of the Ministry of Industry and Information Technology (MIIT), “Natural Human-Computer Interaction Software and Hardware System for Hybrid Intelligence.” Our messagebus middleware obtained complete intellectual property rights, becoming the only middleware with intellectual property rights in the industrial field in China.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
2025	We started construction of the Industrial Intelligent Manufacturing Software R&D Center project. We increased our investment in and application of AI technology, integrating it into our proprietary PlantU series APS, DMS, and other products, so as to further strengthen our AI capabilities and leadership. We further horizontally expanded into new industries, providing intelligent solutions for the nuclear power sector. We have been recognized as a municipal-level enterprise technology center by the Shanghai Municipal Commission of Economy and Informatization in respect of the Technology Center of Semi-Tech Group Co., Ltd.

MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our major subsidiaries which had made a material contribution to our results of operation during the Track Record Period:

Name	Date of Establishment	Place of Establishment	Shareholding	Principal Business Activities
Beijing Zhi Yang . . .	January 16, 2014	PRC	100%	intelligent industrial software solutions
Beijing Huiliu	January 24, 2018	PRC	51%	intelligent industrial software solutions
Semi-Tech Technology	December 18, 2020	PRC	100%	intelligent industrial software solutions
Shanghai Foreverwin	March 6, 2006	PRC	100%	intelligent industrial software solutions

As of the Latest Practicable Date, our Company had 20 subsidiaries. Except for Hangzhou Guan Tian, Beijing Huiliu and Shanghai Saixindi, in which we held 50.10%, 51% and 49.75% equity interest, and Shenzhen Wei Cheng in which we held 56.42% voting rights under acting-in-concert agreement with Shanghai Weijucheng, all of the other subsidiaries are wholly-owned by our Company. See “Statutory and General Information—Further Information about Our Group—Changes in Share Capital of Our Subsidiaries” in Appendix VI to this document for more details on share capital changes of the subsidiaries.

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

(1). Establishment of our Company

On October 16, 2017, Ms. Zhao Haiyan (趙海燕) and Ms. Zhao Hui (趙慧) jointly established TMESIS Software Technology (Shanghai) Co., Ltd.* (特勤絲軟件科技(上海)有限公司), the predecessor of our Company, with a registered capital of RMB500,000. The shareholding structure of our Company upon establishment is set forth in the table below:

Shareholders	Registered capital subscribed for	Investment amount	Corresponding equity interest in our Company
	(RMB)	(RMB)	(%)
Ms. Zhao Haiyan ⁽¹⁾	475,000	475,000	95.00
Ms. Zhao Hui ⁽²⁾	25,000	25,000	5.00
Total	500,000	500,000	100

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Ms. Zhao Haiyan served as an executive Director from October 16, 2017 to January 25, 2021. On January 25, 2021, Ms. Zhao Haiyan transferred her entire equity interest in our Company (representing 95% equity interest in our Company at the time of transfer) to Semi-Tech Technology at a consideration of RMB8,928,862.21, and ceased to be our Shareholder upon completion of the change of industrial and commercial registration of the aforesaid equity transfer in February 2021.
- (2) Ms. Zhao Hui served as a supervisor of our Company from October 16, 2017 to January 25, 2021. On January 25, 2021, Ms. Zhao Hui transferred her entire equity interest in our Company (representing 5% equity interest in our Company at the time of transfer) to Semi-Tech Technology at a consideration of RMB469,940.12, and ceased to be our Shareholder upon completion of the change of industrial and commercial registration of the aforesaid equity transfer in February 2021.

(2). Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company

(a) Capital Increase in December 2017

On December 11, 2017, Ms. Zhao Haiyan and Ms. Zhao Hui resolved to increase registered capital of our Company to RMB5,500,000. The aforesaid capital increase was completed on December 22, 2017. Since Mr. Min Dong Sik (閔東植), Mr. Min Hyo Sung (閔孝成) and Mr. Jung Jae Ho (鄭載昊) are all of South Korean nationality, in order to expedite the setup procedures for our Company’s establishment, Ms. Zhao Haiyan, Ms. Zhao Hui, Mr. Min Dong Sik, Mr. Min Hyo Sung and Mr. Jung Jae Ho entered into an equity holding agreement, pursuant to which, Ms. Zhao Haiyan agreed to hold 50%, 10% and 10% of the equity interest in our Company on behalf of Mr. Min Dong Sik, Mr. Min Hyo Sung and Mr. Jung Jae Ho, respectively, and Ms. Zhao Hui agreed to hold 5% of the equity interest in our Company on behalf of Mr. Min Dong Sik. As of the completion of the aforesaid capital increase and execution of the aforesaid equity holding agreement, the capital contributions subscribed for by Ms. Zhao Haiyan, Mr. Min Dong Sik, Mr. Min Hyo Sung and Mr. Jung Jae Ho accounted for 25%, 55%, 10% and 10% of the then registered capital of our Company, respectively.

(b) Equity Transfers in February and April 2021 and Change in Company Name

Mr. Li Gangjiang (李鋼江), chairman of the Board, an executive Director and the chief executive officer of our Company, is dedicated to advancing the field of intelligent manufacturing. Recognizing the strategic importance of industry resources and core technological capabilities, Mr. Li identified TMESIS Software Technology (Shanghai) Co., Ltd. as a key opportunity. Through research conducted with multiple companies within the industry and insights provided by industry insiders, Mr. Li was acquainted with Ms. Zhao Haiyan and Ms. Zhao Hui. After thoroughly evaluating the technical team, product performance, and customer feedback, Mr. Li decided to proceed with the acquisition of TMESIS Software Technology (Shanghai) Co., Ltd. On January 25, 2021, Ms. Zhao Haiyan and Ms. Zhao Hui entered into an equity transfer agreement with Semi-Tech Technology, pursuant to which Ms. Zhao Haiyan and Ms. Zhao Hui agreed to transfer registered capital of our Company of RMB5,225,000 and RMB275,000 (representing 95% and 5% of the equity interest in our Company) to Semi-Tech Technology, at a consideration of RMB8,928,862.21 and RMB469,940.12, respectively. The aforementioned equity transfers were completed on February 8, 2021. Immediately following the completion of the aforementioned equity transfers, our Company was wholly owned by Semi-Tech Technology.

On March 25, 2021, the following parties entered into an equity transfer agreement, pursuant to which, the following transfers of equity interest in our Company were agreed:

Transferor	Transferees	Registered capital transferred (RMB)	Consideration (RMB)	Corresponding equity interest in our Company (%)
Semi-Tech Technology . . .	Covision Venture Capital ⁽¹⁾	3,169,100	5,415,500.39	57.62

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Transferor	Transferees	Registered capital transferred (RMB)	Consideration (RMB)	Corresponding equity interest in our Company (%)
Semi-Tech Technology . . .	Shanghai Semi-Tech No. 2 ⁽²⁾	1,283,150	2,193,053.87	23.33
Semi-Tech Technology . . .	Shanghai Semi-Tech No. 1 ⁽²⁾	785,950	1,342,686.05	14.29
Semi-Tech Technology . . .	Shanghai Semi-Tech No. 4	261,800	447,562.02	4.76

Notes:

- (1) Covision Venture Capital is our Controlling Shareholder.
- (2) Each of Shanghai Semi-Tech No. 2 and Shanghai Semi-Tech No. 1 is our ESOP Platform. See “—Management and Employee Incentive Platforms.”

The aforementioned equity transfers were completed on April 9, 2021.

On April 9, 2021, the Company name was changed to “Shanghai Semi-Tech Software Technology Co., Ltd.* (上海賽美特軟件科技有限公司).”

(c) Equity Transfers in May 2021

On April 15, 2021, the following parties entered into an equity transfer agreement, pursuant to which, the following transfers of equity interest in our Company were agreed:

Transferor	Transferees	Registered capital transferred (RMB)	Consideration (RMB)	Corresponding equity interest in our Company (%)
Covision Venture Capital.	Shanghai Semi-Tech No. 2	341,322	1,859,000	6.21
Covision Venture Capital.	Shanghai Semi-Tech No. 1	208,625	1,139,000	3.79
Covision Venture Capital.	Shanghai Semi-Tech No. 4	105	0	0.00

The aforementioned equity transfers were completed on May 21, 2021.

(d) Series A Financing in May 2021

Pursuant to the investment agreement dated April 16, 2021, Hainan Qian Sai agreed to subscribe for the increased registered capital of our Company of RMB597,826 (representing approximately 9.80% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB50 million (“Series A Financing”). The aforementioned capital increase was completed on May 21, 2021. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB5,500,000 to RMB6,097,826.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(e) Capital Increase in August 2021

On June 25, 2021, shareholders of the Company resolved to increase registered capital of our Company to RMB6,576,087, the relevant subscribers agreed to subscribe for the increased registered capital of RMB478,261 of our Company (representing approximately 7.27% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB478,261. The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)	Approximate corresponding equity interest in our Company (upon completion of the capital increase) (%)
Covision Venture Capital	119,565	119,565	1.82
Shenzhen He Xing	71,381	71,381	1.09
Shanghai Semi-Tech No. 5	287,315	287,315	4.37

The aforementioned capital increase was completed on August 3, 2021. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB6,097,826 to RMB6,576,087.

(f) Series A+ Financing in November 2021

Pursuant to the capital increase agreement dated October 25, 2021, Hubble Investment, Hong Tu Shan Li, Hainan Qian Sai and Shanghai Jinpu Science and Technology Venture Equity Investment Fund Partnership (Limited Partnership)* (上海金浦科技創業股權投資基金合夥企業(有限合夥)) (“**Shanghai Jinpu**”) agreed to subscribe for the increased registered capital of RMB1,068,614, RMB328,804, RMB164,402 and RMB82,201 of our Company (representing approximately 13%, 4%, 2% and 1% of the equity interest in our Company upon completion of the capital increase) at a consideration of RMB130 million, RMB40 million, RMB20 million and RMB10 million, respectively. The capital increase was completed on November 19, 2021. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB6,576,087 to RMB8,220,108.

(g) Capital Increase in December 2021

On December 3, 2021, shareholders of the Company resolved to increase registered capital of our Company to RMB8,652,745, Shanghai Semi-Tech No. 5 agreed to subscribe for the increased registered capital of RMB432,637 of our Company (representing approximately 5% of the equity interest in our Company upon completion of the capital increase) at a consideration of RMB432,637. The capital increase was completed on December 17, 2021. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB8,220,108 to RMB8,652,745.

(h) Series A++ Financing in February 2022

Pursuant to the capital increase agreement dated January 29, 2022, Shanghai Semi-Tech No. 3 agreed to subscribe for the increased registered capital of RMB1,644,022 of our Company (representing approximately 15.97% of the equity interest in our Company upon completion of the capital increase) at a consideration of RMB200,000,000. The capital increase was completed on February 17, 2022. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB8,652,745 to RMB10,296,767.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(i) *Series B Financing in June 2022*

Equity Transfers

Pursuant to the equity transfer agreement dated June 12, 2022, Shanghai Semi-Tech No. 3 agreed to transfer registered capital of our Company of RMB246,603 and RMB2,466 (representing approximately 2.40% and 0.02% of the equity interest in our Company) to BYD and Chuangqi Kaiying, at a consideration of RMB30,000,000 and RMB300,000, respectively. The aforementioned equity transfers were completed on June 29, 2022.

Capital Increase

Pursuant to the capital increase agreement dated June 12, 2022, the relevant subscribers agreed to subscribe for the increased registered capital of RMB1,250,322 of our Company (representing approximately 10.83% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB340,000,000 (“**Series B Financing**”). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	Registered capital subscribed for	Consideration	Approximate corresponding equity interest in our Company (upon completion of the capital increase)
	(RMB)	(RMB)	(%)
China Internet Fund	441,290	120,000,000	3.82
BYD	110,323	30,000,000	0.96
Chuangqi Kaiying	1103	300,000	0.01
WEIHAOYUNXUAN	220,645	60,000,000	1.91
SSIC Fund II	110,323	30,000,000	0.96
Tian Shan Zhi Xing	145,993	39,700,000	1.26
Changjiang Delta Fund	110,323	30,000,000	0.96
Shanghai Chenjun	55,161	15,000,000	0.48
Beijing Yurun	55,161	15,000,000	0.48

The aforementioned capital increase was completed on June 29, 2022. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB10,296,767 to RMB11,547,089.

(j) *Capital Increase in July 2022*

On July 14, 2022, shareholders of the Company resolved to increase registered capital of our Company to RMB12,154,831, Shanghai Semi-Tech No. 1 agreed to subscribe for the increased registered capital of RMB607,742 of our Company (representing approximately 5% of the equity interest in our Company upon completion of the capital increase) at a consideration of RMB73,684,211. The capital increase was completed on July 28, 2022. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB11,547,089 to RMB12,154,831.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(k) Equity Transfers in January 2023

On December 6, 2022, the following parties entered into an equity transfer agreement, pursuant to which, the following transfers of equity interest in our Company were agreed:

Transferor	Transferees	Registered capital transferred	Consideration	Corresponding equity interest in our Company
		(RMB)	(RMB)	(%)
Shanghai Semi-Tech No. 1	Wuxi Chong Wei	240,348	55,061,439	1.98
Shanghai Semi-Tech No. 2	Wuxi Chong Wei	131,818	30,198,393	1.08
Shanghai Semi-Tech No. 5	Wuxi Chong Wei	107,993	24,740,168	0.89
Shanghai Semi-Tech No. 2	Lion Microelectronics	87,302	20,000,000	0.72
Shanghai Jinpu ⁽¹⁾ . .	G60 S&T Innovation Fund	77,419	20,000,000	0.64
Shanghai Jinpu . . .	Shanghai Semi-Tech No. 4	4,782	1,235,271.8	0.04
Shanghai Semi-Tech No. 2	Shanghai Semi-Tech No. 4	24,551	5,624,372	0.20
Hainan Qian Sai . .	Shanghai Semi-Tech No. 4	154,001	39,783,504	1.27
Hainan Qian Sai . .	Hou Xue Sai Mei	278,710	72,000,000	2.29
Hainan Qian Sai . .	Hainan Semi-Tech No. 1	38,710	10,000,000	0.32
Shanghai Semi-Tech No. 3	Tian Shan Zhi Xing	19,935	5,150,000	0.16
Shanghai Semi-Tech No. 3	Hainan Semi-Tech No. 2	38,710	10,000,000	0.32
Shanghai Semi-Tech No. 3	Hainan Semi-Tech No. 3 ⁽²⁾	38,710	10,000,000	0.32
Shanghai Semi-Tech No. 3	Hainan Semi-Tech No. 4 ⁽³⁾	38,710	10,000,000	0.32
Shanghai Semi-Tech No. 3	Hainan Semi-Tech No. 5	38,710	10,000,000	0.32
Shanghai Semi-Tech No. 3	Hainan Semi-Tech No. 6 ⁽⁴⁾	38,710	10,000,000	0.32

Note:

- (1) After comprehensively considering factors such as fund investment returns, Shanghai Jinpu decided to exit through equity transfer.
- (2) In order to optimize the equity structure and introducing strategic investors, Hainan Semi-Tech No. 3 transferred its entire equity interest in our Company (being 1,124,027 Shares, representing approximately 0.30% equity interest in our Company at the time of transfer) to Huaxi Jinzhi at a consideration of RMB16,766,400 and ceased to be our Shareholder in February 2025.
- (3) In order to optimize the equity structure and introducing strategic investors, Hainan Semi-Tech No. 4 transferred 813,044 Shares (representing approximately 0.22% equity interest in our Company at the time of transfer) and 74,425 Shares (representing approximately 0.02% equity interest in our Company at the time of transfer) to Huaxi Jinzhi and Jin Zhi Mai Si, at a consideration of RMB12,123,600 and RMB1,110,000, respectively, in February 2025.
- (4) In order to optimize the equity structure and introducing strategic investors, Hainan Semi-Tech No. 6 transferred its entire equity interest in our Company (being 1,124,027 Shares, representing approximately 0.30% equity interest in our Company at the time of transfer) to Orino Guang Yi, Orino Feng Fan and Hainan Semi-Tech No. 5 at a consideration of RMB10,509,649.35 and ceased to be our Shareholder in January 2025.

The aforementioned equity transfers were completed on January 11, 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(3). Conversion into Joint Stock Limited Company and Major Shareholding Changes of Our Company After Conversion

(a) Conversion into Joint Stock Limited Company

Pursuant to the promoters’ agreement dated December 19, 2022 entered into by all the then Shareholders and the shareholders’ resolutions dated July 12, 2022 and December 19, 2022, all promoters (being all the then Shareholders) agreed to convert our Company from a limited liability company into a joint stock limited company. Upon completion of the conversion, the share capital of our Company was RMB12,154,831 divided into 12,154,831 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on March 16, 2023 when our Company obtained a new business license and was renamed as Shanghai Semi-Tech Software Technology Co., Ltd. (上海賽美特軟件科技股份有限公司).

(b) Series C Financing in May 2023

Pursuant to the share subscription agreement dated April 17, 2023, the relevant subscribers agreed to subscribe for 472,316 Shares (representing approximately 3.74% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB233,150,000 (“**Series C Financing**”). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	Number of Shares subscribed for	Consideration	Approximate corresponding equity interest in our Company (upon completion of the capital increase)
		(RMB)	(%)
Wuxi Chong Wei	182,322	90,000,000	1.44
Tian Shan Zhi Xing	10,433	5,150,000	0.08
G60 S&T Innovation Fund	60,774	30,000,000	0.48
Ding Xin Hua Xi	114,458	56,500,000	0.91
Camel Fund	40,516	20,000,000	0.32
Sungrow Ren Fa	63,813	31,500,000	0.51

The aforementioned capital increase was completed on May 11, 2023. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB12,154,831 to RMB12,627,147 and the share capital of the Company was increased from 12,154,831 Shares to 12,627,147 Shares.

(c) Capital Increase in October 2023

Pursuant to the shareholders’ resolutions dated October 13, 2023, capital surplus from the premium of the capital increase during Series C Financing was transferred to share capital of our Company and shareholding percentage of each Shareholder remained unchanged before and after the transfer. As such, the registered capital of our Company increased from RMB12,627,147 to RMB155,828,750 and the share capital of our Company increased from 12,627,147 Shares to 155,828,750 Shares. The aforementioned transfer was completed on October 31, 2023.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(d) Series C+ Financing in December 2023

Pursuant to the share subscription agreement dated December 20, 2023, the relevant subscribers agreed to subscribe for 3,750,000 Shares (representing approximately 2.35% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB150,000,000 (“**Series C+ Financing**”). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	Number of Shares subscribed for	Consideration (RMB)	Approximate corresponding equity interest in our Company (upon completion of the capital increase) (%)
Orino Guang Yi	750,000	30,000,000	0.47
Orino Feng Fan	750,000	30,000,000	0.47
Xing Sheng Dong Yan	750,000	30,000,000	0.47
Yuntai Capital	500,000	20,000,000	0.31
Hongyuan Huifu Capital Co., Ltd.* (宏源匯富創業投資 有限公司) (“ Hongyuan Huifu ”) ⁽¹⁾	500,000	20,000,000	0.31
Xinhelan	500,000	20,000,000	0.31

Note:

- (1) Hongyuan Huifu transferred its entire equity interest in our Company (being 1,176,470 Shares, representing approximately 0.31% equity interest in our Company at the time of transfer) to Shen Hong Smart Manufacturing at a consideration of RMB20,000,000 and ceased to be our Shareholder in May 2024, which is an internal transfer. Both Hongyuan Huifu and Shen Hong Smart Manufacturing are controlled by Shenwan Hongyuan Group Co., Ltd., after internal deliberation, Hongyuan Huifu transferred its entire equity interest in our Company to Shen Hong Smart Manufacturing.

The aforementioned capital increase was completed on December 27, 2023. Upon completion of the aforesaid capital increase, the registered capital of the Company was increased from RMB155,828,750 to RMB159,578,750 and the share capital of the Company increased from 155,828,750 Shares to 159,578,750 Shares.

Pursuant to the shareholders’ resolutions dated December 27, 2023, capital surplus from the premium of the capital increase during Series C Financing and Series C+ Financing was transferred to share capital of our Company and shareholding percentage of each Shareholder remained unchanged before and after the transfer. As such, the registered capital of our Company increased from RMB159,578,750 to RMB375,479,412 and the share capital of our Company increased from 159,578,750 Shares to 375,479,412 Shares. The aforementioned transfer was completed on December 27, 2023.

(e) Equity Transfer in May 2024

On April 30, 2024, Hongyuan Huifu entered into a share transfer agreement with Shen Hong Smart Manufacturing, pursuant to which Hongyuan Huifu agreed to transfer 1,176,470 Shares (representing approximately 0.31% equity interest in our Company) to Shen Hong Smart Manufacturing, at a consideration of RMB20,000,000. The aforementioned equity transfer was completed on May 14, 2024.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(f) *Equity Transfers in October 2024*

On October 23, 2024, the following parties entered into a share transfer agreement, pursuant to which, the following transfers of equity interest in our Company were agreed:

Transferor	Transferees	Number of Shares transferred	Consideration	Corresponding equity interest in our Company
			(RMB)	(%)
Shanghai Semi-Tech No. 1	Bai Sai Fund	3,250,000	41,600,000	0.87
Shanghai Semi-Tech No. 2	Bai Sai Fund	500,000	6,400,000	0.13
Shanghai Semi-Tech No. 5	Bai Sai Fund	2,500,000	32,000,000	0.67

The aforementioned equity transfers were completed on October 29, 2024.

(g) *Equity Transfers in November 2024*

On November 5, 2024, the following parties entered into a share transfer agreement, pursuant to which, the following transfers of equity interest in our Company were agreed:

Transferor	Transferees	Number of Shares transferred	Consideration	Corresponding equity interest in our Company
			(RMB)	(%)
Shanghai Semi-Tech No. 4	Shanghai Jun Shi	625,799	10,000,000	0.17
Shanghai Semi-Tech No. 4	Jiaxing Jun Ying	469,349	7,500,000	0.13

The aforementioned equity transfers were completed on November 29, 2024.

(h) *Equity Transfer in December 2024*

On October 30, 2024, Shanghai Semi-Tech No. 3 entered into a share transfer agreement with Yin Shi Smart Manufacturing, pursuant to which Shanghai Semi-Tech No. 3 agreed to transfer 938,699 Shares (representing approximately 0.25% equity interest in our Company) to Yin Shi Smart Manufacturing, at a consideration of RMB15,000,000. The consideration was paid in full on November 25, 2024 and a shareholders’ resolution was subsequently passed on December 30, 2024 to review and approve the aforementioned equity transfer. The aforementioned equity transfer was completed on December 30, 2024.

(i) *Equity Transfers in January 2025*

On December 20, 2023 and December 20, 2024, the following parties entered into a share transfer agreement and a supplemental agreement to the share transfer agreement, pursuant to which, the following transfers of equity interest in our Company were agreed:

Transferor	Transferees	Number of Shares transferred	Consideration	Corresponding equity interest in our Company
			(RMB)	(%)
Hainan Semi-Tech No. 6	Orino Guang Yi	562,013	5,254,820	0.15
Hainan Semi-Tech No. 6	Orino Feng Fan	562,013	5,254,820	0.15

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On December 20, 2024, Hainan Semi-Tech No. 6 entered into another share transfer agreement with Hainan Semi-Tech No. 5, pursuant to which Hainan Semi-Tech No. 6 agreed to transfer 1 Share (representing approximately 0.00% equity interest in our Company) to Hainan Semi-Tech No. 5, at a consideration of RMB9.35. The aforementioned equity transfers were completed on January 2, 2025.

(j) *Equity Transfers in February 2025*

On February 26, 2025, the following parties entered into a share transfer agreement, pursuant to which, the following transfers of equity interest in our Company were agreed:

Transferor	Transferees	Number of Shares transferred	Consideration (RMB)	Corresponding equity interest in our Company (%)
Hainan Semi-Tech No. 3	Hua Xi Jin Zhi	1,124,027	16,766,400	0.30
Hainan Semi-Tech No. 4	Hua Xi Jin Zhi	813,044	12,123,600	0.22

On February 26, 2025, Hainan Semi-Tech No. 4 entered into another share transfer agreement with Jin Zhi Mai Si, pursuant to which Hainan Semi-Tech No. 4 agreed to transfer 74,425 Shares (representing approximately 0.02% equity interest in our Company) to Jin Zhi Mai Si, at a consideration of RMB1,110,000. The aforementioned equity transfers were completed on February 28, 2025.

(k) *Equity Transfers in June 2025*

On April 27, 2025, Ding Xin Hua Xi entered into a share transfer agreement with Champion Everwise Digital Intelligence, pursuant to which Ding Xin Hua Xi agreed to transfer 938,699 Shares (representing approximately 0.25% equity interest in our Company) to Champion Everwise Digital Intelligence, at a consideration of RMB15,000,000. The aforementioned equity transfers was completed on June 6, 2025. On April 30, 2025, Hainan Semi-Tech No. 5 entered into a share transfer agreement with Hubei Jiangcheng Guanggu, pursuant to which Hainan Semi-Tech No. 5 agreed to transfer 600,767 shares (representing approximately 0.16% of the equity interest in the Company) to Hubei Jiangcheng Guanggu at a consideration of RMB8,000,000. The aforementioned equity transfers was completed on June 13, 2025. On June 21, 2025, Hubble Investment entered into a share transfer agreement with Yangzhou Ju Zhi, pursuant to which Hubble Investment agreed to transfer 12,400,000 Shares (representing approximately 3.30% equity interest in our Company) to Yangzhou Ju Zhi, at a consideration of RMB145,307,567.49. The aforementioned equity transfer was completed on June 26, 2025. On June 25, 2025, Shanghai Semi-Tech No. 3 entered into a share transfer agreement with Anhui Haiheng and Anhui Jun'an, pursuant to which Shanghai Semi-Tech No. 3 agreed to transfer 1,976,207 shares (representing approximately 0.53% of the equity interest in the Company) and 3,352,495 shares (representing approximately 0.89% of the equity interest in the Company) to Anhui Haiheng and Anhui Jun'an respectively, at a consideration of RMB30,000,000 and RMB50,000,000, respectively. The aforementioned equity transfers were completed on June 27, 2025.

(l) *Equity Transfer in October 2025*

On October 23, 2025, Wuxi Chong Wei entered into a share transfer agreement with MPC VII, pursuant to which Wuxi Chong Wei agreed to transfer 19,236,535 Shares (representing approximately 5.12% equity interest in our Company) to MPC VII, at a consideration of RMB200,000,000. The aforementioned equity transfer was completed on October 23, 2025.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(m) Series D Financing in November 2025

Pursuant to the share subscription agreement dated November 20, 2025, Guotou Jixin Fund agreed to subscribe for 29,605,107 Shares (representing approximately 7.31% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB410,000,000 (“**Series D Financing**”). The aforementioned capital increase was completed on November 27, 2025. Upon completion of the aforesaid capital increase, the share capital of the Company increased from 375,479,412 to 405,084,519.

(n) Series D+ Financing in December 2025

Pursuant to the investment agreement dated December 8, 2025, Integrated Circuit Phase III agreed to subscribe for 7,220,758 Shares (representing approximately 1.75% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB100,000,000 (“**Series D+ Financing**”). The aforementioned capital increase was completed on December 11, 2025. Upon completion of the aforesaid capital increase, the share capital of the Company increased from 405,084,519 to 412,305,277.

(o) Series E Financing in December 2025

In November and December 2025, several investors entered into share subscription agreements with our Company, pursuant to which, the investors agreed to subscribe for an aggregate 17,361,178 Shares (representing approximately 4.03% equity interest in our Company upon completion of the capital increase) at a total consideration of RMB295,140,000 (“**Series E Financing**”). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

Subscribers	Numbers of Shares subscribed for	Consideration (RMB)	Approximate corresponding equity interest in our Company (upon completion of the capital increase) (%)
Gaoyuan Jinxi.	1,323,529	22,500,000	0.31
Yongxin Rongyan	1,764,706	30,000,000	0.41
Chanfa Kexin	2,941,177	50,000,000	0.68
Hou Xue Sai Mei	1,176,471	20,000,000	0.27
Huahai Jinpu	1,176,471	20,000,000	0.27
Langtu Xingyao	8,978,824	152,640,000	2.09

The aforementioned capital increase was completed on December 12, 2025. Upon completion of the aforesaid capital increase, the share capital of the Company increased from 412,305,277 to 429,666,455.

PRC REGULATORY REQUIREMENT

As advised by our PRC Legal Advisor, our Company has completed the necessary registrations or filings with the relevant local SAMR in respect of the aforesaid establishment, conversion, subscriptions, transfers and changes of our shareholdings (including the Pre-[REDACTED] Investments), in compliance with applicable PRC laws and regulations in all material respects.

MANAGEMENT AND EMPLOYEE INCENTIVE PLATFORMS

In recognition of the contributions of, among others, our management and employees and to incentivize them to further promote our development, the ESOP Platforms were established as our management and employee incentive platforms.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(1) Shanghai Semi-Tech No. 1

Shanghai Semi-Tech No. 1 was established as a limited partnership under the laws of the PRC on December 8, 2020. Covision Venture Capital is the general partner and is responsible for the management of Shanghai Semi-Tech No. 1. As of the date of this document, Shanghai Semi-Tech No. 1 had 47 limited partners, including Ms. Zhang Ying (張影) (our executive Director) and other former/existing employees of our Group.

(2) Shanghai Semi-Tech No. 2

Shanghai Semi-Tech No. 2 was established as a limited partnership under the laws of the PRC on January 14, 2021. Covision Venture Capital is the general partner and is responsible for the management of Shanghai Semi-Tech No. 2. As of the date of this document, Shanghai Semi-Tech No. 2 had 40 limited partners, including Mr. Min Dong Sik (閔東植) (our chief scientist), Ms. Chen Liqian (陳黎倩) (our financial controller) and other former/existing employees of our Group.

(3) Shanghai Semi-Tech No. 5

Shanghai Semi-Tech No. 5 was established as a limited partnership under the laws of the PRC on August 11, 2020. Covision Venture Capital is the general partner and is responsible for the management of Shanghai Semi-Tech No. 5. As of the date of this document, Shanghai Semi-Tech No. 5 had 46 limited partners, including Mr. Li Guangzhu (李光珠) (our executive Director) and other former/existing employees of our Group.

EMPLOYEE INCENTIVE SCHEMES

We have adopted the 2021 Equity Incentive Scheme, the purpose of which is to incentivize our operating management, business backbone and core employees who have made contribution to our Group’s development.

For details of the 2021 Equity Incentive Scheme, see “Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes—(a) 2021 Equity Incentive Scheme” in Appendix VI to this document.

PRE-[REDACTED] SHARE OPTION SCHEME

We have adopted the Pre-[REDACTED] Share Option Schemes, the purpose of which is to recognize the contribution to our Group by our employees.

As at the Latest Practicable Date, our Company has granted outstanding Share Options under the 2022 Pre-[REDACTED] Share Option Scheme to [255] grantees to [REDACTED] an aggregate of [REDACTED] Shares (representing approximately [REDACTED] of the total issued share capital of our Company immediately upon [REDACTED] of the [REDACTED] and the Share Subdivision (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Share Option Schemes are not exercised)). For details of the dilutive effect of 2022 Share Option Scheme, see “Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes—(b) 2022 Share Option Scheme—Dilutive Effect and Impact on Loss per Share” in Appendix VI to this document.

As at the Latest Practicable Date, our Company has granted outstanding Share Options under the 2024 Pre-[REDACTED] Share Option Scheme to [393] grantees to [REDACTED] an aggregate of [REDACTED] Shares (representing approximately [REDACTED] of the total issued share capital of our Company immediately upon [REDACTED] of the [REDACTED] and the Share Subdivision (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Share Option Schemes are not exercised)). For details of the dilutive effect of 2024 Share Option Scheme, see “Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes—(c) 2024 Share Option Scheme—Dilutive Effect and Impact on Loss per Share” in Appendix VI to this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

For details of the Pre-[REDACTED] Share Option Schemes, see “Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes—(b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to this document.

Save as disclosed above and in “Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes—(b) 2022 Share Option Scheme and (c) 2024 Share Option Scheme” in Appendix VI to this document, as of the Latest Practicable Date, our Group does not have any outstanding share options, warrants, convertible debt securities or other convertible instruments, or similar rights convertible into our Shares.

PRE-[REDACTED] INVESTMENTS

(1). Overview

Between April 2021 and December 2025, our Company obtained several rounds of investments from the Pre-[REDACTED] Investors through subscriptions for increased registered capital of our Company and/or through transfers by the then Shareholders. See “—Establishment and Development of Our Company.”

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(2). Principal terms of the Pre-[REDACTED] Investments

The following table summarizes the key terms of the Pre-[REDACTED] Investments.

	Series A Financing	Series A+ Financing	Series B Financing	Series C Financing	Series C+ Financing	Series D Financing	Series D+ Financing	Series E Financing
Date of last share subscription agreement . . .	April 16, 2021	October 25, 2021	June 12, 2022	April 17, 2023	December 20, 2023	November 20, 2025	December 8, 2025	December 10, 2025
Date of last payment of consideration	June 4, 2021	November 24, 2021	July 11, 2022	May 11, 2023	December 26, 2023	November 27, 2025	December 11, 2025	December 11, 2025
Cost per Share ¹	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Discount to the [REDACTED] ²	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total consideration received by our Company	RMB50 million	RMB200 million	RMB340 million	RMB233.15 million	RMB150 million	RMB410 million	RMB100 million	RMB295.14 million
Implied pre-money valuation	RMB460 million	RMB800 million	RMB2,800 million	RMB6,000 million	RMB6,233.15 million	RMB5,200 million	RMB5,610 million	RMB7,009 million
Implied post-money valuation	RMB510 million	RMB1,000 million	RMB3,140 million	RMB6,233.15 million	RMB6,383.15 million	RMB5,610 million	RMB5,710 million	RMB7,304.14 million
Use of [REDACTED] from the Pre-[REDACTED] Investments	[REDACTED] from the Pre-[REDACTED] Investments received by our Company have been utilized for principal business of our Group, including but not limited to product research and development, product production, business development, capital expenditures and general working capital purposes.							
Strategic benefits the Pre-[REDACTED] Investment brought to our Company	As of the Latest Practicable Date, 66.06% of the net [REDACTED] from the Pre-[REDACTED] Investments had been utilized. At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-[REDACTED] Investors' investments in our Group and the knowledge and experience of the Pre-[REDACTED] Investors.							
Basis of determining the consideration paid	The considerations for each round of Pre-[REDACTED] Investments were determined based on arm's length negotiation between the relevant parties, after taking into consideration the timing of the investments, the status of our business operations and product development advancement.							
[REDACTED] period	All existing Shareholders (including the Pre-[REDACTED] Investors) shall not dispose of any of the Shares held by them within the 12 months following the [REDACTED] as required under the applicable PRC laws							

Notes:

1. Calculated based on the amount of consideration paid divided by the number of Shares with adjustments for joint stock reform in March 2023, transfers from the capital reserve to the registered capital our Company carried out in October and December 2023 and the Share Subdivision.
2. Calculated based on the currency translation of HK\$1 to RMB0.9119 and on the [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(3). Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted customary special rights, including but not limited to the right of first refusal, tag-along right, pre-emptive right, anti-dilution right and redemption right. Pursuant to the Shareholders’ agreement dated December 20, 2023 entered into between our Company and all of its then Shareholders and related parties, the supplemental agreement to the Shareholders’ agreement dated April 28, 2024 entered into between our Company and all of its then Shareholders and related parties, the second supplemental agreement to the Shareholders’ agreement dated June 28, 2025 entered into between the Company, the Management Shareholders and the then Pre-[REDACTED] Investors (excluding Yangzhou Ju Zhi, Anhui Jun’an, Anhui Haiheng, Champion Everwise Digital Intelligence, Hubei Jiangcheng Guanggu and MPC VII), and the accession agreement signed by each of Yangzhou Ju Zhi, Anhui Jun’an, Anhui Haiheng, Champion Everwise Digital Intelligence, Hubei Jiangcheng Guanggu and MPC VII (the accession agreement provides for their accession to the aforementioned Shareholders’ agreement and supplemental agreements by signing the accession agreement as parties thereto), the special rights were terminated upon our Company’s submission of [REDACTED] to the Stock Exchange for its [REDACTED] of [REDACTED] on the Stock Exchange, provided that the rights so terminated shall resume automatically in certain circumstances, including: (i) the withdrawal of the [REDACTED] from the Stock Exchange by the Company, (ii) failure of re-filing of the [REDACTED] to the Stock Exchange within nine months from the expiry of the Company’s [REDACTED] for the [REDACTED], (iii) non-acceptance, non-filing, non-approval, or termination of review of the Company’s [REDACTED] by CSRC or the Stock Exchange, (iv) the failure of overseas [REDACTED] filing at CSRC on the expiry of nine months from the date of the Company’s initial submission of Form A1 to the Stock Exchange in relation to the [REDACTED] and (v) the [REDACTED] of the Company’s [REDACTED] has not yet been completed on the expiry of [18] months from the date of the Company’s initial submission of Form A1 to the Stock Exchange in relation to the [REDACTED].

On December 8, 2025, the Company entered into a Shareholders’ agreement with Guotou Jixin Fund, Integrated Circuit Phase III and related parties, pursuant to which, (1) the redemption rights of Guotou Jixin Fund and Integrated Circuit Phase III shall automatically become effective: (i) the withdrawal of the [REDACTED] from the Stock Exchange by the Company, (ii) the failure of re-filing of the [REDACTED] to the Stock Exchange within nine months from the expiry of the Company’s [REDACTED] for the [REDACTED], and the conditions for re-filing of the [REDACTED] (including but not limited to the amount of funds to be raised and the valuation) must be no less favourable than those of the first [REDACTED], (iii) non-acceptance, non-filing, non-approval, or termination of review of the Company’s [REDACTED] by CSRC or the Stock Exchange, (iv) the failure of overseas listing filing at CSRC on the expiry of nine months from the date of the Company’s initial submission of Form A1 to the Stock Exchange in relation to the [REDACTED] and (v) the [REDACTED] of the Company’s H Shares has not yet been completed on the expiry of [18] months from the date of the Company’s initial submission of Form A1 to the Stock Exchange in relation to the [REDACTED]; (2) other special rights (including but not limited to director nomination rights, rights of first refusal, tag-along rights, and liquidation preference rights) shall automatically terminate on the [REDACTED].

(4). Sole Sponsor’s Confirmation

On the basis that (i) the [REDACTED] will take place more than 120 clear days after the [REDACTED] of the Pre-[REDACTED] Investments; and (ii) no special rights of the Pre-[REDACTED] Investors will exist after the [REDACTED], the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

(5). Information about our Pre-[REDACTED] Investors

For details for our Pre-[REDACTED] Investors, see “— [REDACTED]” below in this section. To the best knowledge of our Directors, save as disclosed below, each of our Pre-[REDACTED] Investors and where applicable, their respective general partner(s), limited partner(s) and ultimate beneficial owner(s) is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PREVIOUS LISTING ATTEMPT AND REASONS FOR [REDACTED] ON THE STOCK EXCHANGE

In December 2023, we initiated the tutoring filing (輔導備案) (the “**Tutoring Filing**”) with the Shanghai Regulatory Bureau of the CSRC (中國證券監督管理委員會上海監管局) for a potential application for listing on the SSE Star Market. In light of the Company’s business development plan and the financing needs for further expansion, the Company entered into an agreement with Guotai Haitong Securities Co., Ltd. in September 2025 to terminate the A Share tutoring institution agreement. As of the Latest Practicable Date, the Company has not submitted any formal listing application for the A Share listing attempt to any Chinese regulatory authority, nor has it received any significant inquiries or opinions from the CSRC or other applicable regulatory bodies. The Directors further confirm that there are no other material matters related to the A Share listing attempt that needs to be brought to the attention of the Stock Exchange or potential investor.

On the other hand, our Directors consider that the Stock Exchange, as an internationally recognized and reputable stock exchange, can provide us with a good platform to access the international capital markets and expand our global business, the [REDACTED] will provide us with the necessary funding to increase our competitiveness by assisting us to expand our operations and strengthen our business prospects, and the [REDACTED] on the Stock Exchange will raise our profile and market awareness of our brand name and present us with an opportunity to further expand our investor base. Taking into account, among others, the aforementioned factors and the long-term business development strategies of our Group, our Directors consider the Stock Exchange to be a more suitable venue to access international equity markets, and the [REDACTED] will be in the best interests of our Company and our Shareholders as a whole.

Based on the independent due diligence work performed by the Sole Sponsor, the Sole Sponsor is not aware of any material matters in relation to the above A Share listing attempt that need to be brought to the investor’s attention.

[REDACTED]

Upon completion of the Share Subdivision, the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes) and the Conversion of Unlisted Shares into H Shares, [REDACTED] Unlisted Shares will be converted into H Shares and [REDACTED] on the Stock Exchange.

Among the [REDACTED] Domestic Unlisted Shares to be converted into H Shares, [REDACTED] H Shares held by certain of our Shareholders will be counted towards the [REDACTED]. Set out below are the details of the Conversion of Unlisted Shares into H Shares:

Shareholder	As at the Latest Practicable Date		Upon completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes)		
	Number of Unlisted Shares as at the Latest Practicable Date	Approximate percentage of the Unlisted Shares in the total share capital of our Company	Number of Unlisted Shares to be converted into H Shares	Approximate percentage of the converted H Shares in the total share capital of our Company	The converted H Shares whether to count towards the [REDACTED] or not
Covision Venture Capital . . .	79,521,412	18.51%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-Tech No. 2 . .	39,594,473	9.22%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-Tech No. 1 . .	36,297,646	8.45%	[REDACTED]	[REDACTED]	[REDACTED]
Guotou Jixin Fund ⁽¹⁾	29,605,107	6.89%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-Tech No. 3 . .	28,039,018	6.53%	[REDACTED]	[REDACTED]	[REDACTED]
MPC VII ⁽²⁾	19,236,535	4.48%	[REDACTED]	[REDACTED]	[REDACTED]
Hubble Investment ⁽³⁾	18,629,464	4.34%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-Tech No. 5 . .	15,269,522	3.55%	[REDACTED]	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	As at the Latest Practicable Date		Upon completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes)		
	Number of Unlisted Shares as at the Latest Practicable Date	Approximate percentage of the Unlisted Shares in the total share capital of our Company	Number of Unlisted Shares to be converted into H Shares	Approximate percentage of the converted H Shares in the total share capital of our Company	The converted H Shares whether to count towards the [REDACTED] or not
China Internet Fund ⁽⁴⁾	12,813,787	2.98%	[REDACTED]	[REDACTED]	[REDACTED]
Yangzhou Ju Zhi ⁽⁵⁾	12,400,000	2.89%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-Tech No. 4 ⁽⁶⁾	11,833,307	2.75%	[REDACTED]	[REDACTED]	[REDACTED]
BYD ⁽⁷⁾	10,364,100	2.41%	[REDACTED]	[REDACTED]	[REDACTED]
Hong Tu Shan Li ⁽⁸⁾	9,547,519	2.22%	[REDACTED]	[REDACTED]	[REDACTED]
Hou Xue Sai Mei ⁽⁹⁾	9,269,404	2.16%	[REDACTED]	[REDACTED]	[REDACTED]
Langtu Xingyao ⁽¹⁰⁾	8,978,824	2.09%	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Qian Sai ⁽¹¹⁾	8,444,195	1.97%	[REDACTED]	[REDACTED]	[REDACTED]
Integrated Circuit Phase III ⁽¹²⁾	7,220,758	1.68%	[REDACTED]	[REDACTED]	[REDACTED]
WEIHAOYUNXUAN ⁽¹³⁾	6,406,894	1.49%	[REDACTED]	[REDACTED]	[REDACTED]
Bai Sai Fund	6,250,000	1.45%	[REDACTED]	[REDACTED]	[REDACTED]
Tian Shan Zhi Xing ⁽¹⁴⁾	5,121,014	1.19%	[REDACTED]	[REDACTED]	[REDACTED]
G60 S&T Innovation Fund ⁽¹⁵⁾	4,012,726	0.93%	[REDACTED]	[REDACTED]	[REDACTED]
Anhui Jun'an ⁽³⁹⁾	3,352,495	0.78%	[REDACTED]	[REDACTED]	[REDACTED]
SSIC Fund II ⁽¹⁶⁾	3,203,461	0.75%	[REDACTED]	[REDACTED]	[REDACTED]
Changjiang Delta Fund ⁽¹⁷⁾	3,203,461	0.75%	[REDACTED]	[REDACTED]	[REDACTED]
Chanfa Kexin ⁽¹⁸⁾	2,941,177	0.68%	[REDACTED]	[REDACTED]	[REDACTED]
Lion Microelectronics ⁽¹⁹⁾	2,534,998	0.59%	[REDACTED]	[REDACTED]	[REDACTED]
Ding Xin Hua Xi ⁽²⁰⁾	2,384,831	0.56%	[REDACTED]	[REDACTED]	[REDACTED]
Orino Guang Yi ⁽²¹⁾	2,326,719	0.54%	[REDACTED]	[REDACTED]	[REDACTED]
Orino Feng Fan ⁽²²⁾	2,326,719	0.54%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen He Xing	2,072,698	0.48%	[REDACTED]	[REDACTED]	[REDACTED]
Anhui Hai Heng ⁽²³⁾	1,976,207	0.46%	[REDACTED]	[REDACTED]	[REDACTED]
Hua Xi Jin Zhi ⁽²⁴⁾	1,937,071	0.45%	[REDACTED]	[REDACTED]	[REDACTED]
Sungrow Ren Fa ⁽²⁵⁾	1,852,945	0.43%	[REDACTED]	[REDACTED]	[REDACTED]
Xing Sheng Dong Yan ⁽²⁶⁾	1,764,706	0.41%	[REDACTED]	[REDACTED]	[REDACTED]
Yongxin Rongyan ⁽²⁷⁾	1,764,706	0.41%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Chenjun ⁽²⁸⁾	1,601,716	0.37%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Yurun ⁽²⁹⁾	1,601,716	0.37%	[REDACTED]	[REDACTED]	[REDACTED]
Gaoyuan Jinxi ⁽³⁰⁾	1,323,529	0.31%	[REDACTED]	[REDACTED]	[REDACTED]
Huahai Jinpu ⁽³¹⁾	1,176,471	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
Camel Fund ⁽³²⁾	1,176,470	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
Yuntai Capital ⁽³³⁾	1,176,470	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
Shen Hong Smart Manufacturing ⁽³⁴⁾	1,176,470	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
Xinhelan ⁽³⁵⁾	1,176,470	0.27%	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Semi-Tech No. 1 ⁽³⁶⁾	1,124,027	0.26%	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Semi-Tech No. 2	1,124,027	0.26%	[REDACTED]	[REDACTED]	[REDACTED]
Champion Everwise Digital Intelligence ⁽³⁷⁾	938,699	0.22%	[REDACTED]	[REDACTED]	[REDACTED]
Yin Shi Smart Manufacturing ⁽³⁸⁾	938,699	0.22%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Jun Shi ⁽³⁹⁾	625,799	0.15%	[REDACTED]	[REDACTED]	[REDACTED]
Hubei Jiangcheng Guanggu ⁽⁴⁰⁾	600,767	0.14%	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Semi-Tech No. 5	523,261	0.12%	[REDACTED]	[REDACTED]	[REDACTED]
Jiaxing Jun Ying ⁽³⁹⁾	469,349	0.11%	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Semi-Tech No. 4	236,558	0.06%	[REDACTED]	[REDACTED]	[REDACTED]

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Shareholder	As at the Latest Practicable Date			Upon completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes)		
	Number of Unlisted Shares as at the Latest Practicable Date	Approximate percentage of the Unlisted Shares in the total share capital of our Company	Number of Unlisted Shares to be converted into H Shares	Approximate percentage of the converted H Shares in the total share capital of our Company	The converted H Shares whether to count towards the [REDACTED] or not	
Chuang Qi Kai Ying ⁽⁴¹⁾	103,633	0.02%	[REDACTED]	[REDACTED]	[REDACTED]	
Jin Zhi Mai Si ⁽⁴²⁾	74,425	0.02%	[REDACTED]	[REDACTED]	[REDACTED]	

Notes:

- Guotou Jixin Fund is a limited partnership established under the laws of the PRC, and is managed by its general partner, SDIC Venture Capital (Beijing) Private Fund Management Co., Ltd.* (國投創業(北京)私募基金管理有限公司). SDIC Venture Capital (Beijing) Private Fund Management Co., Ltd. was held as to approximately 65% by SDIC Venture Capital Management Co., Ltd.* (國投創業投資管理有限公司) which was held as to approximately 40% by China SDIC Gaoxin Industrial Investment Corp. Ltd.* (中國國投高新產業投資有限公司) and approximately 35% owned by Beijing E-Town International Investment & Development Co., Ltd.* (北京亦莊國際投資發展有限公司) which was ultimately held as to 100% by the Finance and State-owned Assets Bureau of Beijing Economic-Technological Development Area (北京經濟技術開發區財政國資局). As of the Latest Practicable Date, Guotou Jixin Fund was held as to approximately 99.9% by National Integrated Circuit Industry Investment Fund Phase III Co., Ltd.* (國家集成電路產業投資基金三期股份有限公司) as the largest limited partner. Guotou Jixin Fund is principally engaged in investment activities in the integrated circuit industry through equity investment.
- MPC VII is a limited company incorporated and domiciled in Singapore, which was held as to 93.97% and 6.03% by MPC VII L.P. and MPC VII-A L.P., respectively. The general partner of both MPC VII L.P. and MPC VII-A L.P., each an exempted limited partnership incorporated under the laws of the Cayman Islands, is MPC Management VII L.P.. The general partner of MPC Management VII L.P. was MPC GPGP VII Ltd.. Mr. David Su was the controlling shareholder of MPC GPGP VII Ltd.. As of the Latest Practicable Date, no single limited partner held 30% or more interests in MPC VII L.P. or in MPC VII-A L.P.. MPC VII is principally engaged in venture capital.
- Hubble Investment is a limited partnership established under the laws of the PRC and is managed by its general partner, Hubble Technology Venture Capital Co., Ltd.* (哈勃科技創業投資有限公司), which is wholly owned by Huawei Investment & Holding Co., Ltd.* (華為投資控股有限公司) (“Huawei Investment”). Huawei Investment is owned as to 99.4753% by Huawei Investment & Holding Co., Ltd. Trade Union Committee (華為投資控股有限公司工會委員會), a labor union which is owned by the employees collectively. Hubble Investment has two limited partners, and is owned as to 69% and 30% by Huawei Technologies Co., Ltd.* (華為技術有限公司) and Huawei Device Co., Ltd.* (華為終端有限公司), respectively, both of which are ultimately controlled by Huawei Investment & Holding Co., Ltd. Trade Union Committee. Hubble Investment is a venture capital institution.
- China Internet Fund is a limited partnership established under the laws of the PRC and is managed by its general partner, China Internet Investment Fund Management Co., Ltd.* (中國互聯網投資基金管理有限公司), which was held as to 40% by ChinaNetICT (Beijing) Holdings Limited* (中網信通(北京)控股有限公司) as its largest shareholder, ChinaNetICT (Beijing) Holdings Limited* (中網信通(北京)控股有限公司) was in turn 100% controlled by National Computer Network and Information Security Management Center (國家計算機網絡與信息安全管理中心). As of the Latest Practicable Date, China Internet Fund had nine limited partners, and was held as to approximately 33.22% by ICBC Credit Suisse Investment Management Co., Ltd.* (工銀瑞信投資管理有限公司) as the largest limited partner, none of the remaining partners held 30% or more partnership interest in China Internet Fund. ICBC Credit Suisse Investment Management Co., Ltd. was 100% controlled by ICBC Credit Suisse Asset Management Co., Ltd.* (工銀瑞信基金管理有限公司) which was held as to 80% by Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601398) and Hong Kong Stock Exchange (stock code: 01398). China Internet Fund is principally engaged in private equity investment, investment management and consulting services.
- Yangzhou Ju Zhi is a limited partnership established under the laws of the PRC and is managed by its general partner, Shanghai Free Trade Zone Equity Investment Fund Management Co., Ltd.* (上海自貿區股權投資基金管理有限公司). Shanghai Free Trade Zone Equity Investment Fund Management Co., Ltd.* (上海自貿區股權投資基金管理有限公司) is held as to approximately 14.29% evenly by all of its seven shareholders with no de facto controller. As of the Latest Practicable Date, Yangzhou Ju Zhi had one limited partner. China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司) held approximately 99.35% of the partnership interests. China Cinda Asset Management Co., Ltd. is listed on Hong Kong Stock Exchange (stock code: 01359). Yangzhou Ju Zhi is principally engaged in equity investment.
- Shanghai Semi-Tech No. 4 is a limited partnership established under the laws of the PRC and is managed by its general partner, Mr. Ma Yi (馬義). As of the Latest Practicable Date, Shanghai Semi-Tech No. 4 had 44 limited partners, and was held as to approximately 15.63% by Shanghai Xinni Enterprise Management Partnership (Limited

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- Partnership)* (上海芯妮企業管理合夥企業(有限合夥)) as the largest limited partner. To the best knowledge of our Directors, save for Covision Venture Capital (holding 8.05% partnership interest), each of the limited partners of Shanghai Semi-Tech No. 4 is an Independent Third Party. Shanghai Semi-Tech No. 4 is primarily engaged in business management consulting and marketing, with additional expertise in technology advisory and corporate support services.
- (7) BYD is a joint stock company established under the laws of the PRC on February 10, 1995 and is principally engaged in automobile business which mainly includes new energy vehicles, handset components and assembly services, rechargeable batteries and photovoltaics business, and is listed on the Shenzhen Stock Exchange (stock code: 002594) and Hong Kong Stock Exchange (stock code: 01211 (HKD counter); 81211 (RMB counter)).
- (8) Hong Tu Shan Li is a limited partnership established under the laws of the PRC and is managed by its managing partner, Shenzhen Luohu Hongtu Venture Capital Management Co., Ltd.* (深圳市羅湖紅土創業投資管理有限公司), which was 100% controlled by SZITIC Hongtu Private Equity Fund Management (Shenzhen) Co., Ltd.* (深創投紅土私募基金管理(深圳)有限公司), which was in turn 100% controlled by Shenzhen Innovation Investment Group Co., Ltd.* (深圳市創新投資集團有限公司), which was held as to approximately 28.20% by its largest shareholder State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會). As of the Latest Practicable Date, Hong Tu Shan Li had five limited partners, and was held as to approximately 49% by Shenzhen Guiding Fund Investment Co., Ltd.* (深圳市引導基金投資有限公司) as the largest limited partner, none of the remaining partners held 30% or more partnership interest in Hong Tu Shan Li. Shenzhen Guiding Fund Investment Co., Ltd. was 100% controlled by Shenzhen Municipal Bureau of Finance (深圳市財政局). Hong Tu Shan Li is principally engaged in equity investments and venture capital investments.
- (9) Hou Xue Sai Mei is a limited partnership established under the laws of the PRC, founded by Shanghai Houxue Private Equity Fund Management Co., Ltd.* (上海厚雪私募基金管理有限公司) (“Houxue Capital”) as the general partner and three private equity funds managed by Houxue Capital as the limited partners. Houxue Capital is held as to 40% by Mr. Hou Haoxiang and 40% by Shanghai Houjun Enterprise Management Co., Ltd.* (上海厚君企業管理有限公司) which is held as to 60% by an independent third-party natural person. As of the Latest Practicable Date, the three limited partners of Hou Xue Sai Mei were (i) Shaoxing Houxue Equity Investment Fund Partnership (Limited Partnership)* (紹興厚雪股權投資基金合夥企業(有限合夥)), holding approximately 48.83% of the partnership interest; (ii) Shanghai Houxue Private Equity Fund Partnership (Limited Partnership)* (上海厚雪私募基金合夥企業(有限合夥)), holding approximately 29.30% of the partnership interest; and (iii) Jiaxing Houxue Saiyue Equity Investment Partnership (Limited Partnership)* (嘉興厚雪賽躍股權投資合夥企業(有限合夥)), holding approximately 21.70% of the partnership interest. Shaoxing Houxue Equity Investment Fund Partnership (Limited Partnership), Shanghai Houxue Private Equity Fund Partnership (Limited Partnership) and Jiaxing Houxue Saiyue Equity Investment Partnership (Limited Partnership) were ultimately controlled by Mr. Hou Haoxiang. Hou Xue Sai Mei is principally engaged in consulting services.
- (10) Langtu Xingyao is a limited partnership established under the laws of the PRC, and is managed by its general partner, Hainan Nanting Private Fund Management Co., Ltd.* (海南南亭私募基金管理有限公司), which was held as to 55% by Mr. Fan Changyuan (樊昌源) and 45% by Beijing Yingcheng Technology Partnership (Limited Partnership)* (北京穎澄科技合夥企業(有限合夥)). Beijing Yingcheng Technology Partnership (Limited Partnership) was managed by its general partner, Ms. Zeng Qinglei (曾慶蕾), who held 80% of the partnership interest. As of the Latest Practicable Date, Langtu Xingyao was held as to approximately 99.51% by Hainan Nanting Private Fund Management Co., Ltd. as the largest limited partner. Langtu Xingyao is principally engaged in equity investment, investment management, asset management, and other activities with private equity funds.
- (11) Hainan Qian Sai is a limited partnership established under the laws of the PRC and is managed by its general partner, Ms. Xu Linyi (徐琳詣). As of the Latest Practicable Date, Hainan Qian Sai had two limited partners, and was held as to approximately 78.57% by Ms. Xu Linyi, as the largest partner. Ms. Xu Linyi is the mother of Mr. Hou Haoxiang (侯昊翔), who was the controlling shareholder of Houxue Capital as at the Latest Practicable Date. Hainan Qian Sai is principally engaged in strategic business consulting and early-stage venture investments, with complementary operations in marketing services and corporate event management.
- (12) Integrated Circuit Phase III is a limited partnership established under the laws of the PRC, and is managed by its general partner, Shanghai Integrated Circuit Industry Investment Fund Management Co., Ltd.* (上海集成電路產業投資基金管理有限公司). Shanghai Integrated Circuit Industry Investment Fund Management Co., Ltd. was held as to approximately 40% by Shanghai State-owned Capital Investment Co., Ltd.* (上海國有資本投資有限公司). As of the Latest Practicable Date, Integrated Circuit Phase III was held as to approximately 74.63% by Shanghai Guotou Leading Integrated Circuit Private Equity Investment Fund Partnership (Limited Partnership)* (上海國投先導集成電路私募基金合夥企業(有限合夥)) as the largest limited partner. Integrated Circuit Phase III is principally engaged in activities such as equity investment, investment management, and asset management through private equity funds.
- (13) WEIHAOYUNXUAN is a limited partnership established under the laws of the PRC and is managed by its general partner, Shanghai Weihao Chuangxin Investment Management Co., Ltd.* (上海韋豪創芯投資管理有限公司), which was held as to approximately 48.15% by Shanghai Yinyun Management Consulting Partnership (Limited Partnership)* (上海隱雲管理諮詢合夥企業(有限合夥)) as its largest shareholder, whose general partner is Mr. Zhou Siyuan (周思遠). As of the Latest Practicable Date, WEIHAOYUNXUAN had 11 limited partners, and was held as to approximately 60% by Zhejiang Yiwu High-tech Zone Development and Construction Co., Ltd.* (浙江義烏高新區開發建設有限公司) as the largest limited partner. Zhejiang Yiwu High-tech Zone Development and Construction Co., Ltd. was 100% owned by Yiwu Industrial Investment Development Group Co., Ltd.* (義烏市產業投資發展集團

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有限公司) which was held as to approximately 50.98% by Yiwu Economic and Technological Development Zone Administrative Committee (義烏經濟技術開發區管理委員會). None of the remaining partners held 30% or more partnership interest in WEIHAOYUNXUAN. WEIHAOYUNXUAN is principally engaged in equity investment activities.

- (14) Tian Shan Zhi Xing is a limited partnership established under the laws of the PRC and is managed by its general partner, Shanghai Skyview Sida Private Equity Fund Management Co., Ltd.* (上海天善思達私募基金管理有限公司), which was held as to 55% by an independent third-party natural person as its largest shareholder. As of the Latest Practicable Date, Tian Shan Zhi Xing had seven limited partners and none of the partners held more than 30% partnership interest in Tian Shan Zhi Xing. Tian Shan Zhi Xing is principally engaged in venture capital investments as well as management and entrusted administration of equity investments and related consulting services.
- (15) G60 S&T Innovation Fund is a limited partnership established under the laws of the PRC and is managed by its general partner, Haitong-Fortis Private Equity Fund Management Co., Ltd. (海富產業投資基金管理有限公司), which was held as to 67% by Haitong Capital Co., Ltd. (海通開元投資有限公司) as its largest shareholder, which was in turn 100% controlled by Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601211) and on the Stock Exchange (stock code: 02611). As of the Latest Practicable Date, G60 S&T Innovation Fund had 11 limited partners, and was held as to approximately 31.48% by Haitong Innovation Securities Investment Co., Ltd. (海通創新證券投資有限公司) as the largest limited partner, none of the remaining partners held more than 30% partnership interest in G60 S&T Innovation Fund. G60 S&T Innovation Fund is principally engaged in providing capital market services.
- (16) SSIC Fund II is a limited partnership established under the laws of the PRC and is filed as private equity fund with AMAC, which is managed by its fund manager, Shanghai Sci-Tech Innovation Center Capital Co., Ltd. (上海科創中心股權投資基金管理有限公司). Its general partner is Shanghai Jiazhao Enterprise Management Consulting Partnership (Limited Partnership) (上海嘉鋯企業管理諮詢合夥企業(有限合夥)), whose general partner is Mr. YangBin (楊斌). As of the Latest Practicable Date, SSIC Fund II was held as to approximately 99.01% by Shanghai Sci-Tech Innovation Center Capital Fund Two Partnership L.P. (上海科創中心二期私募投資基金合夥企業(有限合夥)) as the sole limited partner. Shanghai Sci-Tech Innovation Center Capital Fund Two Partnership L.P. was managed by its general partner, Shanghai Sci-Tech Innovation Center Capital Co., Ltd., and was held as to approximately 33.33% by Shanghai International Group Asset Management Co., Ltd. (上海國際集團資產管理有限公司), which was indirectly wholly owned by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會). SSIC Fund II is principally engaged in the activities of equity investments.
- (17) Changjiang Delta Fund is a limited partnership established under the laws of the PRC and is managed by its general partner, Shanghai Lingang New Area Science and Innovation Industry Equity Investment Fund Management Co., Ltd.* (上海臨港新片區科創產業股權投資基金管理有限公司), which was 100% controlled by Shanghai FTZ Equity Investment Fund Management Co., Ltd.* (上海自貿區股權投資基金管理有限公司), which was in turn held as to approximately 14.29% evenly by all of its seven shareholders with no de facto controller. As of the Latest Practicable Date, Changjiang Delta Fund had seven limited partners, and was held as to approximately 32.86% by China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司) as the largest limited partner, a company listed on the Stock Exchange (stock code: 01359). None of the remaining partners held more than 30% partnership interest in Changjiang Delta Fund. Changjiang Delta Fund is principally engaged in equity investments and venture capital investments with a focus on unlisted enterprises.

To the best knowledge of our Directors, save for the nomination of Mr. YU Hui (余輝) (our non-executive Director), Changjiang Delta Fund is an Independent Third Party, which doesn't have any other directors' nomination rights after [REDACTED]. For details of Mr. YU Hui, see “Directors and Senior Management.”

- (18) Chanfa Kexin is a limited partnership established under the laws of the PRC, and is managed by its general partner, Jinan Chanfa Shun Xin Investment Co., Ltd.* (濟南產發舜芯投資有限公司).
- Jinan Chanfa Shun Xin Investment Co., Ltd. was wholly owned by Jinan Chanfa Integrated Circuit Co., Ltd.* (濟南產發集成電路有限公司) which was held as to approximately 70% by Jinan Industrial Development Investment Group Co., Ltd.* (濟南產業發展投資集團有限公司) and approximately 30% by Jinan Caijin Information Technology Industry Investment Co., Ltd.* (濟南財金信息技術產業投資有限公司). Jinan Industrial Development Investment Group Co., Ltd. was held as to approximately 96.16% by Jinan Industrial Investment Holding Group Co., Ltd.* (濟南工業投資控股集團有限公司), which was wholly owned by the State-owned Assets Supervision and Administration Commission of Jinan Municipal People's Government (濟南市人民政府國有資產監督管理委員會). Jinan Caijin Information Technology Industry Investment Co., Ltd. was wholly owned by Jinan Financial Investment Fund Holding Group Co., Ltd.* (濟南市財政投資基金控股集團有限公司) which was wholly owned by Jinan Finance Investment Holding Group Co., Ltd.* (濟南財金投資控股集團有限公司), and Jinan Finance Investment Holding Group Co., Ltd. was wholly owned by Jinan Finance Bureau (濟南市財政局). As of the Latest Practicable Date, Chanfa Kexin was held as to approximately 99% by Jinan Chanfa Integrated Circuit Co., Ltd. as the largest limited partner. Chanfa Kexin is principally engaged in investment activities, enterprise management, and other activities with its own funds.
- (19) Lion Microelectronics is a joint stock company established under the laws of the PRC on March 19, 2002 and is principally engaged in the semiconductor manufacturing business, including production, equipment and materials supply, and related technical services across the industry chain, with registered capital of approximately RMB671.3734 million, and is listed on the Shanghai Stock Exchange (stock code: 605358).
- (20) Ding Xin Hua Xi is a limited partnership established under the laws of the PRC and is a private equity investment fund managed by its general partner, Shenzhen Dingxin Private Equity Fund Management Co., Ltd.* (深圳市鼎信私募基金管理有限公司) (“Ding Xin Capital”). Ding Xin Capital is filed as private equity fund manager with AMAC and was held as to 65% by Hengqin Dingxincheng Technology Partnership (Limited Partnership)* (橫琴鼎信誠科技合夥企業(有限合夥)) as its largest shareholder, whose general partner is an independent third-party natural person. As of the Latest Practicable Date, Ding Xin Hua Xi had 15 limited partners and none of the partners held more than 30% partnership interest in Ding Xin Hua Xi. Ding Xin Capital is principally engaged in providing capital market services. Ding Xin Hua Xi is a private equity fund used for equity investment only.

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- (21) Orino Guang Yi is a limited partnership established under the laws of the PRC and is managed by its general partner, Chengdu Hi-Tech Yixin Investment Management Co., Ltd.* (成都高新壹新投資管理有限公司), which was 100% controlled by Chengdu High-Tech New Economy Venture Capital Co., Ltd.* (成都高新新經濟創業投資有限公司), which was in turn held as to 55% by Chengdu High-Tech Investment Group Co., Ltd.* (成都高新投資集團有限公司) as its largest shareholder, which was in turn held as to 92.58% by Chengdu Hi-Tech Industrial Development Zone Finance and State-owned Assets Bureau (成都高新技術產業開發區財政國資局). As of the Latest Practicable Date, Orino Guang Yi had three limited partners, and was held as to approximately 45% by Chengdu High-Tech Ceyuan Investment Group Co., Ltd.* (成都高新策源投資集團有限公司) as the largest limited partner, none of the remaining partners held more than 30% partnership interest in Orino Guang Yi. Chengdu High-Tech Ceyuan Investment Group Co., Ltd. was 100% owned by Chengdu High-Tech Investment Group Co., Ltd. which was in turn held as to approximately 92.58% by Chengdu Hi-Tech Industrial Development Zone Finance and State-owned Assets Bureau.
- (22) Orino Feng Fan is a limited partnership established under the laws of the PRC and is managed by its general partner, Shenzhen Fengfan Innovation Enterprise Management Co., Ltd. (深圳市風帆創新企業管理有限公司), which was held as to 70.13% by Mr. Cai Min (蔡敏) as its largest shareholder. As of the Latest Practicable Date, Orino Feng Fan had five limited partners, and was held as to approximately 32.95% by IAT Automobile Technology Co., Ltd. (阿爾特汽車技術股份有限公司) which is listed on Shenzhen Stock Exchange (stock code: 300825), and Chengdu New Economy Industry Equity Investment Fund Partnership (Limited Partnership)* (成都新經濟產業股權投資基金合夥企業(有限合夥)), respectively, none of the remaining partners held more than 30% partnership interest in Orino Feng Fan. Chengdu New Economy Industry Equity Investment Fund Partnership (Limited Partnership) was managed by its general partner, Chengdu Jinkong Industrial Guidance Equity Investment Fund Management Co., Ltd.* (成都金控產業引導股權投資基金管理有限公司) which was ultimately held as to 92% by Chengdu State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會), and was held as to approximately 49.70% by Chengdu Jiaozhi Capital Management (Group) Co., Ltd.* (成都交子資本管理(集團)有限公司) which was ultimately held as to 92% by Chengdu State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會).
- Orino Guang Yi and Orino Feng Fan are investments funds under Chengdu High-tech Ceyuan Investment Group Co., Ltd. (“Ceyuan Capital (策源資本)”), which was established in August 2022. Ceyuan Capital is a professional investment institution in the PRC with a focus on electronic information, biomedicine and new economy, hardcore technology and advanced manufacturing.
- (23) Anhui Haiheng is a limited partnership established under the laws of the PRC and is managed by its general partner, Hefei Jingkai Venture Capital Management Co., Ltd.* (合肥經開創業投資管理有限公司). Hefei Jingkai Venture Capital Management Co., Ltd. is ultimately wholly owned by Hefei Haiheng Capital Management Co., Ltd.* (合肥海恒資本管理有限公司), which is in turn wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Hefei Economic and Technological Development Zone ultimately. As of the Latest Practicable Date, Anhui Haiheng had four limited partners. Hefei Haiheng Kechuang Industry Investment Fund Partnership (Limited Partnership)* (合肥海恒科創產業投資基金合夥企業(有限合夥)) and Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership)* (安徽省人工智能主題投資基金合夥企業(有限合夥)) held 39% and 30% of the partnership interests respectively, and none of the other partners held more than 30% of the partnership interests in Anhui Haiheng. Hefei Haiheng Kechuang Industry Investment Fund Partnership (Limited Partnership) was managed by Hefei Economic Development Entrepreneurship Investment Management Co., Ltd.* (合肥經開創業投資管理有限公司) which was ultimately 100% owned by State-owned Assets Supervision and Administration Commission of Hefei Economic and Technological Development Zone (合肥經濟技術開發區國有資產監督管理委員會). Hefei Haiheng Kechuang Industry Investment Fund Partnership (Limited Partnership) was held as to approximately 99.98% of the partnership interests by Hefei Haiheng Holding Group Co., Ltd.* (合肥海恒控股集團有限公司) which was ultimately 100% owned by State-owned Assets Supervision and Administration Commission of Hefei Economic and Technological Development Zone (合肥經濟技術開發區國有資產監督管理委員會). Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) was managed by its general partner, Huaan Jiaye Investment Management Co., Ltd.* (華安嘉業投資管理有限公司) which was 100% owned by Huaan Securities Co., Ltd. (華安證券股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 600909), and was held as to 50% of the partnership interests by Anhui Financial Investment Co., Ltd.* (安徽省財金投資有限公司) which was ultimately 100% owned by Anhui Provincial Department of Finance (安徽省財政廳). Anhui Haiheng is principally engaged in equity investment, investment management, asset management and other activities with private equity funds.
- (24) Hua Xi Jin Zhi is a limited partnership established under the laws of the PRC and its partnership issues were jointly managed by its general partners, Chengdu Advanced Changrong Capital Management Co., Ltd.* (成都先進創融資本管理有限公司) and Huaxi Jinzhi Investment Co., Ltd.* (華西金智投資有限責任公司). As of the Latest Practicable Date, Hua Xi Jin Zhi had six limited partners and none of the partners held more than 30% partnership interest in Hua Xi Jin Zhi. Chengdu Advanced Changrong Capital Management Co., Ltd.* (成都先進創融資本管理有限公司) was 100% controlled by Chengdu Advanced Manufacturing Industry Investment Co., Ltd.* (成都先進製造產業投資有限公司), which was in turn 100% controlled by Chengdu Industrial Investment Group Co., Ltd.* (成都產業投資集團有限公司), which was in turn held as to 90% by Chengdu State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會) as its largest shareholder. Huaxi Jinzhi Investment Co., Ltd.* (華西金智投資有限責任公司) was 100% controlled by Huaxi Securities Co., Ltd. (華西證券股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002926). Hua Xi Jin Zhi is principally engaged in unlisted equity investments.
- (25) Sungrow Ren Fa is a limited partnership established under the laws of the PRC and is managed by its general partner, Hefei Renfa New Energy Private Equity Fund Management Co., Ltd. (合肥仁發新能私募基金管理有限公司), which was held as to 60% by Mr. Xie Xiaoyong as its largest shareholder. As of the Latest Practicable Date, Sungrow Ren Fa had 14 limited partners and none of the partners held more than 30% partnership interest in Sungrow Ren Fa. Sungrow Ren Fa is primarily engaged in equity investment.

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- (26) Xing Sheng Dong Yan is a limited partnership established under the laws of the PRC and is managed by its general partner, Ningbo Meishan Bonded Port Area Yuan Sheng Investment Management Co., Ltd.* (寧波梅山保稅港區遠晟投資管理有限公司), which was 100% controlled by Industrial Guoxin Asset Management Co., Ltd.* (興業國信資產管理有限公司), which was in turn 100% controlled by Industrial International Trust Co., Ltd.* (興業國際信託有限公司), which was in turn held as to 73% by Industrial Bank Co., Ltd. (興業銀行股份有限公司) as its largest shareholder, a company listed on Shanghai Stock Exchange (stock code: 601166). As of the Latest Practicable Date, Xing Sheng Dong Yan was held as to approximately 99.996% by Industrial Guoxin Asset Management Co., Ltd.* (興業國信資產管理有限公司) as the largest limited partner. Xing Sheng Dong Yan is principally engaged in industrial investment.
- (27) Yongxin Rongyan is a limited partnership established under the laws of the PRC, and is managed by its general partner, Suzhou Yongxin Kaiyuan Venture Capital Partnership Enterprise (Limited Partnership)* (蘇州永鑫開元創業投資合夥企業(有限合夥)). Suzhou Yongxin Kaiyuan Venture Capital Partnership Enterprise (Limited Partnership) was managed by its general partner, Suzhou Yongxin Ark Equity Investment Partnership (Limited Partnership)* (蘇州永鑫方舟股權投資管理合夥企業(普通合夥)) and was held as to approximately 90% of the partnership interests by it. Suzhou Yongxin Ark Equity Investment Partnership (Limited Partnership) was managed by its general partner, Mr. Wei Yong (韋勇) and was ultimately controlled as to approximately 58.75% of the partnership interests by him. As of the Latest Practicable Date, Yongxin Rongyan had twenty-four limited partners and none of the partners held more than 30% partnership interest in Yongxin Rongyan. Yongxin Rongyan is principally engaged in venture capital (limited to unlisted enterprises) and investment activities with own fund.
- (28) Shanghai Chenjun is a limited partnership established under the laws of the PRC. Its general partner is Shanghai Gao Ling Venture Capital Management Co., Ltd. (上海高瓴創業投資管理有限公司), and its investment manager is Zhuhai Gao Ling Private Fund Management Co., Ltd. (珠海高瓴私募基金管理有限公司) (“Zhuhai Gao Ling”). As of the Latest Practicable Date, no limited partner of Shanghai Chenjun held 30% or more of the limited partnership interest.
- (29) Beijing Yurun is a limited partnership established under the laws of the PRC. Its general partner is Beijing Gao Ling Yuqing Investment Management Co., Ltd. (北京高瓴裕清投資管理有限公司), and its investment manager is Zhuhai Gao Ling. As of the Latest Practicable Date, no limited partner of Beijing Yurun held 30% or more of the limited partnership interest.
- (30) Gaoyuan Jinxi is a limited partnership established under the laws of the PRC, and is managed by its general partner, Gaoyuan (Anji) Equity Investment Fund Co., Ltd.* (高遠(安吉)股權投資基金有限公司). Gaoyuan (Anji) Equity Investment Fund Co., Ltd. was held as to approximately 90% by Shenzhen Gaoyuan Shengshi Investment Development Co., Ltd.* (深圳高遠盛世投資發展有限公司) which was held as to approximately 76.67% by Mr. Xie Shijian (謝世堅). As of the Latest Practicable Date, Gaoyuan Jinxi was held as to approximately 87.14% by Zhejiang Dongxin Electronics Technology Co., Ltd.* (浙江東鑫電子科技有限公司) as the largest limited partner. Zhejiang Dongxin Electronics Technology Co., Ltd. was ultimately controlled by Mr. He Min (何旻). Gaoyuan Jinxi is principally engaged in venture capital (limited to unlisted enterprises), equity investment, enterprise management, and other activities.
- (31) Huahai Jinpu is a limited partnership established under the laws of the PRC, and is managed by its general partner, Shanghai Jinpu Puchuang Huahai Enterprise Management Partnership (Limited Partnership)* (上海金浦鏞創驊海企業管理合夥企業(有限合夥)). Shanghai Jinpu Praseodymium Creation Huahai Enterprise Management Partnership (Limited Partnership) was managed by its general partner, GP Capital Co., Ltd.* (金浦產業投資基金管理有限公司) which was held as to approximately 49.5% by Shanghai International Group Asset Management Co., Ltd.* (上海國際集團資產管理有限公司). Shanghai International Group Asset Management Co., Ltd. was ultimately wholly controlled by Shanghai State-owned Assets Supervision and Administration Commission. Shanghai Jinpu Praseodymium Creation Huahai Enterprise Management Partnership (Limited Partnership) was held as to 90% of the partnership interests by Shanghai Puyuanzeng Enterprise Management Co., Ltd.* (上海埔元曾企業管理有限公司) which was wholly controlled by Ms. He Mingxuan (何明軒). As of the Latest Practicable Date, Huahai Jinpu had fifteen limited partners and none of the partners held more than 30% partnership interest in Huahai Jinpu. Huahai Jinpu is principally engaged in venture capital (limited to unlisted enterprises) and private fund operations including equity investments, investment management and asset management activities.
- (32) Camel Fund is a limited partnership established under the laws of the PRC and is managed by its general partner, Camel Equity Investment Fund Management (Guangdong) Co., Ltd. (駱駝股權投資基金管理(廣東)有限公司), which was held as to 50.1% by Guangdong Tianxing Investment Holding Co., Ltd.* (廣東天星投資控股有限公司) as its largest shareholder, which was in turn held as to 37.5% by Mr. Liu Yong (劉勇) and Mr. Liu Lu (劉露), respectively. As of the Latest Practicable Date, Camel Fund had 43 limited partners and none of the partners held more than 30% partnership interest in Camel Fund. Camel Fund is principally engaged in providing commercial services.
- (33) Yuntai Capital is a limited partnership established under the laws of the PRC and is managed by its general partner, Beijing Yuntai Investment Management Co., Ltd.* (北京允泰投資管理有限公司), which was held as to 70% by Mr. Wang Zhenlong (王振龍) as its largest shareholder. As of the Latest Practicable Date, Yuntai Capital had 15 limited partners and none of the partners held more than 30% partnership interest in Yuntai Capital. Yuntai Capital is principally engaged in providing capital market services.
- (34) Shen Hong Smart Manufacturing is a limited partnership established under the laws of the PRC and the partnership affairs of which are executed by its general partner, Hongyuan Circular Energy Investment Management (Beijing) Co., Ltd.* (宏源循環能源投資管理(北京)有限公司), which was 100% controlled by Hongyuan Huifu Venture Capital Limited* (宏源匯富創業投資有限公司), which was in turn 100% controlled by Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000166) and on Hong Kong Stock Exchange (stock code: 06806). As of the Latest Practicable Date, Shen Hong Smart Manufacturing as held as to approximately 95.24% by Shenwan Hongyuan Group Co., Ltd. (申萬宏源集團股份有限公司) as the sole limited partner. Shen Hong Smart Manufacturing is principally engaged in providing capital market services.
- (35) Xinhelan is a limited partnership established under the laws of the PRC and is managed by its general partner, Xiamen Xinlan Chuanghe Investment Co., Ltd.* (廈門信藍創合投資有限公司), the equity interest of which was held as to 40% each by Xiamen Xinda Industrial Investment Management Co., Ltd.* (廈門信達產業投資管理有限公司) (which was in turn 100% controlled by Xiamen Xinda Co., Ltd.* (廈門信達股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000701)) and Blue Ocean (Beijing) Private Equity Fund Management Co., Ltd.* (藍海洋(北京)私募基金管理有限公司) (which was in turn held as to 53% by Chen Jianfeng (陳劍峰) as its largest

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- shareholder), respectively, and as to 20% by Xiamen Xinlan Venture Capital Partnership (Limited Partnership)* (廈門信藍創業投資合夥企業(有限合夥)). As of the Latest Practicable Date, Xinhelan had 12 limited partners and none of the partners held more than 30% partnership interest in it. Xinhelan is principally engaged in venture capital investment (limited to unlisted enterprises).
- (36) Hainan Semi-Tech No. 1 is a limited partnership established under the laws of the PRC and is managed by its general partner, Hefei Renfa New Energy Private Equity Fund Management Co., Ltd.* (合肥仁發新能私募基金管理有限公司), which was held as to 60% by Mr. Xie Xiaoyong (解小勇) as its largest shareholder. As of the Latest Practicable Date, Hainan Semi-Tech No. 1 was held as to approximately 99.91% by Sungrow Ren Fa as the largest limited partner. Hainan Semi-Tech No. 1 is principally engaged in digital content operations and corporate consulting services, with complementary operations in technology development and marketing solutions.
- (37) Champion Everwise Digital Intelligence is a limited partnership established under the laws of the PRC and is managed by its general partner, Beijing Changke Zhi Heng Management Consulting Co., Ltd. (北京昌科知衡管理諮詢有限公司). Beijing Changke Zhi Heng Management Consulting Co., Ltd. was held as to 70% by Beijing Changkejin Investment Co., Ltd. (北京昌科金投資有限公司), which in turn is wholly owned by Beijing Changping Science and Technology Park Development Group Co., Ltd. (北京昌平科技園發展集團有限公司). Beijing Changping Science and Technology Park Development Group Co., Ltd. is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Changping District, Beijing. As of the Latest Practicable Date, Champion Everwise Digital Intelligence had four limited partners. Beijing Wanlong Zhixing Venture Capital Center (Limited Partnership) (北京萬龍知行創業投資中心(有限合夥)) and Beijing Changping Science and Technology Park Development Group Co., Ltd. held approximately 39.68% and 35.71% of the partnership interests respectively, and none of the other partners held more than 30% of the partnership interests in Champion Everwise Digital Intelligence. Beijing Wanlong Zhixing Venture Capital Center (Limited Partnership) was managed by its general partner, Beijing Changke Zhiheng Management Consulting Co., Ltd.* (北京昌科知衡管理諮詢有限公司) which was held as to 70% by Beijing Changke Gold Investment Co., Ltd.* (北京昌科金投資有限公司). Beijing Changke Gold Investment Co., Ltd. was ultimately 100% owned by State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Changping (北京市昌平區人民政府國有資產監督管理委員會). Beijing Wanlong Zhixing Venture Capital Center (Limited Partnership) was held as to 39.40% of the partnership interests by Mr. Liao Guanwan (廖觀萬). Champion Everwise Digital Intelligence is principally engaged in investment and asset management services.
- (38) Yin Shi Smart Manufacturing is a limited partnership established under the laws of the PRC and is managed by its general partner, Fuzhou Jinan District Yinshi Private Fund Management Co., Ltd.* (福州晉安區因時私募基金管理有限公司), which was held as to 48% by Ms. Qiu Hui (邱暉) as its largest shareholder. As of the Latest Practicable Date, Yin Shi Smart Manufacturing had six limited partners and none of the partners held more than 30% partnership interest in Yin Shi Smart Manufacturing. Yin Shi Smart Manufacturing is principally engaged in providing capital market services.
- (39) Each of Shanghai Jun Shi, Jiaxing Jun Ying and Anhui Jun’an is a limited partnership established under the laws of the PRC and are all managed by the same general partner, Ningbo Lianchuang Yongjun Private Equity Fund Management Co., Ltd. (寧波聯創永浚私募基金管理有限公司) (“Lianchuang Yongjun”), which was held as to 36.25% by Mr. Yang Jun (楊駿) as its largest shareholder. As of the Latest Practicable Date, Shanghai Jun Shi had 15 limited partners and none of the partners held more than 30% partnership interest in Shanghai Jun Shi. Jiaxing Jun Ying had three limited partners, and was held as to approximately 37.52% by Mr. Wang Yicheng (王亦成) as its largest limited partner, as to approximately 31.24% by another limited partner, Jiaxing Liangyou Leisure Products Co., Ltd.* (嘉興良友休閒製品有限公司) and as to approximately 31.24% by another limited partner, Mr. Chang Jiapeng (常家鵬). Jiaxing Liangyou Leisure Products Co., Ltd. was held as to 90% by Ms. Chen Xiaohua (陳曉華) as its largest shareholder. Anhui Jun’an had nine limited partners. Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership)* (安徽省人工智能主題投資基金合夥企業(有限合夥)) held 35% of the partnership interests, and none of the other partners held more than 30% of the partnership interests in Anhui Jun’an. Anhui Artificial Intelligence Theme Investment Fund Partnership (Limited Partnership) was managed by its general partner, Huan Jiaye Investment Management Co., Ltd.* (華安嘉業投資管理有限公司) which was 100% owned by Huan Securities Co., Ltd. (華安證券股份有限公司), a company listed on Shanghai Stock Exchange (stock code:600909), and was held as to 50% of the partnership interests by Anhui Financial Investment Co., Ltd.* (安徽省財金投資有限公司) which was 100% owned by Anhui Provincial Department of Finance (安徽省財政廳). Shanghai Jun Shi, Jiaxing Jun Ying and Anhui Jun’an are investment funds under Lianchuang Yongjun. Lianchuang Yongjun is principally engaged in private equity fund management and venture capital fund management.
- (40) Hubei Jiangcheng Guanggu is a limited partnership established under the laws of the PRC and is managed by its general partners, Hubei Jiangcheng Private Equity Fund Management Co., Ltd. (湖北江城私募基金管理有限公司), and Wuhan Optics Valley Innovation Investment Private Equity Fund Management Co., Ltd.* (武漢光谷創投私募基金管理有限公司). Hubei Jiangcheng Private Equity Fund Management Co., Ltd. is wholly-owned by Hubei Jizhi Chuangxin Investment Co., Ltd.* (湖北集智創芯投資有限公司), whose de facto controller is Mr. Yang Daohong (楊道虹). Wuhan Optics Valley Innovation Investment Private Equity Fund Management Co., Ltd. is wholly-owned by Wuhan Optics Valley Financial Holding Group Co., Ltd. (武漢光谷金融控股集團有限公司), which in turn is held as to 55% by Hubei Science Technology Investment Group Co., Ltd. (湖北省科技投資集團有限公司), which is wholly-owned by the Administrative Committee of Wuhan East Lake High-tech Development Zone (武漢東湖新技術開發區管理委員會). As of the Latest Practicable Date, Hubei Jiangcheng Guanggu had two limited partners. Hubei Hsingchen Technology Co., Ltd.* (湖北星辰技術有限公司) and Wuhan Optics Valley Industrial Development Fund Partnership (Limited Partnership)* (武漢光谷產業發展基金合夥企業(有限合夥)) held 50% and 48% of the partnership interests respectively. Wuhan Optics Valley Industrial Development Fund Partnership (Limited Partnership) was managed by its general partner, Wuhan Optics Valley Innovation Investment Private Equity Fund Management Co., Ltd. Wuhan Optics Valley Industrial Development Fund Partnership (Limited Partnership) was held as to approximately 99.80% of the partnership interests by Wuhan Optics Valley Financial Holding Group Co., Ltd.. Hubei Jiangcheng Guanggu is principally engaged in private equity fund management, and venture capital fund management services.
- (41) Chuang Qi Kai Ying is a limited partnership established under the laws of the PRC and is managed by its general partner, Jiaxing Chuangqi Kaiying Enterprise Management Co., Ltd.* (嘉興市創啟開盈企業管理有限公司), which was held as to 50% by Ms. Li Min (李敏) and Ms. Li Lu (李路), respectively. As of the Latest Practicable Date, Chuang Qi Kai Ying had ten limited partners and none of the partners held 30% or more partnership interest in Chuang Qi Kai Ying. Chuang Qi Kai Ying is principally engaged in investments.

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- (42) Jin Zhi Mai Si is a limited partnership established under the laws of the PRC and is managed by its general partner, Ms. Zhou Xiaojing (周曉競). As of the Latest Practicable Date, Jin Zhi Mai Si had nine limited partners and none of the partners held more than 30% partnership interest in Jin Zhi Mai Si. Jin Zhi Mai Si is principally engaged in providing commercial services.

To the best knowledge of our Directors, upon completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is not exercised and no Shares are [REDACTED] under the Pre-[REDACTED] Share Option Schemes and [REDACTED] H Shares to be [REDACTED] under the [REDACTED] will be held in public hands, a total of [REDACTED] H Shares, representing approximately [REDACTED]% of the total share capital of our Company will be counted towards the [REDACTED], which is higher than the higher of (i) the percentage that would result in the expected market value of H Shares held by the public to be HK\$1,500,000,000 at the time of [REDACTED] and (ii) 15% under Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules based on a minimum [REDACTED] of HK\$[REDACTED] per H Share. Therefore, our Company will be able to meet the minimum public float requirements under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$50,000,000; or (b) have an expected market value at the time of [REDACTED] of not less than HK\$600,000,000.

Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the minimum [REDACTED], the Company will satisfy the free float requirement under Rule 19A.13C of the Listing Rules.

Share Subdivision

Pursuant to the resolutions of our Shareholders dated September 1, 2025, each of our Share with nominal value of RMB1.00 will be subdivided into two Shares with nominal value of RMB0.5 each immediately prior to the [REDACTED]. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB429,666,455, will be divided into 859,332,910 Shares with nominal value of RMB0.5 per Share, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the [REDACTED].

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

The applicable percentage ratios under Chapter 14 of the Listing Rules of each of our acquisitions during the Track Record Period were all below 25%, and accordingly each of our acquisitions does not constitute a major acquisition under Rule 4.05A of the Listing Rules.

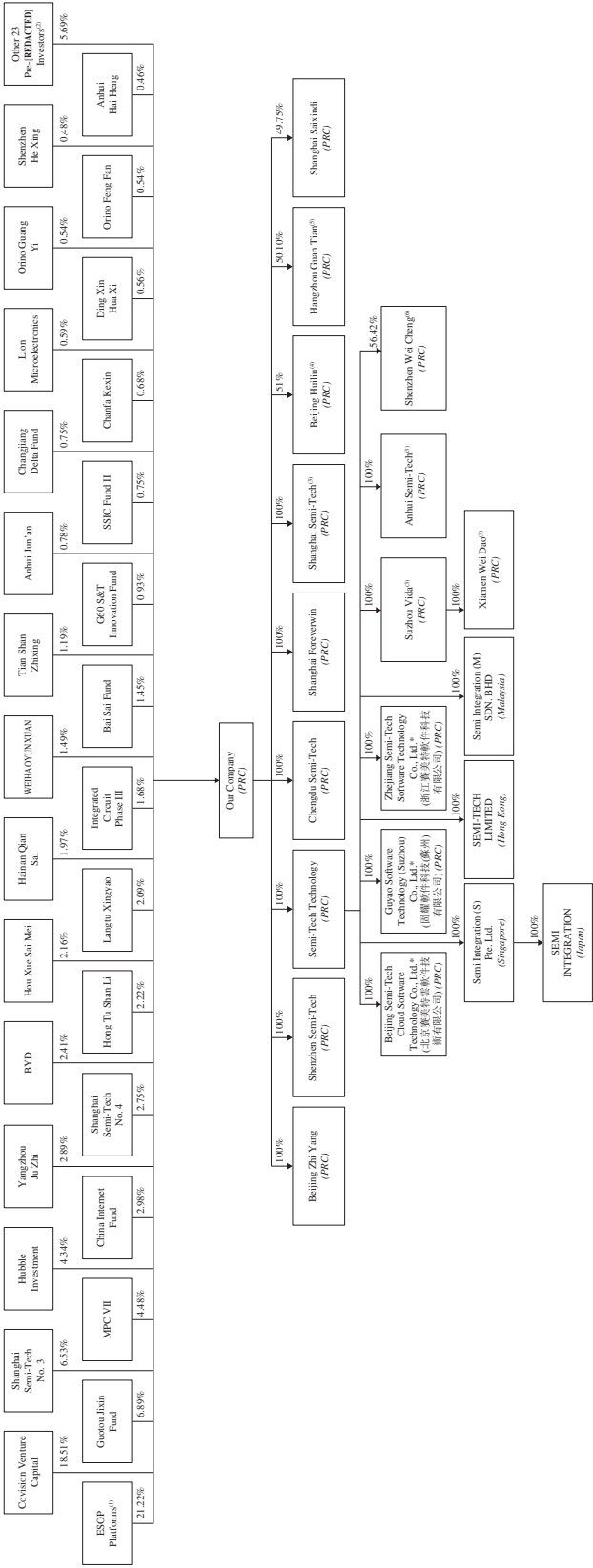
Throughout the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately Before the [REDACTED]

The following chart depicts a simplified shareholding and beneficial ownership structure of our Group immediately prior to the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming that no changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]):



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

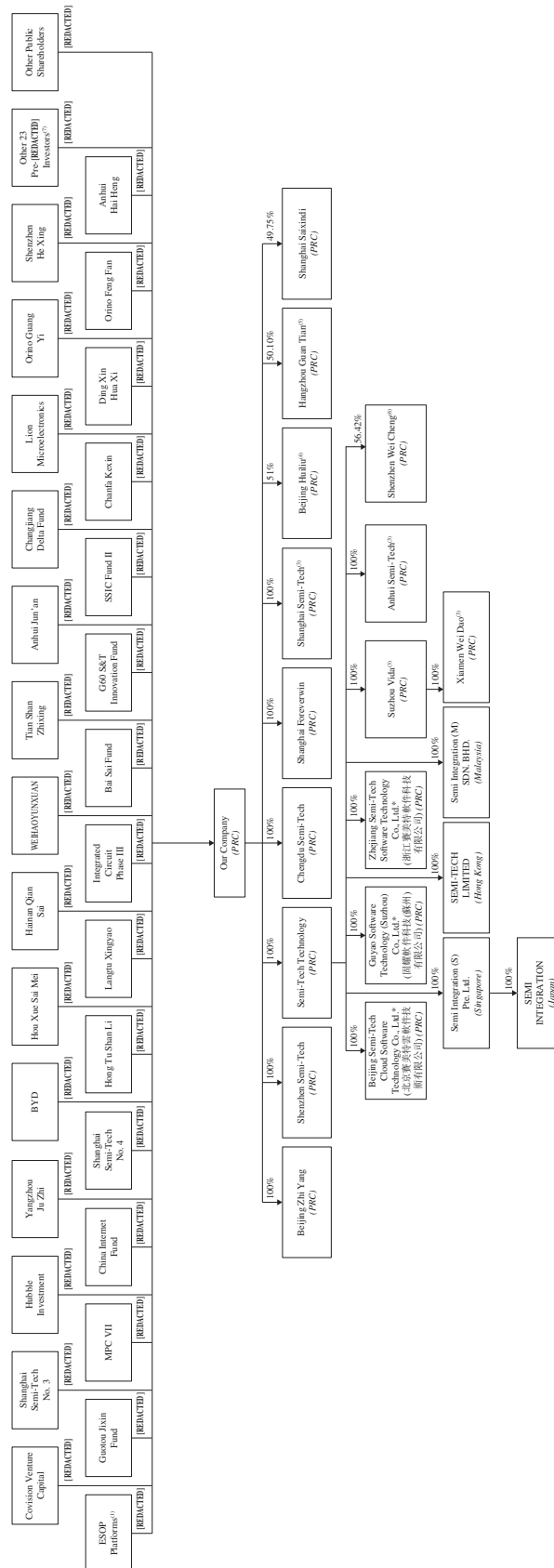
Notes:

- (1) Each of Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 1 and Shanghai Semi-Tech No. 5 is a limited partnership established in the PRC and is one of our ESOP Platforms. For details relating to the ESOP Platforms, see “—Management and Employee Incentive Platforms.”
- (2) Save for Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 5 and Hainan Semi-Tech No. 4, each of Camel Fund, Yuntai Capital, Shen Hong Smart Manufacturing, Xinhelan, Hainan Semi-Tech No. 1, Yin Shi Smart Manufacturing, Shanghai Jun Shi, Jiaying Jun Ying, Chuang Qi Kai Ying, Jin Zhi Mai Si, Hubei Jiangcheng Guanggu, Champion Everwise Digital Intelligence, Hua Xi Jin Zhi, Sungrow Ren Fa, Xing Sheng Dong Yan, Shanghai Chenjun, Beijing Yurun, Gaoyuan Jinxi, Yongxin Rongyan and Huahai Jinpu is an Independent Third Party. For details relating to their shareholding in our Company, see “—[REDACTED].”
- (3) Shanghai Semi-Tech, Anhui Semi-Tech and Suzhou Vida Xiamen Wei Dao respectively is an insignificant subsidiary pursuant to Rule 14A.09 of the Listing Rules.
- (4) Beijing Huiliu is a limited liability company established under the laws of the PRC and is held as to 51% by our Company, 25.63% by Beijing Huixin Tongchuang Technology Center (Limited Partnership)* (北京慧同創科技中心(有限合伙)) and 23.37% by Shanghai Xihechuangzhi Enterprise Management Partnership (Limited Partnership)* (上海曦合創智企業管理合夥企業(有限合伙)), respectively. Each of Beijing Huixin Tongchuang Technology Center (Limited Partnership) and Shanghai Xihechuangzhi Enterprise Management Partnership (Limited Partnership) is an Independent Third Party.
- (5) Hangzhou Guan Tian is a limited liability company established under the laws of the PRC and is held as to 50.10% by our Company, 35% by Hangzhou Guanqin Creative Technology Co., Ltd.* (杭州冠勤創意科技有限公司) and 14.90% by Shanghai Saiguantian Enterprise Management Partnership (Limited Partnership)* (上海賽冠天企業管理合夥企業(有限合伙)), respectively. Each of Hangzhou Guanqin Creative Technology Co., Ltd. and Shanghai Saiguantian Enterprise Management Partnership (Limited Partnership) is an Independent Third Party. Hangzhou Guan Tian is an insignificant subsidiary pursuant to Rule 14A.09 of the Listing Rules.
- (6) Shenzhen Wei Cheng is a limited liability company established under the laws of the PRC and is held as to 34.08% by Semi-Tech Technology, a wholly-owned subsidiary of our Company, 22.35% by Shanghai Weijucheng Enterprise Management Partnership Enterprise (Limited Partnership)* (上海威聚程企業管理合夥企業(有限合伙)) and 43.58% by VMS Solutions Co., Ltd., respectively. On October 13, 2025, Semi-Tech Technology entered into an acting-in-concert agreement with Shanghai Weijucheng, pursuant to which Semi-Tech Technology and Shanghai Weijucheng agreed to act in concert [by aligning their proposals and votes at the board and/or the shareholders’ meetings of our Company in accordance with the consensus achieved between them. In the event that they are unable to reach consensus on any matter presented, the parties shall raise proposals or vote in accordance with the direction of Semi-Tech Technology. As such, Semi-Tech Technology is deemed to be interested in the equity interests of Shenzhen Wei Cheng held by Shanghai Weijucheng. VMS Solutions Co., Ltd. is an Independent Third Party. Shenzhen Wei Cheng is an insignificant subsidiary pursuant to Rule 14A.09 of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately Following the [REDACTED]

The following chart depicts the shareholding and beneficial ownership structure of our Group immediately following the completion of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming that the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED]):



Note (1) to (6): See “—Shareholding and Corporate Structure Immediately Before the [REDACTED].”

BUSINESS

OVERVIEW

Who We Are

We are a leading provider of intelligent industrial software solutions (智能工業軟件解決方案) in China, leveraging proprietary technologies and independently developed intellectual properties, according to the CIC Report. We are the largest Chinese provider in China’s advanced-industry intelligent manufacturing software companies market with a market share of 1.5% in terms of industrial software revenue from advanced industries in 2024, according to the same source. The thereof market accounts for approximately 10% of China’s industrial software market. With strong commercialization capabilities, we are one of a few China-based advanced-industry intelligent manufacturing software companies to achieve profitability.

We are committed to addressing critical bottlenecks in developing advanced-industry intelligent manufacturing software. For example, we have overcome technical barriers and challenges related to ecosystem closure and integrated the entire process of semiconductor manufacturing, making us the first and only provider in China whose fully automated CIM solutions have been validated for mass production by multiple 12-inch wafer fabs, according to CIC. This helped our customers build China’s first wafer fab powered entirely by a domestic CIM system — boosting confidence in domestic CIM solutions, according to the same source. As of December 31, 2025, the number of our customers reached 843, covering six of the top eight wafer fabs, the top three semiconductor silicon wafer manufacturing plants and the top three packaging and testing plants in China.

Our Platform Layout

Since our inception, we have gradually built a comprehensive capability framework — from foundational architecture design to application-level deployment — through our strategic “one horizontal, one vertical and one diagonal” development road map as illustrated below:

- Vertically, we continuously expand our product portfolio, offering a variety of intelligent manufacturing solutions including Manufacturing Execution System (“MES”), Equipment Automation Program (“EAP”), Yield Management System (“YMS”), Statistical Process Control (“SPC”), Real Time Dispatch (“RTD”), Advanced Planning and Scheduling (“APS”), Material Control System (“MCS”) and MessageBus.
- Horizontally, we are rooted in the core industry vertical of the semiconductor sector, comprehensively covering the entire manufacturing process — from the manufacturing of semiconductor materials (such as silicon wafers), front-end wafer fabrication to back-end packaging and testing, as well as other related high-end manufacturing processes. We have also extended our expertise into other industry verticals such as electrification, electronics, automotive, display panels, photovoltaic, chemicals, new energy batteries, high-end equipment, metal products and biopharmaceuticals.
- Diagonally, we are achieving comprehensive coverage across core functions — from R&D and production automation to operations management — bridging the factory floor and enterprise management layer.

Together, these components form our trusted “PlantU,” one-stop digital factory platform, earning the confidence of our customers.

AI

We are committed to reshaping intelligent manufacturing with AI. Supported by a dedicated implementation team, we integrate AI across both our solutions implementation and internal operations, underpinning the end-to-end rollout of multiple 8-/12-inch semiconductor intelligent-factory projects as of the Latest Practicable Date. Unlike traditional manual or fixed rule-based approaches, AI delivers tangible benefits in cost reduction, efficiency improvement, and quality improvement, which are directly perceived by business users. AI technologies also enables broader process coverage across the production line through a unified technical platform, thereby becoming a key digital enabler for the production line. Concurrent with our operational adoption of AI technologies, we have initiated an internal AI innovation challenge. This initiative is part of our multifaceted strategy to harness AI to enhance internal productivity and encourage AI innovation.

BUSINESS

Impacts on Our Solutions Implementation

For frontline personnel, our AI technologies deliver the following tangible business impacts across roles: (i) **Yield Management Engineers.** Our “AI Yield Management System (YMS)” predicts defect trends and equipment anomalies, reducing issue localization time by over 95% and has indirectly driven yield improvements of around 2% to 5% in certain process stages, thereby helping customers lower rework and retest frequency, improving process capability and equipment utilization; (ii) **Manufacturing Engineers.** Our “AI Robotic Process Automation (RPA) System” automates image judgment workflows and performs intelligent filtering, successfully reducing over 90% of repetitive image review tasks and keeping the overall system error rate below 0.1%, thereby lowering the frequency of human misjudgment and intervention; (iii) **Quality Engineers.** Our “AI Fault Defect and Classification (FDC) System” monitors and analyzes equipment operation data to detect potential issues early, classify fault causes and provide corresponding solutions, with the integrated application of our other quality management software, we achieved defect identification accuracy of over 95%, reaching even 99.9% in specific scenarios, thereby shifting decision-making from manual and experience-based to data-driven, thereby improving equipment reliability and availability; (iv) **Planning Engineers.** Our “AI Advanced Planning and Scheduling (APS) System” leverages AI to simulate various complex production and operational scenarios, providing comprehensive and precise planning and scheduling solutions to improve equipment and personnel utilization.

Impacts on Our Internal Operations

While our business does not involve the provision of generative AI services, we adopt AI technologies to improve internal productivity and encourage internal AI innovation. For our internal operations, AI technologies deliver the following tangible impacts across roles: (i) **R&D.** AI technologies are used to generate and optimize code, enhancing development productivity. For example, we use AI agents to automatically generate “User Interface Operation Manuals” based on input user interfaces, improving documentation efficiency; (ii) **Management.** We have developed an internal 24/7 one-stop AI Q&A assistant to support access to internal policies and operational information; and (iii) **Sales.** We foster internal AI innovation by encouraging our employees to collaboratively develop an intelligent bidding assistant. This initiative strategically automates critical processes, including tender announcement retrieval, bid document analysis, quotation strategy simulation, and bid outcome tracking, thereby systematically enhancing our capabilities in market order acquisition.

Market Opportunities and Supportive Policies

With the rapid development of AI, 5G and IoT technologies, the era of Industry 4.0 and AI+ manufacturing have arrived. China’s industry scale has ranked first in the world for 14 consecutive years, making it a significant global market for industrial software, according to CIC. Among all segments, advanced industry stands out for its high technical complexity, value-add, and level of intelligence. As a result, industrial software tailored for this segment plays a critical role in enabling innovation across R&D, production, and management. Further, the Chinese government places significant emphasis on the development of advanced industries and has introduced a series of supportive policies that provide a favorable regulatory environment for intelligent manufacturing software companies in advanced industries. According to CIC, the market size of China’s advanced-industry intelligent manufacturing software companies is expected to grow from RMB31.0 billion in 2024 to RMB62.5 billion in 2029, with a CAGR of 15.0%.

Advanced-industry intelligent manufacturing software serves multiple sectors with high-growth potentials, among which the semiconductor sector stands out for its extreme complexity — featuring diverse product lines, highly complex production environments, intricate processes, and stringent yield requirements. This makes CIM solutions — renowned as the “Digital Brain” for its stability, reliability, and comprehensive functionality — mission-critical, with an exceptionally high barrier to entry. For example, a single wafer may go through up to 2,000 process steps and thousands of equipment interactions. Any system failure can directly affect product yield and even jeopardize billion-dollar production lines.

BUSINESS

International players currently dominate China’s advanced-industry intelligent manufacturing software companies market, benefiting from early industrialization and rich data accumulation. According to the same source, international companies hold over 80% of the market share in China’s advanced-industry intelligent manufacturing software companies in 2024. However, in recent years, driven by policy support, geopolitical risks and cost pressures, demand for domestic alternatives is rising, creating a vast incremental market for Chinese software providers. We believe this shift is creating significant opportunities for our business expansion and revenue growth in the future.

Our Solutions

We are committed to becoming pioneers in solving the critical bottleneck challenges of advanced-industry intelligent manufacturing software companies. By seizing industry development opportunities and the trend of domestic substitution, we aim to provide trusted domestic solutions for our customers. Building on our expertise and technical strengths in the semiconductor sectors, we have successfully expanded into other fields. We primarily offer intelligent manufacturing software solutions and operations management software solutions for customers in semiconductor, electrification, electronics, automotive, display panels, photovoltaic, chemicals, new energy batteries, high-end equipment, metal products and biopharmaceuticals industries:

- **Intelligent Manufacturing Software Solutions.** We operate mainly on a project-based model, offering dozens of manufacturing-related industrial software, including MES, EAP, YMS, SPC, RTD, APS, MCS and MessageBus, along with related hardware. After project completion, we provide ongoing operation and maintenance services to maintain client relationships, explore future business opportunities and achieve long-term mutual benefits. As of December 31, 2023, 2024 and 2025, our intelligent manufacturing software solutions served 296, 367 and 444 customers, respectively, with a CAGR of 22.5% from 2023 to 2025. Our revenue from intelligent manufacturing software solutions for 2023, 2024 and 2025 was RMB254.0 million, RMB372.9 million and RMB437.0 million, respectively, with a CAGR of 31.2% from 2023 to 2025, reflecting our high-quality growth with increase in both customer base and volume expansion.
- **Operations Management Software Solutions.** We offer software solutions related to operations management, such as ERP, EAM, eRPA and IDP, together with customized implementation services to customers across industry verticals, primarily targeting large state-owned enterprises (“SOEs”). This includes secondary development and customization based on third-party software packages, implementation and maintenance services. As of December 31, 2023, 2024 and 2025, our operations management software solutions served 55, 304 and 392 customers, respectively, with a CAGR from 2023 to 2025 of 166.9%. Our revenue from operations management software solutions for 2023, 2024 and 2025 was RMB29.2 million, RMB101.1 million and RMB294.5 million, respectively, with a CAGR of 217.5% from 2023 to 2025. We also plan to develop our own ERP software, aiming to achieve domestic ERP substitution and further expand our market share.

We offer fully integrated, scalable intelligent manufacturing and operations management software solutions through a comprehensive product matrix and strong technical integration capabilities. Our solutions — from equipment-level interfaces, factory-level scheduling to enterprise-level decision-making — help customers eliminate compatibility issues and data silos caused by fragmented systems, reducing integration complexity and maintenance costs. Our PlantU product line, with its modular design and open platform architecture, allows us to deploy flexible, customized solutions tailored to different customer needs and stages of development.

We have gained recognition from industry leaders in various fields and achieved sustainable growth at scale. We focus on serving benchmark customers in different industry verticals and adopt targeted marketing strategies based on the characteristics of each industry. For example, in the semiconductor sector, we emphasize long-term cooperation with benchmark customers and continuously increase their transaction volume with new products and solutions. In other sectors, we validate our products and services through initial projects with key customers, then scale by expanding to broader customer bases.

BUSINESS

In the semiconductor industry, we cover 100% of China’s key manufacturing companies. We have cumulatively provided solutions to over 200 semiconductor manufacturing plants, covering key areas such as wafer fabrication, packaging and testing, semiconductor materials and semiconductor equipment, covering major semiconductor production bases in China. We have demonstrated leadership in the 12-inch semiconductor manufacturing sector and continue to lead the development of related technologies and services in China. As of December 31, 2025, we have provided intelligent manufacturing software solutions for 22 12-inch wafer fabs, seven 12-inch packaging and testing plants and eight 12-inch silicon wafer manufacturing plants, showcasing our core competitiveness and market recognition in the field of high-end semiconductor manufacturing. Our customer base includes nearly all of China’s top semiconductor manufacturers. The number of our customers increased from 357 as of December 31, 2023 to 678 as of December 31, 2024, and further to 843 as of December 31, 2025.

We are committed to achieving long-term mutual success with our customers. From 2023 to 2025, the CAGR of the number of new projects awarded reached 16.1%. Our total revenue in 2023, 2024 and 2025 was RMB286.8 million, RMB499.7 million and RMB731.5 million, respectively, with a CAGR from 2023 to 2025 of 59.7%. We have achieved large-scale profitability, with adjusted net profits (Non-HKFRS measure) of RMB26.0 million, RMB78.7 million and RMB97.3 million, and adjusted profit margins (Non-HKFRS measure) of 9.1%, 15.8% and 13.3% in 2023, 2024 and 2025, respectively.

OUR COMPETITIVE STRENGTHS

Strong Position in China’s Advanced-industry Intelligent Manufacturing Software Companies Industry

We hold a strong position in China’s advanced-industry intelligent manufacturing software companies industry. According to CIC, in terms of industrial software revenue from advanced industries in 2024, we are the largest Chinese company in China’s advanced-industry intelligent manufacturing software companies market with a market share of 1.5%. The thereof market accounts for approximately 10% of China’s industrial software market. We are also the largest Chinese intelligent manufacturing software company in the semiconductor industry in terms of industrial software revenue in 2024, ranking first among Chinese companies with a clear lead over other domestic market participants. As of December 31, 2025, we offer a broad product portfolio of intelligent manufacturing software solutions, having served over 800 customers across more than 12 industry verticals, and our solutions are applied in diverse intelligent manufacturing factories.

We have achieved several industry-first and only achievements, positioning ourselves as one of the early movers in domestic substitution in advanced-industry intelligent manufacturing software companies industry. According to CIC, we were the first in China to achieve mass production application of the 12-inch wafer fab CIM solutions, making us China’s first CIM solutions provider to support fully automated 12-inch production and ranking us the first among Chinese solution providers in terms of the number of 12-inch cases and delivery scale. See “—Case Studies of Intelligent Manufacturing Software Solutions.” Additionally, according to the same source, we are currently the only provider in China whose fully automated CIM solutions have been validated for mass production by multiple 12-inch wafer fabs. As of December 31, 2025, our solutions are widely applied in key areas such as wafer fabrication, packaging and testing, semiconductor materials and semiconductor equipment, covering the major semiconductor production bases in China. Moreover, we have helped our clients to build China’s first 12-inch wafer fab that fully utilizes domestic CIM solutions. These milestone achievements have greatly boosted the industry’s confidence in domestic CIM solutions. We continue to introduce industry solutions, and develop the industry’s leading cross-factory production collaboration platform. These efforts have led to breakthroughs in several technical subfields.

We are actively participate in and contributing our experience to standard-setting and industry progress. For example, we serve as the main leading unit for the major project of Shanghai’s strategic emerging industries (上海市戰略性新興產業重大項目) — the intelligent CIM for fully automated 12-inch (wafer) fabs (12英寸全自動半導體工廠智能CIM系統) — continuously contributing to the development of industry technology. Additionally, we have joined the Industrial Software Standards Working Group (工業軟件標準工作組) established by the National Integration of Informatization and Industrialization Management Committee (全國兩化融合標委會) and actively participated in the organization of industrial software-related standards formulation, contributing to the upgrade of intelligent manufacturing in the industry. Furthermore, we have participated in the formulation of Industrial Automation Systems and Integration (工業自動化系統與集成), a series of national standards in Mainland China.

BUSINESS

We maintain brand visibility and have been recognized by various authoritative institutions, government bodies and mainstream media. We have received a number of prestigious awards, including accredited as a State-Level Technologically Advanced “Little Giant” Enterprise (國家級專精特新“小巨人”企業) in 2023, a National High and New Technology Enterprise (國家高新技術企業) in 2024, a Shanghai Municipal Little Giant of Technology (Training) Enterprise (上海市科技小巨人(培育)企業) in 2023, a 2024 Shanghai Municipal Key Service Unicorn (Potential) Enterprise (2024上海市重點服務獨角獸(潛力)企業) and one of the Top 100 High-Growth Enterprises in Shanghai in the Software and Information Technology Services Industry in 2024 (2024上海軟件和信息技術服務業高成長百家). We have been recognized as one of the 2024 Semiconductor Manufacturing Technology Innovation TOP20 (2024半導體製造技術創新TOP20) and the 2024 Hurun Global Gazelle Enterprises (2024胡潤全球瞪羚企業). We were also included in the 2024 Shanghai Municipal Manufacturing Digital Products and Solutions Recommended Directory (2024上海市製造業數字化產品和解決方案推薦目錄).

Advanced R&D and Innovation Capabilities

We possess independently controlled intellectual property rights and software development capabilities. Our CIM architecture covers entire process from manufacturing execution to equipment control, logistics, and quality monitoring. It works seamlessly with systems such as ERP, and integrates with various tools and automated material handling systems on the shop floor. This setup helps us keep production running continuously and efficiently, manage logistics smartly, and track product quality and history. It has been successfully utilized in both new and existing factories, allowing for smooth transitions, fast production ramp-ups, and standardized engineering processes. This reduces integration risks and costs for our customers, while also creating high switching costs and a durable competitive moat. We have also assembled an experienced technical team of over 900 technical specialists, representing more than 80% of our workforce — one of the highest talent concentrations in China’s advanced-industry intelligent manufacturing software companies sector, according to the CIC Report. Our core team members have an average of more than 25 years of industry experience.

We have also integrated AI technology with intelligent manufacturing to help create “thinking” fully automated smart factories, driving our clients’ digital transformation. Our self-developed PlantU series solutions has incorporated AI technology into various aspects such as yield management, defect management, defect detection, automated operations and scheduling. This integration allows us to further optimize production processes and resource allocation. For instance, our integration of “AI+RPA” can reduce human errors, enhancing production line continuity and stability. The integration of “AI+FDC” monitors and analyzes equipment operation data to detect potential issues early, classify fault causes and provide corresponding solutions, thereby improving equipment reliability and availability. “AI+APC” uses production and measurement data for data mining and analysis, optimizing recipe parameters in real-time through system models to achieve more precise and efficient process control, thereby ensuring coordination and efficient operation of all production stages and enhancing overall production efficiency. “AI+YMS” enables “monitoring-analysis-prediction” full-process production management, thereby quickly identifying defects and anomalies, improving yield and ensuring stable and efficient production. “AI+APS” can optimize scheduling models and integrate supply chain demand forecasting and inventory optimization functions, achieving closed-loop intelligent decision-making from planning to execution. Meanwhile, we have also integrated AI technology with our operations management software solutions. For instance, “AI + IDP” enables intelligent extraction and processing of diverse documents, enhancing governance and ensuring security and compliance through patented AI technologies and enterprise-grade deployment. Additionally, we have comprehensively integrated AI into our internal operation processes, covering multiple core aspects such as R&D, production testing and office management. For example, by utilizing AI to automatically generate operation manuals, we effectively reduce labor costs and shorten the product development and delivery cycle.

We have established a dedicated AI team, forming unique technical barriers in key areas such as scheduling algorithms, image recognition, data analysis and data monitoring. For example, our R&D team has adopted an optimized convolutional neural network structure which achieves an image recognition accuracy rate of approximately 95%, which is a 15% improvement over the industry average, according to CIC. In data processing, we have introduced the latest unsupervised learning algorithms, which perform well in complex environments. This technological breakthrough has increased the speed at which machines extract key information from massive data by 50%.

BUSINESS

We continuously promote the integration of industry-academia-research achievements with practical applications by collaborating with universities and research institutions to form a healthy innovation ecosystem. We have entered into multiple contracts with universities and research institutions. Each contract defines the project scope and the roles and obligations of each party. We typically assume responsibility for the development of the solutions, construction of the operating environment of the solutions, and organization of the implementation demonstrations of the solutions in industrial scenarios, while the counterparties provide project direction and coordination with other partner units, if applicable. The intellectual property rights arising from collaboration with universities and research institutions are determined on a project-by-project basis in accordance with the relevant contractual arrangements. In general, pre-existing intellectual property remains solely owned by the original owner, new intellectual property jointly developed through the collaboration is jointly owned, and new intellectual property independently developed by a party within its scope of responsibility remains solely owned by that party. For example, we have partnered with Tsinghua University (清華大學) on the research and development project “Natural Human-Machine Interaction Software and Hardware System for Hybrid Intelligence (《面向混合智能的自然人機交互軟硬件系統》).” This project is part of the 14th Five-Year Plan national key R&D projects and focuses on tackling critical core technologies. It aims to break through key technical barriers in hardware equipment, industrial software and hybrid intelligent computing platforms, thereby promoting the integrated application of software and hardware in semiconductor manufacturing. In addition, we signed a technology development agreement with a renowned university in Mainland China to co-develop advanced algorithms for semiconductor manufacturing and data analysis, and entered into an industry-academia collaboration agreement with another renowned university in Mainland China to jointly develop a scalable YMS.

Our investment in R&D has been steadily increasing, with R&D expenses of RMB52.9 million in 2023, RMB60.1 million in 2024, RMB81.7 million in 2025, which yielded fruitful results. As of December 31, 2025, we had 49 invention patents, eight utility model patents, 386 computer software copyrights and ten copyrighted works registered in Mainland China. As of the Latest Practicable Date, we had 67 and one patent applications pending approval in Mainland China and the United States, respectively. Furthermore, in March 2025, we commenced construction of a new R&D center focusing on domestic intelligent industrial software solutions in addressing challenges relating to capacity, quality and supply chain management.

One-Stop Intelligent Industrial Software Solutions

Leveraging years of industry insights and technological accumulation, we pioneered China’s first and only CIM solutions for semiconductor manufacturers. Our product matrix spans all aspects from the factory floor to enterprise management, covering complete functional components such as manufacturing execution, equipment automation and data acquisition, quality management, production schedule planning, production and logistics automation as well as general tools and middleware. Compared to other providers in the market that offer single components or partial solutions, our PlantU one-stop platform boasts comprehensiveness. When clients adopt our solutions, they essentially gain an integrated digital factory platform, where dozens of systems are seamlessly connected, allowing data and commands to flow efficiently within the same architecture. This integration efficiently reduce system integration complexity and operational costs, helping customers ramp up production faster, improve equipment performance and product quality, shorten production cycles, and respond more quickly to issues. It also lowers overall costs by using a unified data system that makes it easier to manage, validate, and roll out across multiple sites.

Our extensive product line enables us to provide customized solutions tailored to client needs. For instance, for customers with a newly-built wafer fab, we can offer a complete set of software solutions covering things from material warehousing and production execution to yield analysis, thereby enabling immediate digital capabilities upon factory setup. For customers with existing systems, we can also provide modular deployment and seamlessly integrate our solutions with their current setup. This comprehensiveness and flexibility make our solutions suitable for advanced technology manufacturing customers at different development stages and of various types, which enhances our market competitiveness. As of December 31, 2025, we have developed 25 software solutions in-house, making us the most comprehensive in the industry.

BUSINESS

We provide our customers with exceptional technical implementation services, ensuring high-quality system deployment and scenario adaptation. By combining project planning consultation with implementation, and integrating standardized products with customization, we ensure that the system seamlessly aligns with our customers’ actual business processes, production standards and regional regulatory requirements. This guarantees timely and high-quality project execution.

In the field of discrete manufacturing, semiconductors have the most processes and the highest precision requirements, with extremely strict and complex international standards for materials, equipment and processes. As an industrial software that covers all aspects of semiconductor production, CIM requires not only software capabilities but also a thorough understanding of each production process and seamless integration of both. Therefore, achieving comprehensive stability in production necessitates long-term experience accumulation and trial-and-error optimization. Moreover, the data volume and the difficulty of data collection, flow and processing in semiconductor CIM solutions far exceed those in traditional manufacturing. Leveraging our industry insights, we have overcome technical barriers and challenges related to ecosystem closure and integrated the entire process of semiconductor manufacturing. We have tackled key bottlenecks such as real-time processing of massive data, cross-equipment collaborative control and dynamic process optimization, thereby creating highly reliable and market-validated products and solutions.

We excel at handling the complex system connections and data integration needs of factories. With an understanding of semiconductor manufacturing processes, our solutions effectively integrate data and processes across all stages of semiconductor design, production, logistics and quality inspection, forming an end-to-end data loop. Our products and solutions boast high performance, availability and reliability, with our developed systems expectedly achieving 99.999% uptime, supporting 24/7 continuous production to meet high-frequency production rhythms.

Through long-term symbiotic cooperation with leading international wafer fabs and other customers, we continuously accumulate process-equipment interface standards and production optimization models, resulting in high customer migration costs and strong business moats. This integrated ecosystem is not only reflected in our comprehensive support capabilities for automation upgrades in 8-inch to 12-inch production lines but also in the continuous recognition of our services by clients. As of December 31, 2025, we ranked first among Chinese solution providers in terms of the number of 12-inch cases and delivery scale.

We are committed to creating highly integrated platform-based products, and our CIM system boasts strong integration and scalability capabilities. In terms of architecture design, we adopt an open platform architecture that adheres to international standards such as SEMI, MESA, and ISA-95. This allows our system to interface with ERP and other enterprise management systems on the upper level, and adapt to various equipment interface standards on the lower level, thereby facilitating integration with our customers’ IT environments and production equipment. As a result, our solutions are more adaptable to the needs and functional scenarios of multiple industries and can support cross-industry and cross-scenario application expansion.

Customer Network and Industry Benchmark Use Cases

We have a large and diverse customer base across numerous vertical industries. Our total number of customers has grown swiftly from 357 as of December 31, 2023 to 678 as of December 31, 2024, and further to 843 as of December 31, 2025, spanning a wide range of industry verticals including semiconductor, electrification, electronics, automotive, display panels, photovoltaic, chemicals, new energy batteries, high-end equipment, metal products and biopharmaceuticals. In addition to our presence in over 30 provinces in Mainland China, our reach extends to nine other countries and regions as of the Latest Practicable Date.

We have cultivated the semiconductor field and were the first Chinese company to conquer the high-barrier area of fully automated CIM systems for 12-inch wafer fabs, according to CIC. By creating industry benchmark cases and providing solutions for various segmented scenarios, we have accumulated substantial verifiable results which allow us to thoroughly penetrate this field. Our customer base boasts industry-leading scale, reputation and stable market demand. Our customers include almost all of the top semiconductor manufacturers in the country. As of December 31, 2025, we have provided solutions to more than 200 manufacturing facilities in the semiconductor industry, covering key areas such as wafer fabrication, packaging and testing, semiconductor materials and semiconductor equipment.

BUSINESS

The semiconductor industry’s extreme requirements for CIM solutions stability, real-time performance and complex process adaptability drive us to continuously refine our technical depth and product reliability. This has resulted in a modular, highly compatible underlying technical architecture that can meet less complex industry needs at a lower cost. Building on our accumulation and successful practices in the semiconductor field, we have expanded into other diverse fields and vertical scenarios. We efficiently transform the AI-driven scheduling algorithms and full-process data closed-loop management capabilities, as proven in the semiconductor industry, into intelligent industrial software solutions suitable for multiple industries. Building on our accumulation and successful practices in the semiconductor field, we have extended our intelligent manufacturing capabilities into a wide range of non-semiconductor industries. In these advanced industries, we apply our modular, AI-driven architecture to facilitate full-process data integration, predictive quality control, flexible scheduling and compliance automation. Our proprietary solutions, domain know-how and ability to adapt to complex, multi-stage workflows position us as a trusted technology partner for industrial digitalization and intelligent transformation across diverse sectors.

For example, in the electronics industry, especially in relation to the assembly of 3C devices (computers, communication and consumer electronics) and industrial control boards, demand for precision, speed and flexible mixed-model lines is rising. Frequent model changes and high integration make traditional surface mount technology (“SMT”) changeovers slow and defect rates high. Our intelligent manufacturing software solutions address these challenges step by step. We connect SMT, insertion, packaging and testing through MES to shorten changeover time and improve yield. AI vision with ADC-based defect classification detects micro-solder issues, tombstoning and component offsets with higher accuracy. APS dynamically schedules multiple lines and resources, optimizes takt, and alerts bottlenecks to ensure stable implementation. Through the adoption of our intelligent manufacturing software solutions, we enable electronics assemblers to achieve board-level serialization and full-process traceability, thereby enabling consistent quality and compliance.

As a further illustration, in the automotive industry, the accelerating shift towards electrification and intelligent systems has heightened the importance of precision, flexibility and supply chain coordination in component production. Our intelligent manufacturing software solutions help automotive customers adapt to small-batch, multi-variant, high-precision demands by enabling AI-powered anomaly detection and process optimization, synchronizing multi-step assembly operations through MES integration and establishing full-process traceability from material intake to final testing.

Additionally, by accurately understanding international market demands, we have made internationalization a long-term focus of our development. We have established subsidiaries in Singapore, Malaysia and Japan. Leveraging local advantages and human resources, we have provided intelligent manufacturing services to over ten factories. In July 2025, we were named one of the “Top 100 Emerging Chinese Globalization Forces” (中國企業全球化新勢力100強), recognizing our strong capabilities and future potential in global expansion through localized operations, compliance excellence and ecosystem building. With our CMMI5 (software capability maturity level five) international standard certification in 2025 — the highest globally recognized standard for software capability maturity — we have established a foundation for consistently offering high-reliability, high-quality intelligent industrial software solutions, reinforcing the efficiency, trustworthiness and excellence of our localized services. As of the Latest Practicable Date, we have gained recognition from local customers in Singapore and Malaysia and achieved profitability.

We provide reliable customer service and have earned a strong brand reputation by upholding our core value of “Customer First.” Our 24/7 on-site support ensures rapid response and continuous optimization to meet evolving client needs. Additionally, our standardized cross-module UI design aligns with local user preferences, reduces learning curves, and reshapes user habits — accelerating adoption through an intuitive and seamless experience. The continued relevance and utility of our solutions naturally lead to sustained customer interaction and long-term collaboration. The number of new projects awarded increased from 409 as of December 31, 2023 to 551 as of December 31, 2025, reflecting a CAGR from 2023 to 2025 of 16.1%.

BUSINESS

Leveraging the influence of industry-leading customers and efficient marketing strategies, we possess a strong ability to acquire high-retention customers. According to the CIC Report, our sales and marketing efficiency is ahead of the industry average, with the revenue generated per member of our sales and marketing team exceeding RMB12.8 million as of December 31, 2025. At the same time, our selling and marketing expenses only accounted for 7.0% of revenue in 2025.

Strong M&A and Integration Capabilities and Scalable Business Model

During the Track Record Period, we expanded our nationwide presence by combining a scalable business model with strong M&A integration capabilities. Our strategy — rooted in an understanding of global CIM industry dynamics — follows a structured approach that mirrors the growth paths of leading international players.

Since our inception, we have completed over ten acquisitions, integrating experienced software companies and absorbing advanced technologies. This allowed us to quickly fill product gaps, build a comprehensive intelligent industrial software solutions, and extend our reach across industries, products, and scenarios. Our M&A approach is tailored: we acquire startups with core technologies at reasonable valuations and integrate companies through synergy and resource alignment. This helps address the fragmented intelligent industrial software solutions market while reducing development and customer acquisition costs.

Post-acquisition, we follow a structured three-phase integration approach to ensure seamless alignment and long-term value creation. In the first phase, we focus on integrating core functions such as human resources, finance and information technology. The second phase expands to key business units including sales, product development and operations. In the third phase, we concentrate on technical integration, covering R&D standardization, product testing and shared infrastructure optimization. Alongside this phased approach, we focus on unifying R&D systems, standardizing technical frameworks, and fostering cross-team collaboration. Shared infrastructure and streamlined processes have improved R&D efficiency. Our open and inclusive culture supports smooth team integration, with the retention rate of our core talent (vice president level or above) exceeding 95% over four years. We avoid short-term valuation-adjustment mechanisms common in the industry, instead prioritizing long-term value creation and technological synergy. Through unified brand management, standardized systems, and incentive alignment, acquired teams contribute meaningfully to our strategic goals.

Our dual-track strategy of organic growth and targeted acquisitions has driven measurable results. For example, through the integration of companies such as ShenZhen Semi-Tech, (formerly known as ShenZhen Weixun Info and Tech Co., Ltd (深圳微迅信息科技有限公司)) and SEMI Integration (Suzhou) Co., Ltd. (固耀软件科技(苏州)有限公司), we have further expanded our product line layout, built full-chain technical capabilities, expanded our customer network and achieved cross-industry expansion. Notably, by acquiring Beijing Zhi Yang and Beijing Huiliu, we have further enhanced our industry experience and delivery capabilities in business management, solidified our industry chain layout in the manufacturing field and addressed our customers’ digital transformation needs in an efficient manner. At the same time, leveraging our brand endorsement and financial strength, Beijing Zhi Yang has achieved rapid revenue growth alongside business breakthroughs, creating complementary advantages and mutually beneficial outcomes for all stakeholders.

In 2023, 2024 and 2025, we recorded total revenue of RMB286.8 million, RMB499.7 million and RMB731.5 million, respectively, with a CAGR from 2023 to 2025 of 59.7%, being the fastest-growing company among the top ten intelligent manufacturing software companies in China in terms of revenue from advanced industries in 2024 in terms of CAGR of relevant revenue from 2022 to 2024, according to CIC. This growth underscores our effective coordination of diversified businesses and highlights the value generated by the strategic synergy between our acquired companies and our core businesses.

BUSINESS

Management Team with Extensive Industry Expertise

Our executive Director, chairman of the Board and chief executive officer, Mr. Li Gangjiang (李鋼江), is a software industry integration expert with a strong sense of social responsibility, a technological innovator and a business leader. Mr. Li graduated from Tsinghua University (清華大學) with a bachelor’s and master’s degree in computer science and holds an executive master’s degree in business administration from China Europe International Business School (中歐國際工商學院). Mr. Li was awarded the opportunity to pursue his studies for a doctorate degree in electronic information at Tsinghua University in Beijing in July 2020, and has been pursuing his PhD since then. He has extensive academic and industry expertise and resources and is widely recognized in both fields. Additionally, he has unique insights and extensive experience in the capital markets. Before founding our Company, Mr. Li led core technology development at tech giants such as Microsoft, Intel and Google, and is the listed inventor of over 40 domestic and international invention patents. He later served as a senior executive at internet companies including tv.Sohu.com (搜狐視頻) and Baidu (百度), gaining insights and practical experience in the software industry ecosystem and management. As a serial entrepreneur, Mr. Li founded industry-leading listed companies such as Gaotu Education Technology Group Co., Ltd. (高途教育科技集團有限公司) (as a co-founder) and Baijiayun Group Ltd. (百家雲集團有限公司) (as a founder). He is dedicated to promoting the localization of China’s industrial software, continuously injecting momentum into China’s intelligent manufacturing through his cross-industry integration capabilities, technological passion and social responsibility.

Our Chief Scientist, Mr. Min Dong Sik (閔東植), has over 32 years of experience in software development and over 20 years of experience in the semiconductor intelligent manufacturing field. He worked at SK Hynix Semiconductor Inc. (海力士) and had also served as the president of Chinese Corporation for MIRACOM Inc Co., accumulating extensive industry resources and international management experience. Our executive Director and president, Ms. Zhang Ying (張影), has over 20 years of experience in the semiconductor intelligent manufacturing software field. She has served as an executive director and the general manager of Guyao Software Technology (Suzhou) Co., Ltd., a company primarily engaged in research and developing software technology products and computer system integration solutions, becoming a pioneer in domestic alternatives. Our head of Enterprise Application Software Center, Mr. Ma Zhen (馬楨), possessed extensive experience in the operations management software field. As the founder and General Manager of Beijing Zhiyang Tongda Technology Co., Ltd (北京智揚通達科技有限公司), he has led the promotion and implementation of over 100 large-scale ERP projects for state-owned enterprises and central government agencies. Our head of Digital & Intelligent Products Center, Mr. Zheng Anyou (鄭安佑), was highly experienced during the semiconductor and big data industries. He served as the founder and General Manager of Suzhou Vida Technologies Co., Ltd (蘇州威達數據科技有限公司), and also held the position of General Manager at a software and data-services company which focused on Yield Management Solution.

We have built an efficient, stable and highly effective team within the industry. Our team boasts strong technical research and development capabilities, extensive practical industry experience, keen business insights and international perspectives. We offer our employees generous compensation and benefits, a comprehensive training system and ample career development opportunities, thereby fostering a positive company culture.

OUR STRATEGIES

Further Strengthening Our Position in the Intelligent Industrial Software Solutions Sector

As a leading provider of domestic intelligent industrial software solutions, we are rooted in the core vertical field of the semiconductor industry. We have established technological barriers in the intelligent industrial software sector.

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We plan to deepen our product layout and expand our market share in the CIM field and, through a platform-driven strategy, build an intelligent industrial software ecosystem. Our goal is to strengthen our position and advance toward becoming a competitive participant in the intelligent industrial software sector. Our core initiatives within this strategic direction include:

- **Continuous Iteration and Upgrade of Core Software Products and Solutions.** We will continuously iterate and upgrade the PlantU one-stop platform by integrating downstream customer needs with technological development trends, while expanding into new categories to form a comprehensive product matrix. These upgrades will further elevate the informatization, automation and intelligence levels of our product matrix, supporting our customers in optimizing their production management.
- **Developing Cross-industry Intelligent Industrial Software Solutions.** Leveraging our proven success in semiconductors, we are extending our intelligent industrial software solutions to other selected vertical industries. By combining in-house R&D with accumulated industry know-how and integrated ecosystem and technical resources, we aim to deploy tailored solutions across advanced and other industries.
- **Continuous Construction of Industrial Software Ecosystem.** Centered around intelligent manufacturing software, we will gradually expand into operations management and research and design software — aiming for end-to-end coverage from design to production automation and operations management. Specifically, this includes deepening the implementation and self-development of ERP, developing ERP systems tailored for advanced manufacturing industries and accelerating a series of research and design software, including a portfolio of computer-aided design (“CAD”) and Product Lifecycle Management (“PLM”) software. We will seize the business opportunities brought by digital transformation to empower customers across different industries with intelligent, efficient solutions.
- **Expansion of Semiconductor Advanced Equipment Hardware and Software Integration Business.** We plan to strategically engage in hardware businesses by investing in companies focusing on semiconductor industrial control hardware and conducting R&D on related advanced equipment surrounding the semiconductor manufacturing process. This will strengthen our full-process service capabilities in the CIM field. This initiative is expected to enhance our end-to-end service capabilities in the CIM and, in the future, enable integration with our core CIM products to deliver more comprehensive “software + hardware” solutions to customers.

Through the above measures, our goal is to become a domestic intelligent industrial software solutions platform company rooted in semiconductor intelligent manufacturing with multi-industry collaboration, covering the entire lifecycle of “design — production — management.”

Continuously Strengthening R&D Investment

We possess core technologies in intelligent manufacturing, independently controlled intellectual properties and software development capabilities. In the future, we will continuously strengthen our R&D investment and reconstruct our core intelligent industrial software solutions through AI technology. This will enable an integration of AI technology with manufacturing scenarios, thereby providing effective digital transformation pathways for our global customers. Our core initiatives within this strategic direction include:

- **AI Empowerment.** We are committed to creating fully automated intelligent factories with autonomous thinking capabilities for our customers. In the future, we plan to continuously optimize the critical components of our AI capabilities. Subsequently, we will integrate AI into other areas based on customer needs to build AI+ fully digital platform capabilities.

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- **Strengthening R&D Team Development.** We will continue to enhance our R&D team, deepen our technological barriers and recruit top global talent in areas such as industrial software, big data and AI. Through specialized training and talent mentorship programs, we will ensure the rapid growth of our R&D personnel, thereby strengthening our position in the intelligent industrial software solutions field.
- **New R&D Center.** We plan to construct and establish a R&D center in Shanghai. With the objective of upgrading and enhancing our overall R&D environment, this initiative is expected to strengthen our technological capabilities and reinforce our position in the development of technologies.
- **Industry-Academia-Research Innovation Incubation.** Currently, we have established long-term strategic partnerships with renowned universities and research institutions such as Tsinghua University. Together, we explore core technological breakthroughs in AI technology and intelligent manufacturing. In the future, we will further expand our cooperation scope, continuously deepen joint R&D and collaboration with top domestic and international universities, research institutions and industry ecosystem partners and participate in key national R&D projects. This will enable us to continuously provide solutions in the intelligent industrial software solutions field.

Through the above measures, we are building an ecosystem based on independently controlled core intelligent manufacturing technologies, with AI integration as the engine and industry-academia-research collaboration as the accelerator. This will further solidify our technological moat in the intelligent industrial software solutions field and help our customers maintain a sustainable competitive advantage.

Optimizing Operational Efficiency and Scientific Management to Unlock Talent Potential

As a Chinese intelligent industrial software company, we recognize the critical importance of internal collaboration, standardized technical protocols, performance evaluations and promotion systems in effective business management. We plan to leverage advanced technologies, including AI, to enhance our internal operations. By implementing scientific management practices, we aim to unlock the potential of our teams and build a high-performance talent pipeline. Our core initiatives within this strategic direction include:

- **Enhancing Internal Management Efficiency.** We will leverage advanced technologies such as AI to enhance our internal operations and achieve efficiency breakthroughs. By integrating AI-assisted tools into various stages, including R&D, technical testing and product demonstrations, we aim to enhance development efficiency, shorten testing cycles, rapidly iterate software solutions and reduce maintenance costs. This will help us build an intelligent internal operational system.
- **Strengthening Team Building and Optimizing Talent Development Mechanisms.** To further scale our business and enhance responsiveness, we plan to recruit technical and sales elites across industries to expand and strengthen our existing R&D and sales and marketing teams. Additionally, we will continuously optimize our compensation system, implement equity incentive plans, foster a cohesive team culture, and establish clear promotion pathways to ensure the stability and growth of our core talent.

Through these initiatives, we will continuously enhance our operational efficiency, reduce operating costs and build a more resilient corporate system.

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Empowering and Expanding Domestic and International Customer Base to Become a Global Intelligent Industrial Software Solutions Provider

We will continue to deepen our cooperation with existing customers and implement our solutions in more core segments and new application scenarios within the intelligent manufacturing chain, thereby expanding our customer base. Simultaneously, we will prioritize internationalization as a long-term growth strategy, proactively expanding into high-value overseas markets by accompanying key customers in their global expansion and thereby deepening our partnerships and penetration abroad. For instance, we have collaborated with a leading global supplier of automotive parts to execute multiple projects across Poland and France, primarily involving the provision of overseas ERP implementation services. We also plan to establish new delivery centers in Mainland China and overseas, with the dual objective of optimizing and expanding our current delivery center network and enhancing the capabilities of our application teams.

As of the Latest Practicable Date, we have gained recognition from local customers in Singapore and Malaysia and achieved profitability. In the future, we will increase our efforts in building sales and service teams in Malaysia, Singapore, Hong Kong and Japan to ensure rapid coverage of global leading customers and improve the overall efficiency of our sales and marketing activities in overseas markets. We will gradually enrich our domestic and international customer base with the aim of achieving organic synergy between our domestic and international operations. While continuously exploring the value of intelligent manufacturing scenarios in the domestic market, we will leverage our overseas sales and service teams to establish regional competitive advantages. We will continuously optimize our technological strengths, solutions delivery capabilities and integrated service capabilities, aiming to further enhance our market influence.

Accelerating Technological Accumulation through Strategic Acquisitions, and Enhancing Competitiveness through Integration and Synergy

We have accelerated our technological accumulation through several acquisitions. By strategically acquiring and thoroughly integrating these businesses, we have successfully transformed our Group from a specialized CIM solutions provider to a comprehensive intelligent industrial software solutions provider. We have enhanced our semiconductor fabrication and large-scale manufacturing industrial software solutions, improved our service experience with major Chinese SOEs in intelligent manufacturing and ventured into new downstream application fields. Leveraging our brand strength and financial resources, we have successfully integrated the acquired businesses to further enhance our operational efficiency and improve our financial performance during the Track Record Period. Driven by the synergy effects generated from the successful integration of acquired business lines into our core operations, we have not only continued to diversify our product portfolio but also achieved notable improvements in operational efficiency and cost optimization across key financial metrics. Our selling and marketing expenses as a percentage of revenue decreased from 9.6% in 2023 to 7.2% in 2024 and further to 7.0% in 2025. Such improvements are a direct reflection of our proven capabilities to integrate technology stacks, consolidate acquired resources, and streamline overlapping workforce and capital investments. By uniting key technologies and top talent, we have built a product matrix and a core team with strong R&D, industry insight, and global vision. This has driven our cross-industry, cross-product, and cross-scenario expansion and synergy, accelerating our business growth and strategic execution. Our global perspective enables seamless integration of diverse corporate cultures and enhances overall competitiveness.

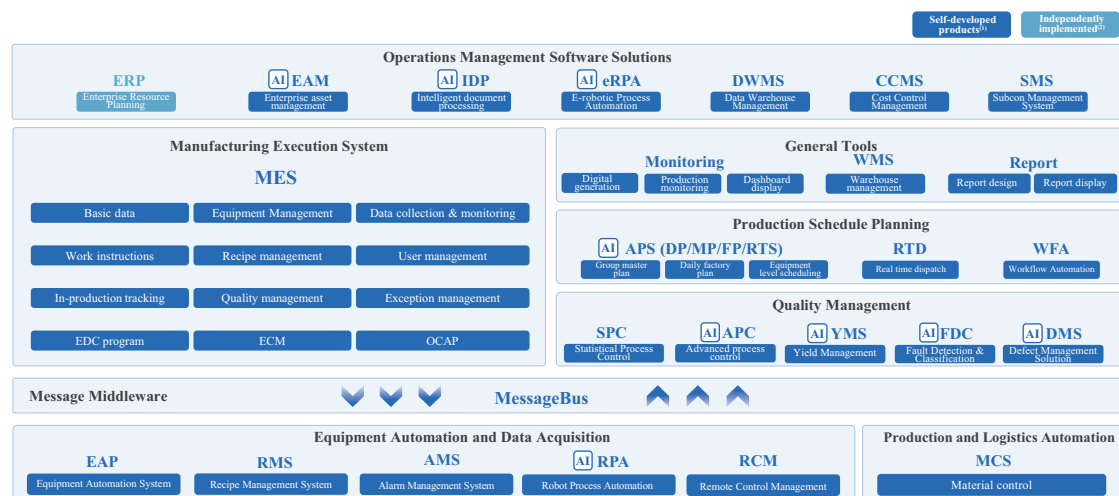
Looking ahead, we plan to continue seeking suitable acquisition or investment targets based on considerations in multiple dimensions, including industry sector, technological level, talent advantage, financial performance and team culture. We will focus on the complementarity and compatibility of potential targets with our own business. Through integration mergers, incubation mergers, intellectual property mergers and expansion mergers, we aim to explore business opportunities in other advanced manufacturing sectors, aiming to further deepen our product matrix and build a one-stop platform for domestic intelligent industrial software solutions. As of the Latest Practicable Date, we had not proposed investing in any specific acquisition target nor had we identified any specific targets for the use of [REDACTED] from the [REDACTED].

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OUR SOLUTION OFFERINGS

Overview

We are a leading provider of intelligent industrial software solutions (智能工業軟件解決方案) that offers one-stop solutions, ranging from production to operations management, through our proprietary PlantU series software products, to companies in the semiconductor industry and other advanced industries. We mainly offer two major types of software solutions, namely (i) intelligent manufacturing software solutions (智能製造軟件解決方案), all of which are self-developed; and (ii) operations management software solutions (經營管理軟件解決方案). Our PlantU series software products comprehensively address the intelligent manufacturing and management needs of manufacturing facilities — including production, operations and equipment management — while enabling consistent and integrated execution, manufacturing and enterprise-level administration. Our PlantU series offers core software products spanning across manufacturing execution, equipment automation, quality control, productivity efficiency, material control and operations management, as set out in the following table.



- (1) Self-developed products: These refer to software products that are independently developed by us, with full ownership of the associated core intellectual property rights.
- (2) Independently implemented: This category refers to software products for which the original suppliers provide only the software licenses without accompanying implementation services. Leveraging our in-house technical and consulting capabilities, we independently undertake the deployment, system integration, implementation and post-deployment support tailored to the specific needs of its customers.

Intelligent manufacturing software solutions, with computer integrated manufacturing (“CIM”) (計算機集成製造) solutions being a representative primarily deployed by the semiconductor manufacturers within their manufacturing processes, functions as the “brain” of high-end manufacturing. CIM system integrates computer software to control, automate and document the entire semiconductor fabrication process — from silicon wafer manufacturing to front-end wafer fabrication and back-end packaging and testing. In addition to the semiconductor industry, our intelligent manufacturing software solutions are also utilized in other advanced industries. Our intelligent manufacturing software solutions enable companies in industries to achieve rapid system deployment, enhance production yield and improve productivity. This is crucial for both established companies striving to compete on cost, quality and cycle time, and new entrants with limited experience in building their first manufacturing facilities. Our operations management software solutions help companies streamline their core business processes — including finance, human resources, asset management, compliance, manufacturing, supply chain, sales and procurement — with a unified view of activities and provide a single source of truth.

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We adopt a modular approach in offering our solutions to customers. Each of our PlantU series software products can be offered individually or as part of integrated solutions, tailored to meet specific customer needs and requirements across essential factory domains. The underlying software products for each of these domains are connected through a message bus. This out-of-box integration provides synchronized real-time communication to enable seamless decision-making logic flow that controls the complex manufacturing operations in a semiconductor and high-end manufacturing facility. In addition, our off-the-shelf capabilities to offer standalone software product can help customers ramp up new manufacturing facility swiftly.

Intelligent Manufacturing Software Solutions

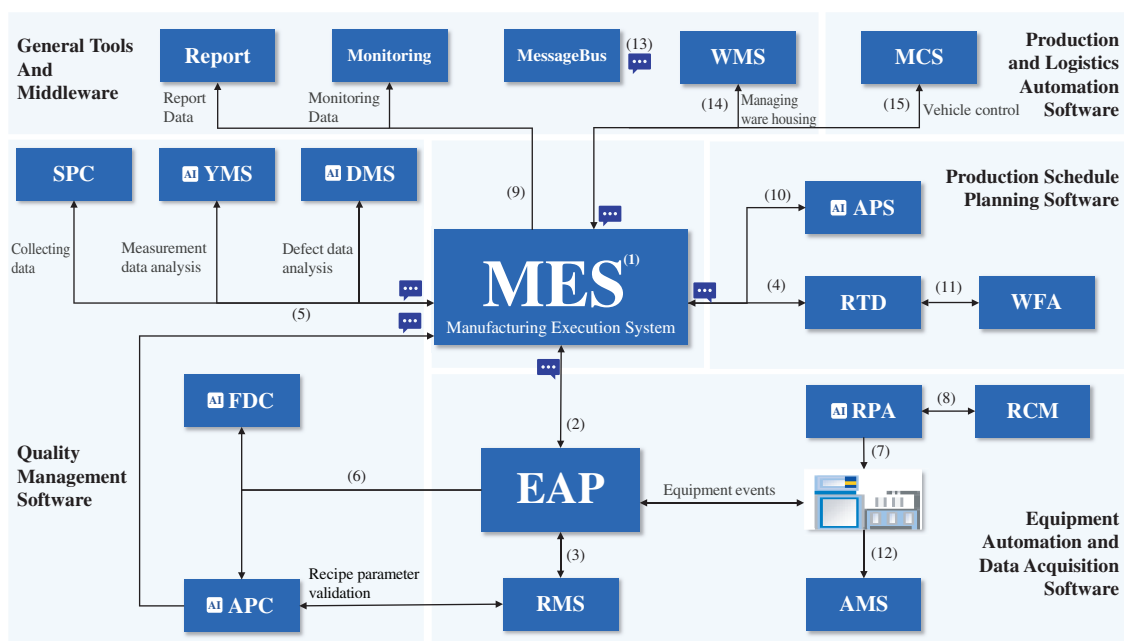
Our PlantU intelligent manufacturing software solutions consist of the following major software products:

- **Manufacturing Execution System:**
 - Manufacturing Execution System (“MES”) (製造執行系統): MES seamlessly integrates and manages the entire manufacturing process to ensure real-time monitoring and control.
- **Equipment Automation and Data Acquisition Software:**
 - Equipment Automation Program (“EAP”) (設備自動化): EAP automates equipment operations and data collection, minimizes manual errors and boosts efficiency.
 - Other software products include Recipe Management System (“RMS”) (程序管理系統), Alarm Management System (“AMS”) (報警管理系統), Robotic Process Automation (“RPA”) (機器人流程自動化) and Remote Control Management (“RCM”) (遠程控制管理).
- **Quality Management Software:**
 - Yield Management System (“YMS”) (良率管理系統): YMS analyzes yield data to identify and address root causes of defects.
 - Statistical Process Control (“SPC”) (統計過程控制): SPC monitors and controls quality with precision.
 - Other software products include Defect Management System (“DMS”) (缺陷管理系統), Fault Defect and Classification (“FDC”) (缺陷檢測與分類) and Advanced Process Control (“APC”) (高級制程控制).
- **Production Schedule Planning Software:**
 - Real Time Dispatch (“RTD”) (實時派工系統): RTD combines real-time work-in-progress status, equipment and process conditions as well as bottleneck situations to provide the optimal production sequence.
 - Other software products include Advanced Planning and Scheduling (“APS”) (高級計劃與排程) and Workflow Automation (“WFA”) (工作流自動化).

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- **Production and Logistics Automation Software:**
 - Material Control System (“MCS”) (物料管理系統): MCS enables automated material transport between production lines and warehouses, between different warehouses and between different production lines.
- **General Tools and Middleware:**
 - MessageBus (消息中間件): MessageBus enables reliable and efficient communication across systems and components within the manufacturing environment.
 - Other software products include Monitoring (智能監控看板), Report (報表系統) and Warehouse Management System (“WMS”) (倉儲管理系統).

The following diagram illustrate the inter-relationship between each of our intelligent manufacturing software products.



- (1) **MES as the core “brain” of intelligent manufacturing:** MES spans the entire manufacturing process, issuing instructions, collecting data, and performing analysis and decision-making.
- (2) **MES and EAP:** When equipment starts operating, the EAP system receives data generated from the equipment and transmits it to the MES system for verification.
- (3) **MES, EAP and RMS:** At the start of equipment operation, EAP checks whether the selected recipe complies with standards; during equipment operation, MES verifies whether the recipe selected for processing on the equipment matches the required specifications.
- (4) **MES and RTD:** MES determines the priority sequence of equipment actions during manufacturing.
- (5) **MES and SPC, YMS, DMS:** MES collects all process data during production for quality and yield analysis.
- (6) **MES and FDC, APC:** MES gathers and analyzes processing data during production for advanced process control and fault detection.
- (7) **RPA and Equipment:** RPA remotely controls equipment, simulating manual operations.
- (8) **RCM and RPA:** RCM issues instructions to RPA, which automatically processes the instructions.
- (9) **MES and Report, Monitoring:** MES provides visual dashboards for viewing various factory information and reports.
- (10) **MES and APS:** MES uses data on equipment and production volumes to enable intelligent planning and scheduling.

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- (11) **RTD and WFA:** RTD automates equipment dispatching, selecting the next batch for processing when a machine becomes idle and determining the next transport target after batch completion.
- (12) **AMS and Equipment:** AMS tracks abnormal signals from equipment and triggers alarms to alert relevant personnel.
- (13) **MES and MessageBus:** MessageBus acts as the factory’s neural network responsible for transmitting information and instructions quickly and reliably between MES and various equipment, sensors, and other systems.
- (14) **MES and WMS:** MES is the commander of the production line, focusing on how to manufacture, while WMS is the steward of materials, managing storage and distribution. Together, they ensure precise and efficient flow from raw materials to finished products.
- (15) **MES and MCS:** MES determines what materials are needed for production and issues instructions, while MCS receives these instructions and accurately executes material retrieval, picking, and delivery to keep the production line running without interruption.

Operations Management Software Solutions

PlantU operations management software solutions primarily feature our Enterprise Resource Planning (“**ERP**”) (企業資源計劃) system and our Enterprise Asset Management (“**EAM**”) (企業資產管理) system, enhanced through our customized implementation services. Our ERP system integrates and streamlines every aspects of a business’s operations — including finance, human resources, manufacturing, supply chain, sales and procurement — for optimized operational efficiency and informed decision-making. Our EAM system, a comprehensive asset lifecycle management platform tailored for the power generation industry, integrates core functions across production, operations, equipment, business management and safety to ensure secure and intelligent plant operations. These featured solutions are further complemented by other in-house add-on components and systems, such as e-Robotic Process Automation (“**eRPA**”) (機器人流程自動化), Intelligent Document Processing (“**IDP**”) (智能文檔平台), Data Warehouse Management System (“**DWMS**”) (數據倉庫管理), Cost Control Management System (“**CCMS**”) (製造成本管理) and Subcon Management System (“**SMS**”) (委外管理系統).

Our Edge

Leveraging our strong in-house technological innovation capabilities and ongoing efforts to diversify our product portfolio, our intelligent manufacturing software solutions and operations management software solutions collectively form a comprehensive suite of intelligent industrial software solutions and as a whole, our software solutions present distinct advantages and compelling value propositions that differentiate us from our competitors:

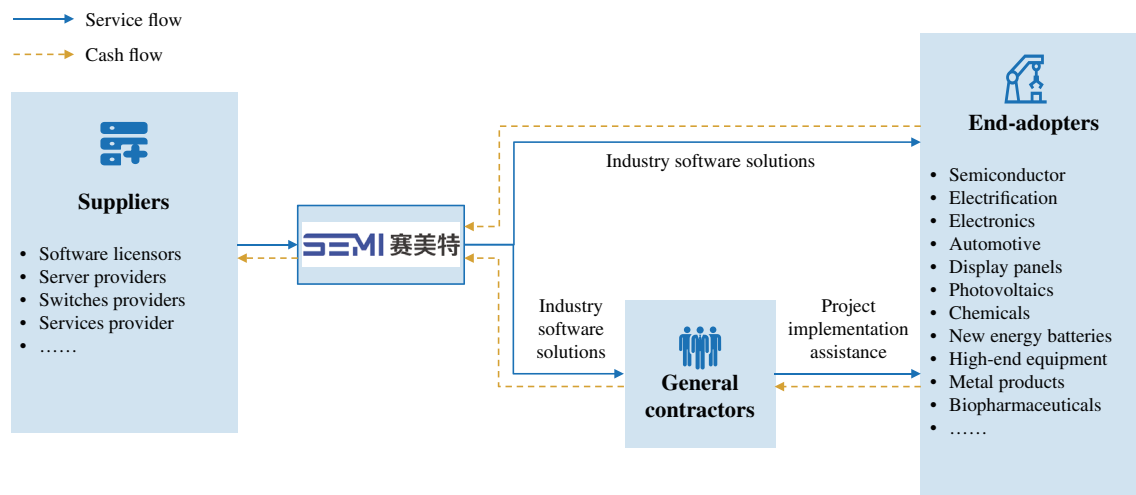
- **Proven Performance Record and Industry-Grade Reliability.** We have a proven performance record as a provider of intelligent industrial software solutions and are trusted for years with mission-critical tasks by our customers. Advanced industries, in particular, semiconductor fabrication, are characterized by a wide variety of products, short cycles, multiple batches and highly complex processes with demanding precision as well as high stability requirements. Our solutions are designed with exceptionally high standards for system stability, performance and anomaly handling. Recognizing our customers’ usual hesitance in trying out new system, solution and service providers due to the high stakes involved in the manufacturing processes, we have fortified our position as a reliable CIM system provider, earning the trust of our customers through offering high-quality software products and our industry experience.
- **Solutions with End-to-end Coverage.** With our intelligent industrial software solution offerings, we are able to satisfy customer needs at every juncture of their business operations, represented by our solutions which serve the entire lifecycle of semiconductor fabrication and other high-end manufacturing. As a result, our customers are empowered with a panoramic view of their manufacturing processes and facilities for one-stop management. We are also committed to expanding our solutions as our customers’ demands evolve. In addition, our intelligent manufacturing software solutions and operations management software solutions offer full-cycle software products for customers, from production management, business management, planning and scheduling, quality management, logistics management, equipment automation and data acquisition to software products that are of general business applications.

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- Flexible and Customizable Solutions.** Our solutions are designed to be offered in flexible configurations, whether modular-based or custom-made, to meet specific needs of our customers. With extensive experience in developing industry-specific solutions, we have accumulated valuable insights, particularly for industries with complex customization requirements. Each software product of our solutions can operate independently or be seamlessly integrated with our other software offerings with minimal changes. Our solutions can also be customized to integrate with the customer’s own software systems and facilities, ensuring flexibility and compatibility with customers’ existing technology infrastructure.
- Fully-automated System Solutions for Semiconductor Mass Production.** Through strategic investments and the acquisition of software companies within the semiconductor sector, we are the first and sole Chinese CIM solution provider in China capable of offering fully-automated mass production solutions for 12-inch wafers as of the Latest Practicable Date, setting us apart from our competitors, according to CIC. With our technology accumulation and industry insights, we have demonstrated leadership in the 12-inch semiconductor manufacturing sector and continue to lead the development of related technologies and services in China.

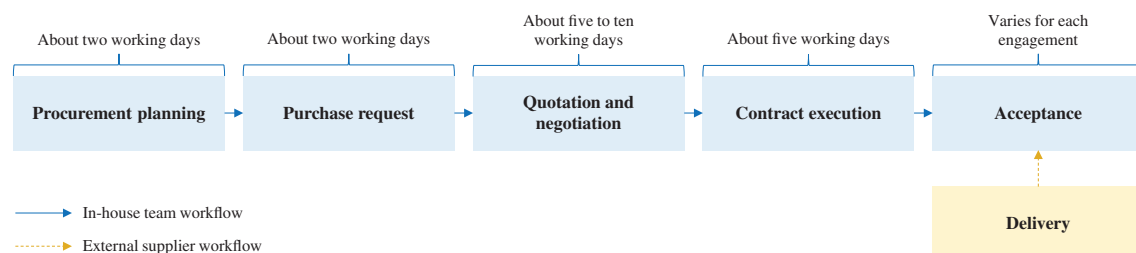
Transaction and Fund Flows

The flowchart set forth below illustrates the service flow and fund flow of our business model.



Operational Workflow

For our intelligent manufacturing software solutions and operations management software solutions, we may procure certain products or services from external suppliers. The flowchart set forth below illustrates the principal operational workflow involving procurement:



- Procurement Planning.** We evaluate the procurement plan after sales contract signing (typically about two working days).

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- **Purchase Request.** Our business unit submits purchase requests based on project needs (typically about two working days).
- **Quotation and Negotiation.** Our procurement team conducts price comparison and negotiation (typically about five to ten working days).
- **Contract Execution.** We sign procurement agreement with suppliers (typically about five working days).
- **Delivery and Acceptance.** Our supplier delivers materials and services, and we perform acceptance after the supplier has fulfilled its obligations. The timeline varies depending on the complexity and scope of each engagement.

To ensure efficient delivery and quality assurance, our operational workflow involves clearly defined roles between our in-house team and external suppliers. Each party undertakes specific responsibilities throughout the implementation process.

Our in-house team is generally responsible for overall project management, solution design, system integration, and post-deployment support. The role of suppliers depends on the specific type of solutions. Where suppliers are involved, their major responsibilities include:

- **Intelligent Manufacturing Software Solutions.** Suppliers may be responsible for hardware procurement, transportation, delivery and software installation.
- **Operations Management Software Solutions.** Suppliers may be responsible for providing ERP system licensing and technical support.

OUR SELECTED FINANCIAL AND OPERATING DATA

Our Operating Data

The following table sets forth key operating data as of/for the years indicated.

	As of/for the year ended December 31,		
	2023	2024	2025
Movement of customers ⁽¹⁾	141	255	261
Average customer value ⁽²⁾ (RMB'000) . . .	2,034	1,960	2,803
Tender success rate ⁽³⁾	37.0%	41.7%	46.1%
Number of projects delivered ⁽⁴⁾	358	565	562
Number of new projects awarded	409	467	551
Early termination/ cancellation of projects ⁽⁵⁾	4	5	3
Average customer acquisition cost ⁽⁶⁾ (RMB'000)	141	174	188
Number of backlog projects ⁽⁷⁾	320	287	336
Price range of major projects ⁽⁸⁾ (RMB in millions)	1.4 to 23.7	0.8 to 27.2	1.8 to 40.0
Selling expenses ratio ⁽⁹⁾	9.6%	7.2%	7.0%
Revenue generated per member of sales and marketing team ⁽¹⁰⁾ (RMB'000) . . .	7,966	11,104	12,833
Revenue per employee ⁽¹¹⁾ (RMB'000) . . .	411	579	708
Adjusted net profit per employee ⁽¹²⁾ (RMB'000)	37	91	94

(1) Movement of customers represents the total number of customers that generated recognized revenue during the current year. This is distinct from the accumulated customer figure, which is calculated based on the cumulative number of new business entities with which we have established business relationships.

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- (2) Average customer value equals our revenue of the business segment divided by our number of customers that contributed recognized revenue (movement of customers) in the relevant year.
- (3) Tender success rate equals the number of customers successfully awarded to us from projects acquired through public tendering divided by the total number of customers we submitted bids for under the public tendering method.
- (4) Number of projects delivered represents the number of projects passing inspection by the customers for which revenue was recognized in the current period.
- (5) The early termination or cancellation of our projects by customers was primarily due to changes in their business needs, as a result of which they chose not to proceed with or continue to perform the relevant contracts.
- (6) Average customer acquisition cost equals the total selling and marketing expenses divided by the number of new customers (new customers refer to customers awarded projects in the relevant year and multiple new projects awarded to the same customer were counted as one customer) for the current period.
- (7) Number of backlog projects refers to the total number of projects that we have not been delivered as of December 31 for each relevant year. The discrepancy between this number and the number of backlog projects in the immediate preceding year plus the number of new projects awarded minus the number of projects delivered minus the number of early termination/cancellation of projects in the current year is mainly due to us having entered into certain framework agreements and maintenance contracts with some of our customers, for which revenue is recognized over multiple years on an ongoing basis.
- (8) Price range of major projects represents the price range of projects that together account for about top 75% of our signed project amount in the respective period.
- (9) Selling expenses ratio refers to selling and marketing expenses divided by the recognized revenue in the relevant year.
- (10) Revenue generated per member of sales and marketing team refers to the recognized revenue divided by the average numbers of employees in the sales and marketing team (the average of the number of sales and marketing employees at the beginning and end of the current year) in the relevant year.
- (11) Revenue per employee refers to the recognized revenue divided by average numbers of all employees (the average of the number of employees at the beginning and end of the current year) in the relevant year.
- (12) Adjusted net profit per employee refers to the adjusted net profit divided by average numbers of all employees (the average of the number of employees at the beginning and end of the current year) in the relevant year.

During the Track Record Period, we achieved growth in the movement of customers and number of new projects awarded. On one hand, this can be attributed to our sustained investment in R&D and continuous product iteration, which have driven the ongoing maturation of our product and technology portfolio. Coupled with our services, this has enabled us to gradually accumulate customers and industry benchmark cases, thereby continuously enhancing our comprehensive competitiveness and brand influence in the field of advanced manufacturing. On the other hand, the Acquisitions have effectively complemented our product matrix and strengthened our technological foundation. Building on this, we have integrated sales channels and shared customer resources, achieving integrated “full-suite” sales, bundled sales, and cross-selling. This has further broadened our customer coverage, enhanced customer stickiness, and improved our tender success rate and average customer value.

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Major Projects

The table below sets forth details of the ten largest projects by revenue recognized during the Track Record Period.

	Contract sum (including VAT)	Revenue recognized in			Background of the end adopter	Place of implementation	Solutions sold	Duration between contract signing date and acceptance date (Months)
		2023	2024	2025				
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)				
1. . . .	#	-	-	72,734	State-owned enterprise	Beijing, Lanzhou, Xi'an	Operations Management Software Solutions	on-going
2. . . .	48,160	-	22,717	22,728	State-owned enterprise	Several cities in China	Operations Management Software Solutions	15
3. . . .	42,000	-	38,114	-	State-owned enterprise	Qingdao	Intelligent Manufacturing Software Solutions	15
4. . . .	#	-	-	35,398	State-owned enterprise	Ningbo	Intelligent Manufacturing Software Solutions	on-going
5. . . .	#	-	-	26,184	State-owned enterprise	Guangzhou	Operations Management Software Solutions	on-going
6. . . .	29,199	-	-	25,840	Private company	Chengdu	Intelligent Manufacturing Software Solutions	11
7. . . .	28,700	27,075	-	-	State-owned enterprise	Shanghai	Intelligent Manufacturing Software Solutions	20
8. . . .	26,976	-	-	24,751	Private company	Chengdu	Intelligent Manufacturing Software Solutions	15
9. . . .	26,500	-	-	24,433	State-owned enterprise	Yixing	Intelligent Manufacturing Software Solutions	20
10. . . .	#	-	-	22,966	State-owned enterprise	Beijing	Operations Management Software Solutions	on-going

Indicates that the total contract amount for these projects is not fixed, as certain projects comprise multiple individual contract orders and not all contract orders were fully performed during the relevant year. Accordingly, the revenue expected to be recognized will be determined based on actual settlement.

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From time to time, we have undertaken certain projects that resulted in losses due to a combination of factors, including: (i) intense market competition, where we lowered contract prices to pursue strategic projects; (ii) unclear requirements during the pre-sales stage or insufficient clarity in on-site project management, leading to scope changes and extended timelines; (iii) insufficient IT staffing or limited experience on the customer side, requiring us to allocate additional resources for guidance and support, thereby increasing costs and prolonging project duration; and (iv) project suspension or termination initiated by customers, which prevented us from recovering the full contract amount. In 2023, 2024 and 2025, the amount of loss from our loss-making projects was RMB11.1 million, RMB3.5 million and RMB3.0 million, accounting for 3.9%, 0.7% and 0.4% of our total revenue during the same periods, respectively, reflecting a declining trend over the Track Record Period.

Our Financial Data

The table below sets forth our revenue breakdown by product type in absolute amounts and as percentages of our total revenues during the Track Record Period:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Intelligent manufacturing software solutions	254,017	88.6	372,919	74.6	437,012	59.7
Operations management software solutions	29,215	10.2	101,134	20.2	294,484	40.3
Others ⁽¹⁾	3,540	1.2	25,639	5.2	—	—
Total	286,772	100.0	499,692	100.0	731,496	100.0

(1) Our other business primarily included the procurement, refurbishment and resale of semiconductor equipment (including lithography machines and etching machines).

During the Track Record Period, nearly all of our revenue were generated through our customized solutions.

The following table sets forth a breakdown of our revenue by geographical market, both in absolute amount and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Mainland China	265,161	92.5	474,729	95.0	719,329	98.4
Singapore	12,647	4.4	22,817	4.5	7,497	1.0
Malaysia	8,637	3.0	1,268	0.3	4,613	0.6
Others ⁽¹⁾	327	0.1	878	0.2	57	0.0
Total	286,772	100.0	499,692	100.0	731,496	100.0

(1) Our other geographical markets mainly included Poland, Serbia, France and Taiwan region of the PRC.

We recorded a relatively high revenue in Singapore in 2024, primarily due to a project with revenue of RMB8.0 million. We recorded a relatively low revenue in Singapore in 2025 because three key customers operating in the semiconductor industry in Singapore reduced their procurements because of their lower demands for intelligent manufacturing software solutions in

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2025. We recorded a relatively low revenue in Malaysia in 2024, primarily because a key customer operating in the semiconductor industry in Malaysia temporarily reduced its procurement. The key customer in Malaysia gradually recovered its procurement in 2025, which led to our higher revenue in Malaysia in 2025.

The following table sets forth a breakdown of our revenue by type of customers, both in absolute amount and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
End adopters	257,940	89.9	457,059	91.5	662,256	90.5
General contractors	28,832	10.1	42,633	8.5	69,240	9.5
Total	286,772	100.0	499,692	100.0	731,496	100.0

Our revenue generated from customers operating in the semiconductor industry was approximately RMB217.0 million, RMB366.7 million and RMB415.4 million in 2023, 2024 and 2025, accounting for 75.7%, 73.4% and 56.8% of our total revenue in the same years, respectively.

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

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Mainland China	114,642	43.2	182,712	38.5	254,021	35.3
Singapore	6,906	54.6	13,960	61.2	3,746	50.0
Malaysia	4,284	49.6	341	26.9	2,425	52.6
Others ⁽¹⁾	255	78.0	794	90.4	39	68.4
Total	126,087	44.0	197,807	39.6	260,231	35.6

(1) Our other geographical markets mainly included Poland, Serbia, France and Taiwan region of the PRC.

We recorded a relatively high gross profit margin in Singapore in 2024, primarily due to a project with revenue of RMB8.0 million and relatively high gross profit margin. Our gross profit margin was relatively low in Malaysia in 2024, primarily because a key customer operating in the semiconductor industry in Malaysia associated with relatively high gross profit margin temporarily reduced its procurement.

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

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
End adopters	112,967	43.8	181,280	39.7	236,586	35.7
General contractors	13,120	45.5	16,527	38.8	23,645	34.1
Total	126,087	44.0	197,807	39.6	260,231	35.6

BUSINESS

INTELLIGENT MANUFACTURING SOFTWARE SOLUTIONS

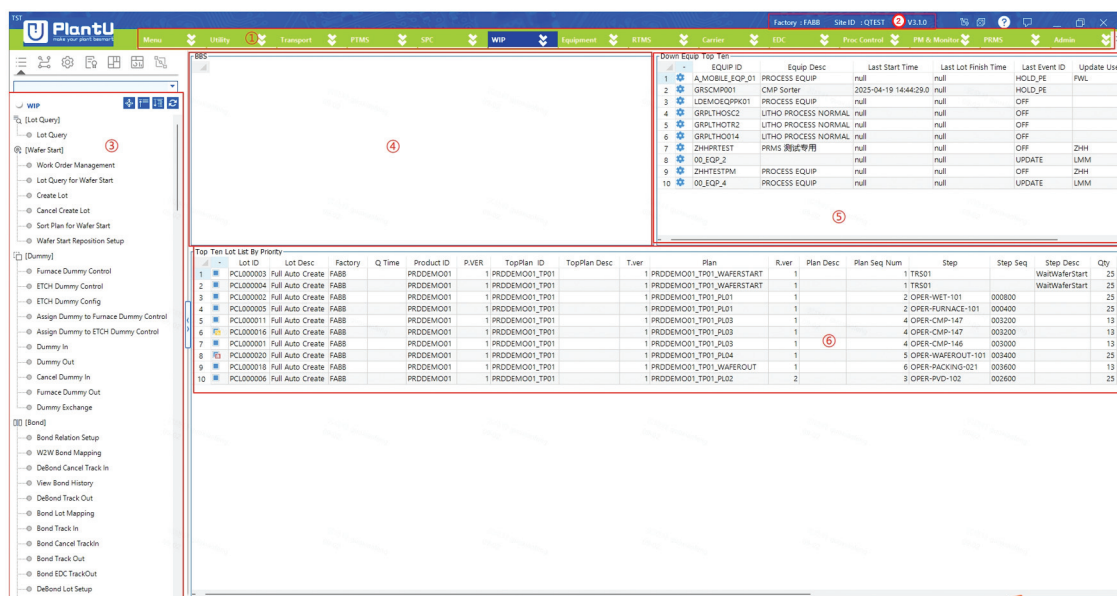
Manufacturing Execution System

PlantU Manufacturing Execution System (MES)

PlantU MES is our flagship software product for the semiconductor industry and other advanced industries. MES is the operational backbone of a semiconductor and high-end manufacturing facility. It is the central hub for managing, controlling and optimizing manufacturing execution and processes. PlantU MES is designed to optimize the entire production process by monitoring and streamlining the flow of materials throughout a manufacturing facility, thereby empowering customers to make informed and data-driven decisions across the facilities and address issues in real time.

PlantU MES supports fast ramp-up of new manufacturing plant (including wafer fabs, foundry, and back-end packaging and testing) plants, and silicon wafer manufacturing plants. PlantU MES is compliant with various international standards, including SEMI, MESA and ISA-95, making it ideal for adoption by semiconductor manufacturers while also being suitable for general industrial applications.

The following graphic illustrates the interface of PlantU MES as applied and displayed at a manufacturing facility:



- (1) Summary of functional interfaces serves as a navigation shortcut, enabling users to quickly access the corresponding interface for efficient operation.
- (2) Buttons that allow users to close all windows, access help documents, send messages and manage user permission groups.
- (3) Function list displays the available features associated with the selected module. By hovering the cursor over an icon, users can quickly understand and access its capabilities.
- (4) Electronic bulletin board displays important announcements and updates, showing the ten most recent posts to keep users informed of critical information.
- (5) Down equipment list provides a real-time overview of all currently offline equipment, enabling users to quickly identify and respond to system outages. The list displays the ten most recent downed devices.
- (6) High-priority lot list provides an at-a-glance view of all high-priority lots currently active in the factory, enabling users to monitor and respond to urgent production needs efficiently. The list displays the ten most recent lots.

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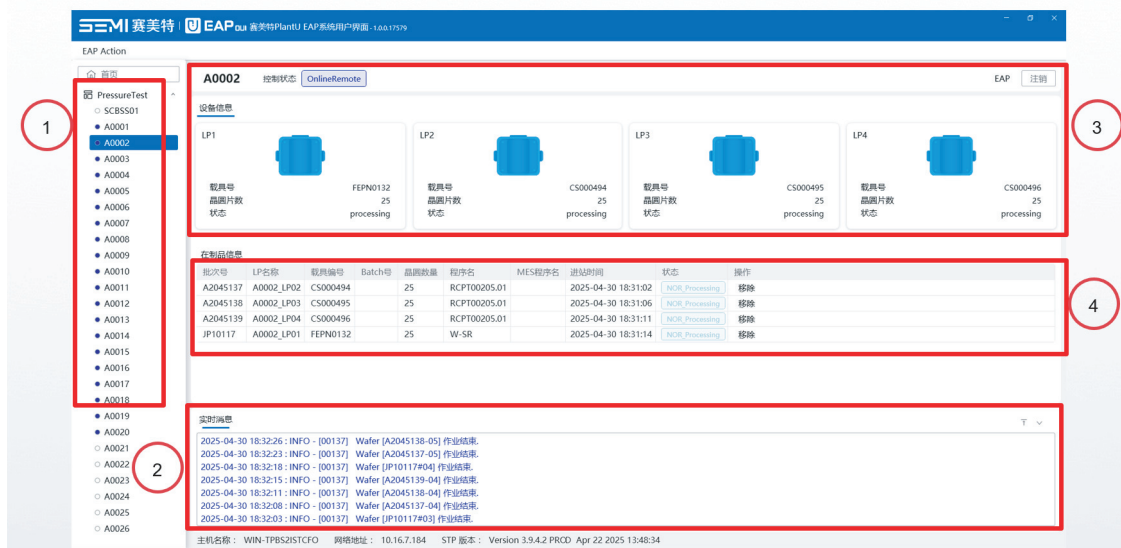
PlantU MES improves our customers’ manufacturing processes in the following aspects: (i) **24/7/365 Operations.** PlantU MES provides 24/7/365, uninterrupted and up-to-the-minute reporting of actual manufacturing operations. It efficiently handles large data volumes, ensures stable product quality and supports full automation, thereby guaranteeing continuous and reliable operations; (ii) **Optimized Sequencing.** PlantU MES achieves significant cycle time reductions by determining and implementing efficient production sequencing. PlantU MES also synchronizes production processes across the supply chain to optimize production execution and to ensure stable product quality; (iii) **Resource Allocation and Control.** PlantU MES manages all relevant resources for manufacturing operations. It also manages and tracks the movement and storage of raw materials, work-in-progress items and finished products, as well as the transfer between and within work centers. These capabilities can reduce manual value-added actions and improve resource utilization and minimize waste; (iv) **Real-time Production Tracking.** PlantU MES can track and trace the real-time status of production and disposition of work, including demonstration and documentation of compliance with regulatory and quality requirements. It enables forward and backward traceability of components and their use within each end product and provides comprehensive insights into the production process for accurate decision-making; (v) **Equipment and Workforce Performance.** PlantU MES monitors resource usage based on elapsed usage time and production quantities, ensuring maintenance requirements are met. It also tracks personnel training and certification, optimizing work assignments to enhance productivity; (vi) **Performance Analysis and Reporting.** Through various analytical tools and big data analysis, it enables accurate performance analysis, monitoring anomalies and performing predictive and preventive analysis. Real-time feedback also enables swift identification and resolution of manufacturing issues; and (vii) **Global Supply Chain Management.** PlantU MES facilitates global supply chain management by ensuring the efficient operation of manufacturing facilities across multiple locations.

Equipment Automation and Data Acquisition Software

PlantU Equipment Automation Program (EAP)

PlantU EAP is one of the cornerstone software products of our intelligent manufacturing software solutions. It serves as a bridge between MES (and other upstream systems) and manufacturing equipment, facilitating equipment information transmission, data acquisition and upload, process control, abnormalities capture and other interactions with upstream systems. PlantU EAP integrates equipment data to enable automation flow and sequence testing, run-time troubleshooting and diagnostics and centralized user maintenance. PlantU EAP helps customers achieve increased equipment utilization rate as well as reduced manual errors and scrap losses.

The following graphic illustrates the interface of PlantU EAP as applied and displayed in a manufacturing facility:



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- (1) Displaying the EAP list for the selected operation area with an overview of equipment status, allowing users to seamlessly switch between equipment to view their respective real-time operational details.
- (2) Displaying real-time EAP operation logs and enabling querying of historical log data.
- (3) Displaying equipment status information, load port status and carrier operation status.
- (4) Displaying work-in-progress item list for equipment operations, showing real-time batch content and status, and supporting deletion of work-in-progress data by batch ID or lot ID.

PlantU EAP improves our customers’ manufacturing processes in the following ways: (i) **Early Warning and Disaster Control.** PlantU EAP provides early warnings in case of abnormalities, thereby enabling the users to identify and address potential problems and avoid obstacles and subsequent production issues. In the event of emergencies or serious abnormalities, it has the capability to autonomously halt the relevant equipment or processes to manage the incident effectively; (ii) **Quality Improvement.** PlantU EAP supports other systems to improve product yield and quality. PlantU EAP can monitor quality metrics and ensure consistency of data and instructions, leading to better overall product quality; (iii) **Reduce Manual Steps.** Through implementing PlantU EAP, manufacturers can reduce manual operation steps through automation. This saves costs but also minimizes the risk of human error, leading to more reliable and accurate production outcomes; (iv) **Seamless Communication with Message Middleware.** PlantU EAP supports seamless communication with various message middleware, thereby promoting interoperability and flexibility with the existing systems of our customers; and (v) **Integrated Data Management and Analysis.** PlantU EAP compiles and distributes data collection records to the appropriate upstream systems for analysis and feeds process control information to downstream software. It integrates with other software products of our PlantU intelligent manufacturing software solutions, such as PlantU APC, to analyze equipment performance and identify hidden cycle time losses, enhancing overall efficiency and yield.

Other Software Products

We also offer other equipment automation and data acquisition software products that can operate independently or in complement with PlantU EAP. These software products include: (i) **PlantU Recipe Management System (RMS).** PlantU RMS centralizes the management of production line equipment programs, standardizes the creation and review processes, compares program parameters and controls access to prevent unauthorized modifications or anomalies; (ii) **PlantU Alarm Management System (AMS).** By collecting real-time alarm data from individual equipment and systems, PlantU AMS configures different handling methods such as machine shutdown, sending notifications, locking equipment and generating repair orders to reduce the risk of quality issues; (iii) **PlantU Robotic Process Automation (RPA).** PlantU RPA is an advanced automation technology that allows software robots to automatically handle a large number of repetitive and rule-based workflow tasks, thereby reducing human errors, improving efficiency and lowering operational costs; and (iv) **PlantU Remote Control Management (RCM).** Through remote centralized monitoring and control, PlantU RCM (a) increases workforce productivity, (b) shortens response times, (c) improves equipment utilization rates, (d) enhances the human-machine ratio, (e) reduces defective products, and (f) ultimately boosts the overall equipment effectiveness, enabling management across multiple manufacturing facilities.

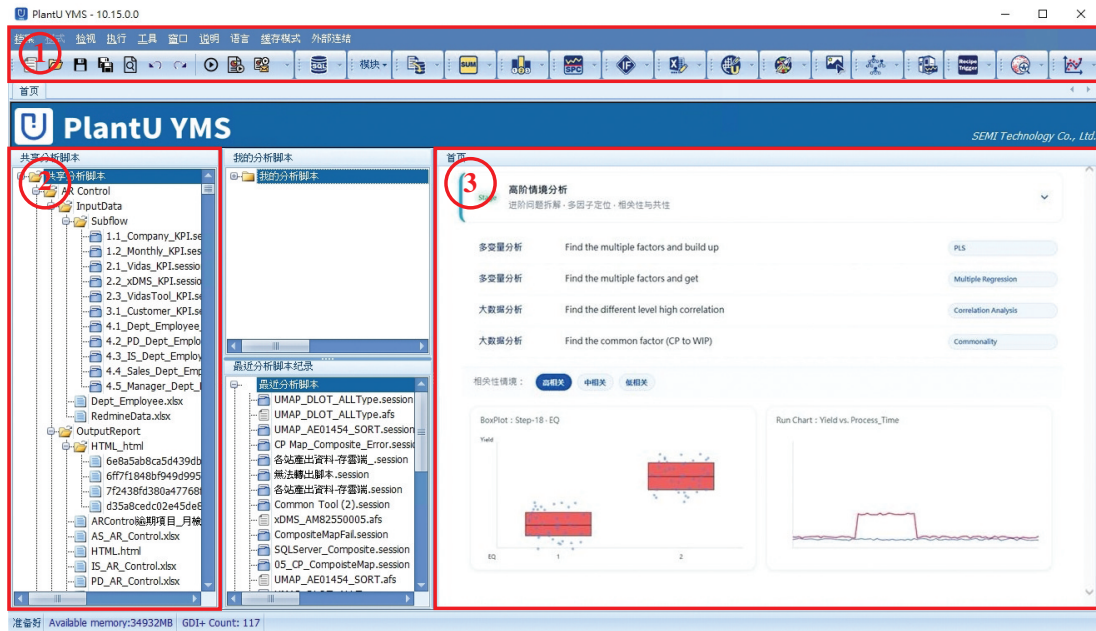
Quality Management Software

PlantU Yield Management System (YMS)

PlantU YMS is a data management and analysis system that is specifically designed to ensure rigorous control and provide efficient and accurate analysis of product quality. PlantU YMS combines statistical analysis, big data and AI to accurately analyze the root causes of yield issues. Leveraging AI algorithms, PlantU YMS intelligently identifies key factors impacting quality and streamlines root cause analysis by automatically classifying defect types. This automation enables richer, more comprehensive analytical insights, allowing teams to proactively prevent recurring issues and drive continuous yield improvement through data-informed decisions.

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The analytics interface, as shown, enables multivariate and big data analysis, allowing users to rapidly isolate root causes and explore correlations across complex datasets through advanced statistical and visualization techniques. The following graphic illustrates the interface of PlantU YMS as applied and displayed in a manufacturing facility:



- (1) Menu bar, function list, toolbar, and module list: It is equipped with navigation shortcuts to facilitate efficient access by operators to corresponding interface panels.
- (2) Public, private, and recent script lists: It displays all configured scripts currently available, which define the rules and logic for data analysis.
- (3) Data display windows linked to corresponding functions.

PlantU YMS improves our customers’ manufacturing processes in the following ways: (i) **Automated Root Cause Analysis.** By leveraging big data analytics, PlantU YMS can automatically analyze equipment and engineering parameters to identify the root cause of yield issues, effectively reducing the diffusion of abnormal quality; (ii) **AI-driven Defect Classification.** Utilizing AI and big data algorithms to identify equipment fault parameters and other factors affecting yield, PlantU YMS classifies defect types automatically, thereby providing a basis for further analysis; (iii) **Integrated Statistical Analysis.** Through incorporating statistical algorithms tailored for each production line at manufacturing facilities, PlantU YMS enables users to conduct statistical analysis and quickly detect data anomalies; and (iv) **Powerful and Flexible Data Processing.** With a powerful and flexible data processing function, PlantU YMS allows users to define data processing tasks through a simple drag-and-drop interface for efficient usability.

Other Software Products

We also offer other quality management software products that can operate independently or in complement with PlantU YMS. These software products include:

- **PlantU Statistical Process Control (SPC):** PlantU SPC is a software product used in manufacturing to systemically monitor and regulate production processes. Through collecting and analyzing real-time data at various stages of production and comparing the real-time data with required specifications based on configured rules, PlantU SPC can identify potential abnormalities, thereby allowing for timely corrective actions to be implemented. When specifications are exceeded, measures will be taken through MES, EAP and other external systems to eliminate abnormalities and restore process stability.

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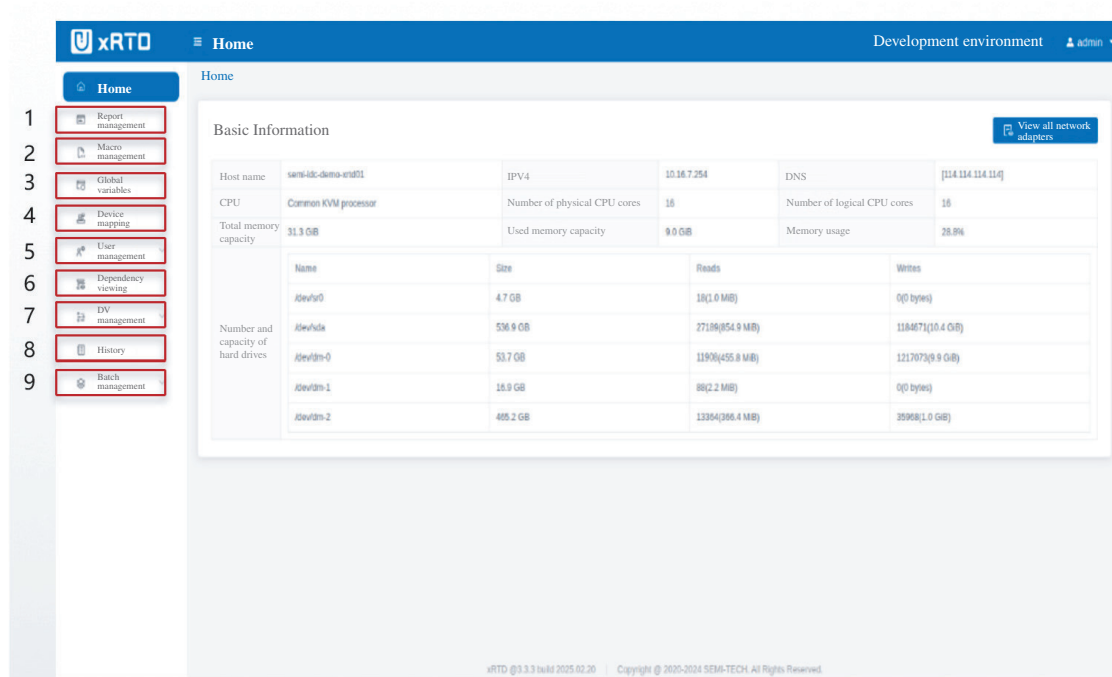
- **PlantU Defect Management System (DMS).** PlantU DMS is equipped with a powerful interactive interface for defect analysis and automated defect data processing. It improves defect correction rates and accelerates the investigation of defect causes. It also processes data generated by fault detection equipment and provides an enhanced defect analysis interface, thereby increasing the efficiency of defect analysis.
- **PlantU Fault Defect and Classification (FDC).** Through collecting equipment parameters, observing changes in these parameters and detecting any adverse trends in the equipment, PlantU FDC effectively prevents uncontrollable factors from impacting production and helps to prevent or reduce production scrap.
- **PlantU Advanced Process Control (APC).** Primarily through data mining and analysis on a large amount of real-time data and measurement data generated during the operation of the controlled object, PlantU APC establishes a system operation model and uses this model for real-time optimization and control of recipe parameters.

Production Schedule Planning Software

PlantU Real Time Dispatch (RTD)

PlantU RTD is a real-time dispatching and reporting system equipped with various dispatch rules, aiming to enhance the user’s decision-making capabilities and boost productivity throughout the entire manufacturing facilities. It combines real-time work-in-progress status, equipment and process conditions as well as bottleneck situations to provide the optimal production sequence. PlantU RTD seamlessly integrates with MES and other intelligent manufacturing software solutions and can function across all interconnected systems. PlantU RTD operates based on internationally and locally recognized optimization rules and parameters, while also offering extensive customization options. This flexibility allows our customers to input their own operating rules and priorities, thereby ensuring that the optimization process is tailored to meet their specific needs.

The following graphic illustrates the interface of PlantU RTD as applied and displayed in a manufacturing facility:



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- (1) Report management: This feature allows users to manage the list and grouping of rules, as well as edit the logic for different machine rules.
- (2) Macro management: Users can manage the abstract reusable logic parts within the rules.
- (3) Global variables: This feature manages the global variable properties within the rules, making it convenient to set multiple rules at once.
- (4) Machine mapping: This feature manages the mapping relationship between rules and machines, thereby facilitating the publishing and launching of rules.
- (5) User management: Users can manage system users and their role permissions.
- (6) Dependency viewing: This feature allows users to query the dependency relationships of various internal elements based on their associations.
- (7) Dynamic view management: After rules are published and launched, this feature manages dynamic views to accelerate query speeds.
- (8) History records: This feature records user operations within the system.
- (9) Batch management: This feature facilitates the batch upgrading of rules and the batch replacement of internal macros.

PlantU RTD improves our customers’ manufacturing processes in the following ways: (i) **Rapid Calculation of Dispatch Results.** PlantU RTD allows for rapid calculation of dispatch results through its pre-calculation and on-demand dispatching mechanism. This ensures that production schedules are optimized and downtime is minimized; (ii) **Enabling Fully Automated Production.** PlantU RTD supports fully automated production by integrating real-time dispatching capabilities with other high-end manufacturing systems. This allows for seamless coordination between various production stages, ensuring that tasks are executed steadily and automatically without manual intervention and reducing likelihood of human error; (iii) **Minimizing Production Bottlenecks.** To minimize production bottlenecks, PlantU RTD employs a sophisticated RTD system that dynamically adjusts to changing conditions on the facility floor. It identifies potential bottlenecks and reallocates resources in real-time to maintain a smooth production flow; and (iv) **Optimizing Raw Materials Usage.** PlantU RTD optimizes the use of raw materials through fully automated production planning, ensuring that production plans are precise and stable. This reduces waste and ensures that raw materials are used efficiently, contributing to cost savings and sustainable production practices.

Other Software Products

We also offer other production schedule planning software products that can operate independently or in complement with PlantU RTD. These software products include:

- **PlantU Advanced Planning and Scheduling (APS).** This software product is designed to address production planning and scheduling issues, including planning sorting problems and resource allocation challenges, on a real-time basis. It is capable of building specialized engines for various manufacturing fields and developing simulation models that incorporate numerous rules and constraints.
- **PlantU Workflow Automation (WFA).** This is a visual workflow development platform designed for IT operations personnel. It enables the rapid development of automated production business processes, supports message forwarding and human-machine interaction processes for multi-system integration and integrates access to mainstream databases.

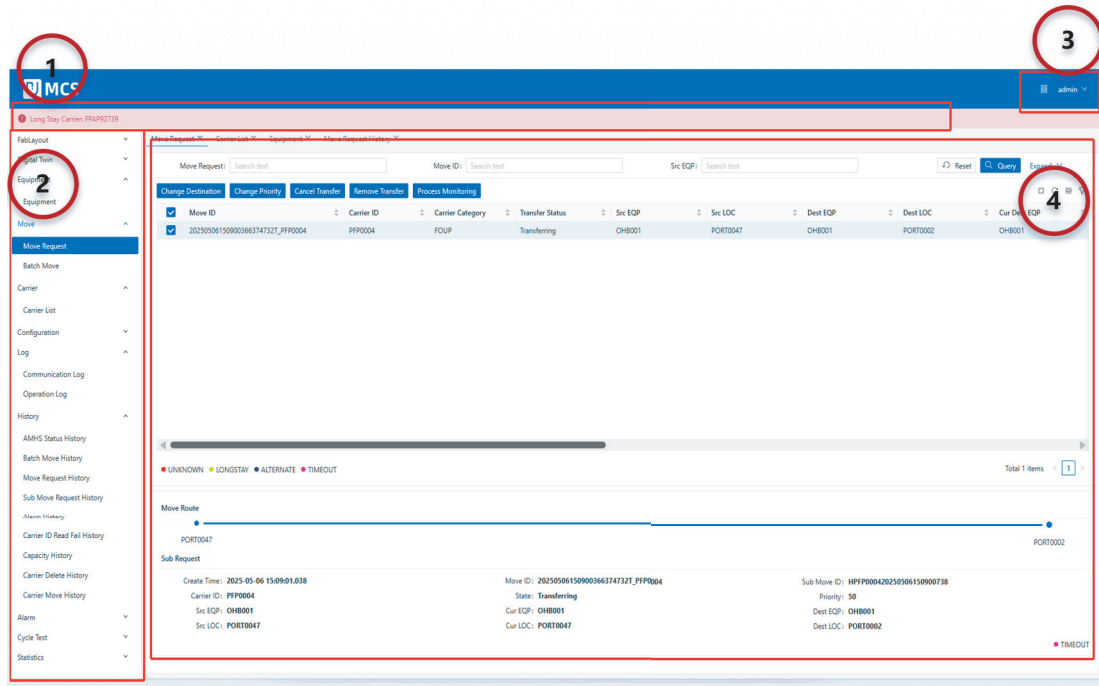
Production and Logistics Automation Software

PlantU Material Control System (MCS)

PlantU MCS is a system used in manufacturing for managing material transport paths. By standardizing communication and interaction with various types of transport equipment, PlantU MCS enables automated material transport between production lines and warehouses, between different warehouses and between different production lines. This streamlines production management and improves overall efficiency.

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The following graphic illustrates the interface of PlantU MCS as applied and displayed in a manufacturing facility:



- (1) This area displays alarm information from lower-level machines.
- (2) This area includes functional aspects such as facility layout, digital twin, equipment management, carrier management, configuration management, task management, log management, history record management, alarm management, cyclic transport test management and statistical analysis.
- (3) This area displays information about the logged-in user.
- (4) This area displays information about ongoing transport tasks. Users can change task priority, change destination, cancel tasks and delete tasks. The list shows the macroscopic tasks currently in progress. Selecting a task provides detailed insights into the associated microscopic tasks being executed.

PlantU MCS improves our customers’ manufacturing processes in the following ways: (i) **Pre-emptive Congestion Avoidance.** PlantU MCS can impose restrictions on areas with high transport flow. By doing so, it prevents congestion in these areas, ensuring smooth and efficient material transport throughout the manufacturing facility; (ii) **Load Balancing.** When PlantU MCS detects carrier congestion, it will automatically avoid routes with low transport capacity. By distributing the load evenly across multiple routes, it reduces transport time and prevents bottlenecks; (iii) **Avoiding High Concurrency Blockages.** PlantU MCS can specify the number of commands per batch move. This prevents high concurrency from causing blockages and ensures that other concurrent tasks are not affected; (iv) **Support for Customizing Optimal Paths.** PlantU MCS gives users the flexibility to disable certain paths and adjust routes to find the most suitable ones for their needs. This customization allows for more efficient and tailored transport solutions; (v) **Algorithm for Calculating Optimal Paths.** PlantU MCS uses past transport records to calculate the best transport routes. By analyzing historical data, it identifies the most efficient paths for material transport, thereby optimizing the overall process; and (vi) **Automatic Task Priority Adjustment.** If a task is not completed on time or cannot reach its destination, PlantU MCS can automatically adjust the task priority. This ensures that critical tasks are prioritized and completed promptly, thereby maintaining the smooth operation of the production line.

BUSINESS

General Tools and Middleware

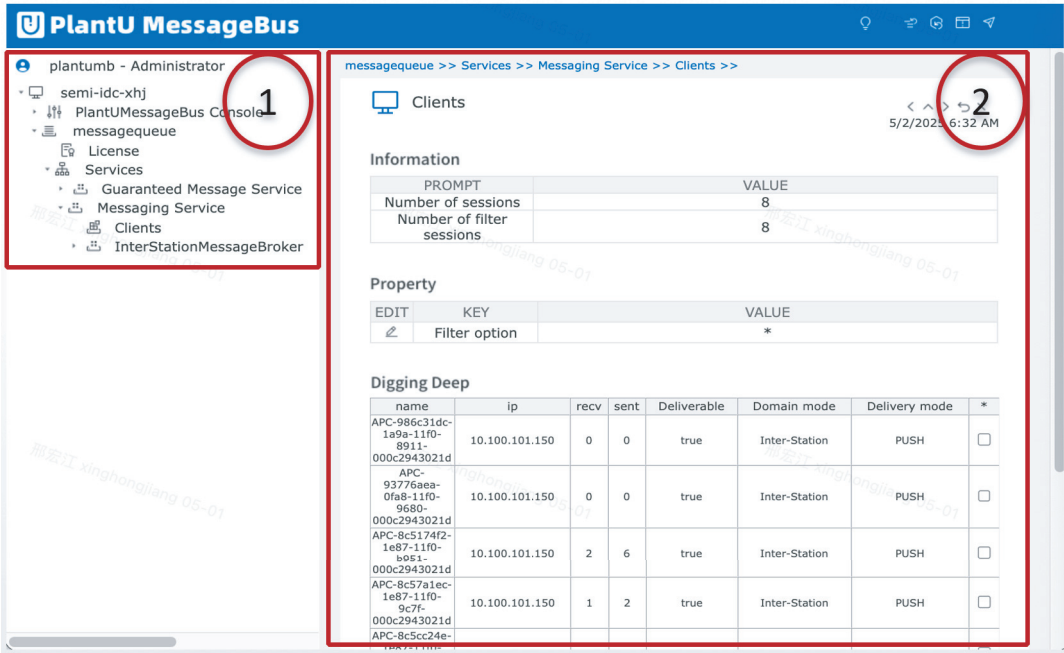
PlantU MessageBus

PlantU MessageBus is a sophisticated message queue and proxy server that facilitates shared data services across various software products through a standardized protocol, ensuring cross-platform and cross-language compatibility. As a pivotal component of internal communication within enterprise IT systems, it boasts features such as low coupling and reliable implementation, making it ideal for communication between distributed systems. PlantU MessageBus is the first message bus product designed for semiconductor industry with proprietary intellectual properties offered by domestic CIM system company in China, according to CIC.

The server supports message recoverability and essential data acquisition, and reduces the coupling degree of distributed systems to ensure reliable message distribution. It also enhances message processing speed to increase throughput. PlantU MessageBus maintains message integrity through mechanisms like persistent connection, transmission verification and release confirmation. It supports multiple communication channels simultaneously, enabling seamless integration across platforms and languages.

Key features of PlantU MessageBus include high availability cluster mode, fail-over protocol, multi-language support and flexible expansion via a plugin mechanism. These features enable high throughput, low latency message processing and efficient handling of large-scale data transmission. Additionally, PlantU MessageBus supports message tracking and monitoring for easy maintenance and troubleshooting, and offers flexible data storage strategies to meet diverse business needs.

The following graphic illustrates the interface of PlantU MessageBus as applied and displayed in a manufacturing facility:



(1) Console function menu:

- Dynamically routes messages to the appropriate queue or service based on channel names.
- Supports point-to-point, broadcast, and publish/subscribe models to ensure efficient message delivery and system decoupling.

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(2) Session status and message flow:

- a. Load balancing statistics: Distributes message load evenly across multiple service instances using polling and weighted strategies to prevent overload and enhance system throughput and reliability.
- b. Real-time monitoring: Provides visual monitoring of key metrics such as message backlog, received/sent counts, and timeouts. Combined with log tracing, it enables quick fault localization and ensures message path stability and observability.

PlantU Monitoring System and PlantU Report

PlantU Monitoring is a web standard modular software product that can run on multiple platforms. It does not require the installation of separate programs or plugins and can easily integrate various complex data and visualization components, thereby allowing users to view them anytime and anywhere with an internet connection.

PlantU Report is a system that supports multiple report creation modes, including traditional coding methods and online configuration templates. It allows for flexible combinations of different layouts and formats using grid and chart components. This feature reduces project development costs and maintenance difficulties while improving development efficiency.

PlantU Warehouse Management System (WMS)

We also offer PlantU Warehouse Management System (WMS) (倉儲管理系統) which can synchronize the “physical flow” and “information flow” of the products in our customers’ warehouse. By managing warehouse, inventory, location, and work-in-progress information in real-time, PlantU WMS enhances both management and manpower efficiency. It establishes streamlined logistics management and warehouse business processes, which help to shorten and improve lead times. Additionally, it optimizes loading space efficiency, enables first-in, first-out practices and ensures inventory accuracy through real-time inventory management.

Case Studies of Intelligent Manufacturing Software Solutions

Case Study 1: Deployment of PlantU MES to replace the existing MES provided by an internationally renowned CIM solution company without halting the production line

Client A specializes in the development, production and sales of insulated-gate bipolar transistor (“IGBT”) chips, which are widely used in transportation and new energy sectors. With the growth in demand for IGBT chips in China, the existing MES system of Client A, which was provided by an internationally renowned CIM solution company, can no longer meet Client A’s rapidly developing production volume needs which had become a bottleneck that limits its production capacity upgrades.

We built PlantU MES for Client A and executed a cutover from the legacy MES to the new PlantU MES system without halting the production line. During the cutover, the PlantU MES system ran in parallel with the legacy system to ensure that all existing functionalities and interfaces were taken over, ensuring data accuracy as well as smooth and stable operations. The solution further enhances production efficiency through refined management and strengthens data-driven decision-making capabilities. It streamlines data maintenance, accelerates response times and improves the operational convenience and management proficiency of Client A.

After implementing PlantU MES, their annual production capacity and yield rate improved. Looking ahead, we will continue to collaborate with Client A to explore applications such as AI quality inspection and digital twins.

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Case Study 2: Deployment of PlantU CIM solutions to enable advanced Chip on Wafer on Substrate (“CoWoS”) packaging

Client B specializes in advanced packaging technology for semiconductor research and manufacturing. As the market demand for CoWoS surges, Client B urgently needed a set of highly automated and traceable CIM solutions to support their complex processes, including multi-chip heterogeneous integration, high-precision bonding and wafer-level testing. Additionally, it must meet the stringent standards of the semiconductor industry for data integrity, real-time monitoring and intelligent analysis.

We provided PlantU CIM solutions, including, without limitation, MES, EAP, SPC, FDC, YMS, RMS, APC and DMS, designed to support the entire CoWoS process. Our solutions can enhance automation, reducing manual intervention and achieving full-process automation from wafer entry to packaging and testing. Process stability will be improved through the shortening alert response times and increase in CoWoS bonding yield. Quality analysis efficiency will be improved and the production process optimization cycle is expected to be reduced. Additionally, the monthly production capacity will be continuously increased through PlantU MES data support and equipment coordination. This marked the mature application of domestic CIM solutions in the high-end packaging field, providing a replicable technical solution for the intelligent upgrade of 2.5D/3D packaging processes in China.

Case Study 3: Deployment of CIM solutions to enable fully automated production of 12-inch wafers

Focusing on automotive-grade semiconductors, Client C develops key power devices like IGBT and SiC, which are crucial for motor control and battery management in new energy vehicles. Its industry chain spans across chip design, manufacturing and packaging. To meet this capacity requirement, they required a set of highly sophisticated and matured CIM solutions that can be quickly deployed.

To meet these requirements, we provided Client C with a set of comprehensive fully automated CIM solutions, encompassing MES, EAP, RMS, AMS, RCM, YMS, SPC, DMS, FDC, APC, RTD, Monitoring, Report, which have been customized for 12-inch wafer fabrication. These software products were integrated to ensure full manufacturing process control and data traceability, aiming to achieve an “lights-out” factory with fully automated dispatching handling and production capabilities. With rapid deployment capabilities, the factory became operational by the seventh month, and the full fleet of 100 units was successfully up and running by the tenth month.

Case Study 4: Deployment of PlantU MES, EAP and RMS to enable fully automated production of 12-inch wafers which is compatible with domestic databases

Client D’s product line encompasses image sensors, image signal processors, logic chips and other chips. To advance their manufacturing capabilities, Client D established a 12-inch fully-automated mass production factory.

To meet these requirements, we customized our PlantU MES, EAP and RMS for Client D, fully adapted to operate on their domestic database infrastructure. Our software products support large-scale wafer operations, allowing a single system to support two sets of configurations and enabling cross-facility business operations. Seamless integration was achieved with Client D’s existing domestic overhead cranes and MCS, demonstrating the high compatibility of our software solutions. Additionally, we achieved full automation of reticle management and wafer start automation, achieving automatic delivery and automatic dispatching.

OPERATIONS MANAGEMENT SOFTWARE SOLUTIONS

Our operations management software solutions are designed to optimize enterprise-level resource management and operational efficiency, primarily across finance, supply chain, asset management and human resources. While these solutions leverage mature third-party software packages, our contribution lies in delivering highly customized services that transform generic functionalities into workflows tailored to each customer’s unique requirements. This customization enhances overall operational efficiency and supports customers’ internal control and management requirements for large-scale enterprises.

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By embedding customer-specific processes into the solution, we establish long-term engagement with customers as a trusted service provider throughout the entire lifecycle of the third-party software. This enables us to generate recurring revenue streams from customization, technical support, maintenance, consulting and additional value-added modules.

In line with industry practice, customers typically do not purchase directly from third-party software developer directly, because such direct purchases may lead to implementation, localization and system integration challenges, including compatibility issues. By integrating these standardized operations management software products into our comprehensive solution, we are able to provide end-to-end implementation, localized services and ongoing customization and deliver customized solutions that meet industry needs.

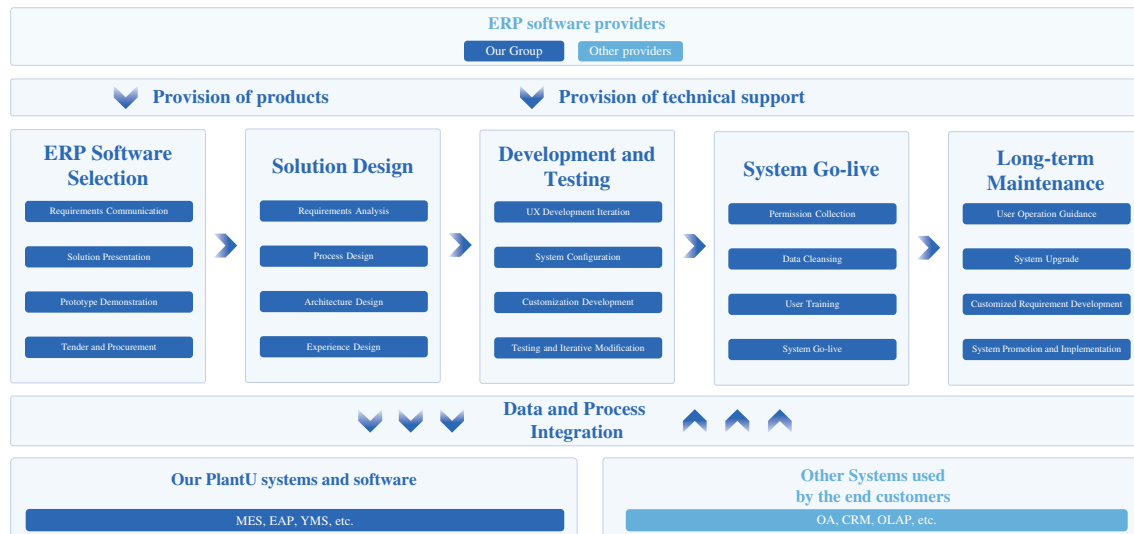
Enterprise Resource Planning (ERP)

We offer ERP system together with customized implementation services and/or technical services to customers across industry verticals, which mainly include SOEs in the semiconductors, electrification and chemical sector. ERP is a software system that helps companies streamline their core business processes — including finance and reporting, supply chain, order and project, production planning and human resources — with a unified view of activity and provides a single source of truth. Particularly for manufacturing companies, ERP enables them to (i) improve order management efficiency, (ii) manage asset utilization, (iii) control financial costs, and (iv) gain end-to-end inventory control by monitoring stock movements, pinpointing top and underperforming products and managing supply chain more efficiently.

ERP enhances our customers’ business process efficiency in the following ways: (i) **Finance and Reporting Management.** ERP enhances finance and reporting management by integrating core processes such as accounts payable and receivable, fixed assets, expenses and tax compliance into a unified platform. It provides finance teams with real-time access to accurate financial data. With a single source of financial truth, our customers can streamline operations, maintain regulatory compliance and manage risk more effectively, while gaining deeper insight into their overall financial performance; (ii) **Supply Chain Management.** ERP transforms supply chain management by unifying procurement, logistics and inventory into a single, streamlined process. It simplifies the source-to-pay cycle, enabling our customers to manage supplier qualification, sourcing and contract compliance with greater efficiency. By supporting compliant spending and informed supplier selection, ERP systems help improve profitability and reduce operational risk. Companies can manage direct materials, services and complex procurement more effectively, while gaining real-time insights into spend patterns and environmental impact; (iii) **Order and Project Management.** ERP streamlines order and project management by automating the entire sales cycle — from order entry to invoicing — while enhancing customer engagement and revenue generation. It provides full visibility into project financials. Project workflows are simplified through integrated processes for asset creation, cost tracking, capitalization and retirement. Real-time insights into project performance and billing ensure accurate revenue recognition and contract compliance. This unified approach supports efficient customer invoicing, strengthens financial control and improves overall project profitability; (iv) **Production Planning Management.** ERP simplifies production planning by integrating scheduling, budgeting and forecasting into a single platform. It allows teams to view critical plans and collaborate through shared goals and timelines. Budgets and forecasts can be quickly generated from project or financial plans. Real-time analytics provide insights at every stage, helping identify risks early and keep production aligned with financial and operational goals; and (v) **Human Resources Management.** With centralized data and streamlined workflows, ERP supports professional human resources management by automating and integrating key functions across the employee lifecycle, including recruitment, onboarding, performance evaluation and payroll. It enables human resources teams to manage talent strategically, ensuring alignment with organizational goals while maintaining compliance and operational efficiency.

We source our ERP system from third-party ERP system providers and resell to domestic customers with customization and maintenance services. The diagram set forth below illustrates our ERP system implementation workflow.

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PlantU Enterprise Asset Management (EAM)

PlantU EAM integrates core functionalities across power generation, operations, equipment, business management and safety domains, forming a comprehensive platform for full lifecycle asset management tailored to the power generation industry. It is fully compliant with domestic localization requirements, supports the information technology application innovation framework and aligns with power generation industrial standards. Equipped with an intelligent business engine, PlantU EAM enables smart work package preparation, document-based intelligent Q&A and digitalized maintenance outlines and operational procedures. It also features a configurable product framework supporting multi-user metadata management and customizable forms, workflows and templates, thereby enhancing adaptability to diverse enterprise needs.

PlantU EAM improves our customers’ business processes and compliance in the following ways: (i) **Core Production Management.** PlantU EAM manages debugging processes, including handover and work-order terminals, to ensure smooth transition to production. It controls isolation, manages chemical data and enforces operating limits to maintain safe and stable operations. It also tracks defects, supports major overhaul rehearsals and manages quality plans to strengthen work execution; (ii) **Asset Operations and Maintenance.** PlantU EAM manages the full life cycle of equipment, covering basic structure, system and component data and preventive maintenance, to improve asset reliability. It schedules regular tests and calibration to ensure accuracy and compliance. It also manages spare-parts lists to secure timely availability for maintenance tasks; (iii) **Safety and Compliance Control.** PlantU EAM manages radiological controlled areas, monitors personal dose and enforces industrial safety measures to protect workers. It tracks non-conformances and monitors radioactive sources to maintain compliance and traceability; and (iv) **Production Support Systems.** PlantU EAM implements an experience-feedback mechanism to capture and reuse operational insights. It manages chemicals and fire protection, schedules in-service inspections and controls tools and instruments to support safe and efficient production.

Other Software Products

We also offer other in-house add-on operations management software products that can operate in complement with our ERP and PlantU EAM systems. These software products include:

- **PlantU e-Robotic Process Automation (eRPA).** PlantU eRPA automates mouse and keyboard operations to simulate human actions, enabling seamless interaction with software systems. It eliminates repetitive manual task. Unlike PlantU RPA (which is manufacturing-focused), PlantU eRPA focuses on business and management scenarios such as automated tax filing, invoice issuance and invoice verification. The system features a self-controlled architecture supporting on-premises, cloud and hybrid deployment, compatibility with desktop and web applications, and extensibility through programming languages such as C# and Python. It ensures enterprise-grade security with encrypted data, private deployment and full audit trails and integrates an intelligent, plugin-based engine with machine learning and AI capabilities.

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- **PlantU Intelligent Document Processing (IDP).** PlantU IDP is an AI-driven solution designed to extract, classify and capture data from diverse document types, including emails, text files, PDFs and scanned images, enabling seamless downstream business processing. It features an AI engine with patented technologies and encrypted data transmission and storage to ensure security and compliance. It supports all document formats across multiple business scenarios, provides intelligent document governance with AI-based text generation, content validation and format checking, and offers enterprise-grade deployment with private network installation and full audit traceability.
- **PlantU Data Warehouse Management System (DWMS).** PlantU DWMS is a modern data warehouse management system designed to support enterprise digital transformation by integrating data across the organization. It combines data governance and development processes to create a comprehensive data asset foundation, enabling effective use of data for process monitoring, quality traceability, and self-service analysis. Additionally, it addresses business challenges through intelligent optimization techniques like root cause analysis and anomaly detection.
- **PlantU Cost Control Management System (CCMS).** PlantU CCMS is a software product for semiconductor manufacturers that integrates management systems, data visualization and computational power. It supports financial accounting, multi-dimensional analysis and cost optimization. It enables efficient querying and presentation of cost data, thereby ensuring accurate financial reporting. Its data visualization capabilities streamline metrics, unify communication and enhance operational efficiency. Additionally, it can handle a large volume of data, making it capable of meeting the demands from construction to capacity ramp-up stages.
- **PlantU Subcon Management System (SMS).** PlantU SMS is a comprehensive outsourcing lifecycle management system that integrates seamlessly with data of original equipment manufacturers to streamline every phase of the outsourcing process. It encompasses planning, work order management, process monitoring, inventory control and data analysis. By establishing a centralized price pool for outsourcing fees, PlantU SMS enhances cost analysis and boosts the efficiency of accounting and reconciliation. It also improves inventory precision through detailed tracking and ensures timely and accurate inventory data. The systematized handling of outsourcing work orders enables customers, while the ability to access timely and accurate process data enhances control and responsiveness to production anomalies.

OUR TECHNOLOGIES

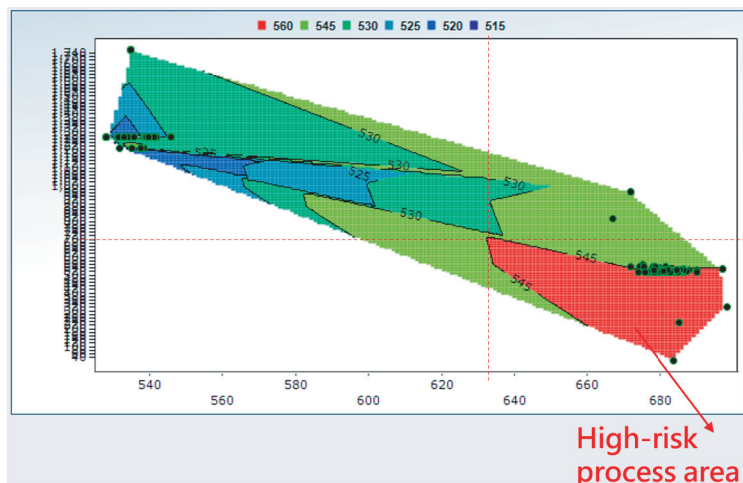
We believe that technological innovation has been and will continue to be the key driving force of our rapid growth. With our keen insights into customer pain points and extensive industry know-how accumulated over the years, we are committed to enhancing our technological and service capabilities through R&D. In particular, we believe that our capabilities in the following key areas are imperative to our success.

AI

Workflow automation and intelligentization is a major development area of advanced industries. Along the rapid advancement of AI recently, we have been leveraging AI technologies to enhance our intelligent industrial software solutions, especially those that have yet to reach full automation on its own. Examples of how we have integrated AI into our software products are as follows:

- **PlantU YMS.** PlantU YMS uses AI algorithm to intelligently identify key factors affecting quality and streamline root cause analysis by automatically classifying defect types and enabling richer, more comprehensive analytical data. Additionally, PlantU YMS leverages AI-driven decision trees to pinpoint key factors causing significant variability across more than a hundred parameters. Based on these insights, it conducts parameter sensitivity analysis to rapidly define optimal process windows, thereby enhancing precision and efficiency in manufacturing as shown in the diagram below.

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- **PlantU DMS.** PlantU DMS utilizes image recognition and classification technology to automatically categorize defect images by their causes, reducing the time required for manual classification and greatly enhancing the usability of defect photos.
- **PlantU APC.** PlantU APC harnesses the power of AI to fundamentally upgrade process control beyond the limitations of traditional APC software products. While conventional APC relies on fixed statistical metrics — such as mean, variance or gradient — for classification, PlantU APC uses AI models capable of learning directly from complex, high-volume data. These models, particularly artificial neural networks, can analyze multiple dimensions simultaneously, adapt to new patterns and continuously improve through training. This enables faster, more accurate and scalable classification of process anomalies, allowing PlantU APC to process smarter, more targeted control actions that evolve with the production environment, which is something traditional APC simply cannot match.
- **PlantU FDC.** PlantU FDC leverages models to train system baselines and enables the configuration of detection sensitivity thresholds during prediction. These thresholds serve as reference metrics for categorized alerts and intelligent decision-making. By enhancing conventional anomaly detection capabilities, the system reduces reliance on manual fault identification, minimizes false alarms and unnecessary line stoppages, and ultimately improves production yield, equipment utilization, and mean time to repair.
- **PlantU APS.** PlantU APS integrates AI-driven algorithms to transit the traditional rule-based scheduling methods toward an intelligent global optimization in production planning. The system provides end-to-end visibility and intelligent scheduling across all planning layers, from master planning at the corporate level, to factory-level production planning, and to real-time equipment-level scheduling. This approach improves on-time order fulfillment, reduces risks of overproduction and missed orders, and enhances overall operational efficiency.
- **PlantU RPA.** PlantU RPA leverages AI to automate non-standard production steps, reducing reliance on manual labor while boosting automation efficiency and increasing throughput. By utilizing AI-powered optical character recognition (OCR), it accurately identifies and extracts text from interfaces to enable cross-system data entry and parameter error proofing. Integrated with AI image algorithms, it automatically locates and precisely identifies key feature points. Through AI-based intelligent inspection models, it rapidly scans images, detects defects and anomalies, and provides real-time feedback. PlantU RPA offers a low-code, visual workflow configuration, delivering a highly flexible and scalable industrial-grade automation solution.

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Meanwhile, we have also integrated AI technology with our operations management software solutions. For instance, “AI + IDP” enables intelligent extraction and processing of diverse documents, enhancing governance and ensuring security and compliance through patented AI technologies and enterprise-grade deployment. We plan to integrate AI into our customer service operations to provide a better customer experience and streamline our processes. This integration will enable us to analyze and assign issues intelligently, and respond to customers promptly. We plan to incorporate AI into the following essential customer service processes: (i) **Intelligent Customer Service**. Initially, we will introduce an intelligent customer service system to automate the handling of preliminary inquiries and common questions. This will reduce customer wait times and provide 24/7 service. We send solutions and feedback to customers. This will ensure that customers receive prompt responses after their issues are resolved, thereby enhancing customer satisfaction; (ii) **Intelligent Issue Analysis and Assignment**. Next, we will implement an intelligent issue analysis and assignment system. This system will use AI technology to analyze the nature of customer issues and automatically assign them to the most suitable team or personnel for resolution; and (iii) **Intelligent Project Management**. Once issues are assigned, we will utilize intelligent project management tools to track and manage the resolution process. This will ensure that each issue is addressed promptly and effectively, thereby improving overall management efficiency.

We have identified five major directions for AI development: (i) **Yield Management**. Utilizing AI agents to assist engineers with 24/7 continuous inspection and analysis, enabling automatic defect monitoring, issue categorization and root cause analysis; (ii) **Efficiency Optimization**. Applying AI to optimize the planning and scheduling for factories to enhance the overall value of manufacturing; (iii) **Detection and Identification Capabilities**. Using AI to replace manual identification of image defects and machine signal anomalies, thereby increasing the value of digital labor, reducing dependence on a large workforce and speeding up issue detection; (iv) **Knowledge Base Enhancement**. Integrating large models and multimodal data from the knowledge base of manufacturing facilities to train AI engineers. We aim to equip these AI engineers with the ability to interact, respond, search and diagnose manufacturing issues, acting as assistants to reduce the heavy reliance on experienced human engineers; and (v) **Improving Internal Production Processes**. Exploring and utilizing AI to assist in software requirement design, code optimization, system testing, document writing and knowledge exploration, thereby improving the efficiency and quality of research, development and delivery.

IoT

Our intelligent manufacturing software solution leverages an IoT architecture encompassing data acquisition, real-time monitoring, analytics and system integration capabilities. Our IoT architecture enhances production intelligence and accelerates the digital and intelligent transformation of the semiconductor and other industries. The value of our IoT architecture in manufacturing scenarios is reflected across five key dimensions: (i) **Comprehensive Data Acquisition and Real-Time Monitoring**. By deploying sensors and RFID tags, our IoT architecture enables precise and real-time collection of critical production data, including product measurement parameters (such as wafer thickness and dimensions) and environmental conditions (such as temperature, pressure and vibration). Data is securely transmitted via EAP and MessageBus to MES, SPC, FDC and other systems, forming a closed-loop of “acquisition — transmission — monitoring — analysis” for full-process visibility and control; (ii) **Advanced Data Analytics and Intelligent Decision-Making**. Integrated with SPC, FDC and AI algorithms, our IoT architecture supports dynamic tracking of equipment parameters, anomaly detection and predictive risk identification. These capabilities facilitate process optimization, quality enhancement and efficiency improvement, while boosting equipment utilization, yield and throughput; (iii) **End-to-End Connectivity and Cross-System Integration**. Our IoT architecture connects production and logistics equipment (such as overhead cranes and other overhead transport systems) and integrates with MES and SPC. In the semiconductor industry, through the adoption of sensors that complies with the SEMI-E84 protocol, we enable seamless connectivity and link production, logistics and management data flows. In general manufacturing scenarios, our IoT architecture supports full data sharing and operational coordination; (iv) **Enhanced Transparency and Automation**. Real-time data collection and automated input via RFID or EAP interfaces reduce manual errors, improve data accuracy and support transparent and automated production management; and (v) **Customized Solutions for Complex Industrial Environments**. In the semiconductor industry, our EAP offers standardized integration across diverse industrial standards and protocols. In general manufacturing scenarios, we transplant proven practices to address legacy equipment challenges, enabling real-time data acquisition and control through flexible sensor and middleware deployment.

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Big Data Analytics

Big data analytics is a technology enabling the systematic, cost-effective exploitation, processing and analysis of data in high volume with a wide range of varieties. We have developed our PlantU YMS and PlantU DWMS based on our big data analytics technologies, which provide strong load and disaster-tolerance capabilities, aiming to guarantee the smooth business operations of customers with multiple operation sites and large volume of data. In particular, our PlantU DWMS is based on a cloud-native unified data lake and warehouse platform. It supports massive storage engines, real-time computing engines and high-performance analytical engines, all of which can be flexibly expanded on demand.

We have formulated sophisticated data models to streamline the data analytics process. As such, we can efficiently describe the structure, associations and constraints relevant to data, identify essential metrics and encode conventions into reusable rules, to provide guidance for future tasks. We also conduct data mining by discovering and exploiting patterns from massive information to gain insights into future trends and visualize data to provide guidance for the decision-making process of our customers. We convert data into graphics for display and allow interactive processing in such data display to help customers understand and analyze the data in an efficient way.

ACQUISITIONS DURING THE TRACK RECORD PERIOD

We acquired four companies (“**Acquisitions**”) during the Track Record Period, the financial results of which had been consolidated into the financial results of our Group for the Track Record Period. The following table sets forth a summary of the Acquisitions in relation to each target companies (each an “**Acquired Subsidiary**”). In July 2025, we also entered into an agreement with Beijing Guoxin Power Source Technology Development Co., Ltd. (北京國信動力源科技發展有限公司) at a consideration of approximately RMB32.0 million to acquire contractual rights, customer resources, and future business opportunities related to the ERP business of the acquired party, as well as personnel associated with the acquired business. See note 37 to Accountants’ Report in Appendix I to this document.

Acquired Subsidiary	When consolidated into our Group’s financial statements	Aggregate consideration (RMB in thousands)	Counterparties ⁽¹⁾	Principal software products/services
Hangzhou Guan Tian	February 2024	15,106	(a) Kunshan Kaige Venture Investments Co., Ltd.* (昆山凱歌創業投資有限公司) (b) Kunshan Guanqin Innovation Technology Co., Ltd.* (昆山冠勤創意科技有限公司)	RPA, RCM
Beijing Zhi Yang .	February 2024	12,000	(a) Mr. Ma Zhen (馬楨) (b) Shanghai Zhihao Xiaowei Enterprise Management Partnership Enterprise (Limited Partnership)* (上海智豪曉為企業管理合夥企業(有限合夥))	ERP implementation and technical consulting
Suzhou Vida. . . .	April 2024	39,800	(a) Mr. Lu Jucheng (盧聚成) (b) Mr. Zheng Anyou (鄭安佑) (c) Shanghai Saidawei Enterprise Management Partnership Enterprise (Limited Partnership)* (上海賽達威企業管理合夥企業(有限合夥))	YMS, DMS
Beijing Huiliu. . .	April 2025	30,000	(a) Shanghai Xihe Chuangzhi Enterprise Management Partnership Enterprise (Limited Partnership)* (上海曦合創智企業管理合夥企業(有限合夥))	EAM, eRPA, IDP

(1) To the best knowledge of our Directors, the counterparties to the Acquisitions were independent third parties to each other.

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The following table sets forth selected operating data for each Acquired Subsidiary during the Track Record Period, showing their respective contributions of customers and projects delivered following integration of the Acquired Subsidiary into our Group.

	As of/For the year ended December 31,		
	2023	2024	2025
Hangzhou Guan Tian			
Number of accumulated customers	–	14	17
Number of projects delivered	–	18	16
Beijing Zhi Yang			
Number of accumulated customers	–	39	59
Number of projects delivered	–	42	57
Suzhou Vida			
Number of accumulated customers	–	32	36
Number of projects delivered	–	36	30
Beijing Huiliu			
Number of accumulated customers	–	–	36
Number of projects delivered	–	–	30

Details of Each Acquisition

Hangzhou Guan Tian

Hangzhou Guan Tian, established in April 2019 in Hangzhou, was a high-tech company specializing in providing intelligent manufacturing process automation solutions. With remote control and automation technologies as its core, Hangzhou Guan Tian was committed to enhancing the level of automation in equipment management and production processes for manufacturing companies. Prior to the acquisition, Hangzhou Guan Tian’s self-developed RPA and RCM systems had been successfully deployed at scale in multiple advanced semiconductor manufacturing enterprises, demonstrating mature technical implementation and strong industry applicability.

The principal business of Hangzhou Guan Tian was similar to that of our Company in the following aspect:

- **Self-developed RPA and RCM.** Hangzhou Guan Tian’s self-developed RPA and RCM were key products for upgrading our intelligent manufacturing software solution.

We identified the acquisition opportunity through prior interactions of our core technical and sales personnel with Hangzhou Guan Tian’s team, during which its team and products were highly recognized. These interactions provided a reliable basis for evaluation and a clear pathway for engagement.

Based on in-depth considerations of the following commercial reasons, we decided to acquire Hangzhou Guan Tian: (i) to strengthen our R&D, implementation and technical consulting service talent for intelligent manufacturing software solutions, particularly in equipment automation and data acquisition, thereby enhancing our overall capabilities; and (ii) to enrich our intelligent manufacturing solution product portfolio by adding Hangzhou Guan Tian’s self-developed RPA and RCM, marking a significant step forward in the equipment automation and data acquisition sub-sector.

In October 2023, our Company entered into an equity interest transfer agreement with Kunshan Kaige Venture Investments Co., Ltd.* (昆山凱歌創業投資有限公司) (“**Kunshan Kaige**”), under which our Company shall acquired 12.5% equity interests in Hangzhou Guan Tian at a consideration of RMB3.5 million. On the same date, our Company entered into another equity interest transfer agreement with Kunshan Guanqin Innovation Technology Co., Ltd.* (昆山冠勤創意科技有限公司) (“**Kunshan Guanqin**”), under which our Company shall acquire 32.2% equity interests in Hangzhou Guan Tian at a consideration of approximately RMB5.6 million. The consideration of the aforementioned equity interest transfer agreements were fully settled in November and December 2023. Both Kunshan Kaige and Kunshan Guanqin were Independent Third

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Parties. In February 2024, the general meeting of Hangzhou Guan Tian passed a resolution increasing its registered capital by RMB6.0 million, which enlarged our Company’s shareholding in Hangzhou Guan Tian to 58.87%, and Hangzhou Guan Tian therefore became a non-wholly owned subsidiary of our Company, and its financial statements were therefore consolidated. The subscribed registered capital was fully paid up in March 2024. In May 2024, the registered capital of Hangzhou Guan Tian increased from RMB10,757,000 to RMB12,640,000 with the additional capital subscribed by Shanghai Saiguantian Enterprise Management Partnership (Limited Partnership)* (上海賽冠天企業管理合夥企業(有限合夥)), an Independent Third Party, which reduced our Company’s shareholding in Hangzhou Guan Tian to 50.10%.

Beijing Zhi Yang

Beijing Zhi Yang, established in January 2014, was a high-tech company specializing in the implementation, customized development, system maintenance and technical consulting services of ERP of a global leading intelligent industrial software solution provider, particularly for large conglomerate companies. The core team of Beijing Zhi Yang had over 15 years of ERP-related experience and possesses comprehensive capabilities in serving large conglomerate companies and handling system integration and implementation projects involving multiple business modules, long cycles and high complexity. Through continuous innovation in long-term client services, Beijing Zhi Yang has accumulated solid technical expertise. Prior to the acquisition, Beijing Zhi Yang had built a strong customer base in key industries such as electricity, chemicals and steel, and had long served central-level state-owned enterprises and large state-owned enterprises, earning a strong brand reputation and sustainable client relationships in the digital transformation of state-owned enterprises.

The principal business of Beijing Zhi Yang was similar to that of our Company in the following aspect:

- **ERP Implementation and Technical Consulting.** Beijing Zhi Yang provided software implementation and consulting services of ERP of a global leading intelligent industrial software solution provider, which aligned with our then strategy of developing operations management software solution.

We identified the acquisition opportunity through our engagement in competitive ERP projects for central state-owned enterprise clients, during which we evaluated Beijing Zhi Yang’s technical capabilities, service quality, business model and market competitiveness. We found strong relevance and synergy with our business and determined it to be a high-quality acquisition target.

Based on in-depth considerations of the following commercial reasons, we decided to acquire Beijing Zhi Yang: (i) to further expand our operations management software solution-related business, (ii) to supplement our talent pool with experienced sales, technical service and management professionals in the operations management software solution sector, thereby strengthening our capabilities in sales expansion and technical services for system integration and implementation involving multiple business modules, long cycles and high complexity, and (iii) to introduce large central state-owned enterprise clients and penetrate new sectors such as electricity and chemicals.

In October 2023, our Company entered into an equity interest transfer agreement with the original shareholders of Beijing Zhi Yang at a consideration of RMB12.0 million. The original shareholders of Beijing Zhi Yang were Mr. Ma Zhen (馬楨) and Shanghai Zhihao Xiaowei Enterprise Management Partnership Enterprise (Limited Partnership)* (上海智豪曉為企業管理合夥企業(有限合夥)) whose general partner was Mr. Ma Zhen. Both of the original shareholders of Beijing Zhi Yang were Independent Third Parties. Upon the completion in February 2024, Beijing Zhi Yang became a directly wholly owned subsidiary of our Company. The consideration of the equity interest transfer agreement was fully settled in February and July 2024, respectively.

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Suzhou Vida

Suzhou Vida, established in October 2019 in Suzhou, was a company dedicated to providing comprehensive quality control and yield improvement system solutions for advanced manufacturing industries. The core team of Suzhou Vida had over 25 years of R&D and industrialization experience in semiconductors, electronics and display panels, and possesses proprietary core technologies in YMS and DMS. Suzhou Vida was among the early adopters of AI technologies to achieve breakthroughs in intelligent quality data analysis and process optimization. Prior to the acquisition, its self-developed YMS and DMS systems had been widely applied by well-known semiconductor, panel and electronics manufacturers both domestically and internationally, establishing a solid customer base and strong brand influence.

The principal business of Suzhou Vida was similar to that of our Company in the following aspect:

- **Self-developed YMS and DMS.** Suzhou Vida’s self-developed YMS and DMS were key products for upgrading our intelligent manufacturing software solution.

We identified the acquisition opportunity through multiple prior project collaborations, during which we worked closely with Suzhou Vida to jointly provide services to clients in multi-module intelligent industrial software implementation and technical services. In addition, Suzhou Vida had previously served as a supplier to our Company, providing software licenses and implementation/technical services related to yield management. These engagements allowed us to conduct thorough and close evaluations of its technical capabilities, service quality and responsiveness. The cooperation validated strong complementarities in technology, products and service systems, with clear synergy potential, and its team capabilities and project outcomes were well recognized by end customers.

Based on in-depth considerations of the following commercial reasons, we decided to acquire Suzhou Vida: (i) to strengthen our R&D, implementation and technical consulting service talent for intelligent manufacturing software solutions, particularly in quality management, thereby enhancing our overall capabilities; and (ii) to enrich our intelligent manufacturing solution product portfolio by adding Suzhou Vida’s self-developed YMS and DMS, marking a significant step forward in the quality management sub-sector.

In March 2024, our Company, Mr. Lu Jucheng (盧聚成) and Mr. Zheng Anyou (鄭安佑) entered into an equity interest transfer agreement, under which our Company shall acquired 51% equity interests in Suzhou Vida at a consideration of RMB15.3 million. Such equity interest transfer was completed in April 2024, and Suzhou Vida became a non-wholly owned subsidiary of our Company and its financial statements were consolidated. The consideration was fully settled in April and June 2024, respectively. In June 2025, our Company and Shanghai Saidawei Enterprise Management Partnership Enterprise (Limited Partnership)* (上海賽達威企業管理合夥企業(有限合夥)) (whose general partner is Mr. Su Yinan (蘇怡男)) (“**Shanghai Saidawei**”) entered into an equity interest transfer agreement, under which our Company shall acquired the remaining 49% equity interest in Suzhou Vida at a consideration of RMB24.5 million. Such equity interest transfer was completed in August 2025, and the consideration has been fully settled in January 2026 as of the Latest Practicable Date, and Suzhou Vida became a directly wholly-owned subsidiary of our Company. All of Mr. Lu Jucheng, Mr. Zheng Anyou, Shanghai Saidawei and Mr. Su Yinan were Independent Third Parties.

Beijing Huiliu

Beijing Huiliu, established in 2018, was a high-tech enterprise specializing in providing operations management software solutions for the electricity and energy industry. The core team of Beijing Huiliu had nearly 20 years of experience in the electricity and energy sector and possessed deep expertise in energy digitalization and international business development. Beijing Huiliu maintained core technologies in nuclear power intelligent asset management, and its self-developed EAM system is fully adapted to the stringent requirements of high reliability and strong compliance in the nuclear power industry. Prior to the acquisition, Beijing Huiliu had self-developed EAM, eRPA and IDP, which had been widely adopted by major nuclear power companies in China, providing critical technological support for the digital transformation of the energy industry.

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The principal business of Beijing Huiliu was similar to that of our Company in the following aspect:

- **Self-developed EAM, eRPA and IDP.** Beijing Huiliu’s self-developed EAM, eRPA and IDP were key products for upgrading our operations management software solution.

We identified the acquisition opportunity through our engagement in competitive projects in the nuclear power sector while expanding our operations management solution business. During this process, we evaluated Beijing Huiliu’s technical capabilities, product and service quality, business model and market competitiveness, and determined it to be a high-quality acquisition target with strong relevance and synergy to our business.

Based on in-depth considerations of the following commercial reasons, we decided to acquire Beijing Huiliu: (i) to supplement our R&D, technical service and sales talent for operations management software solutions and expand the scale of our operations management solution business, (ii) to strengthen our operations management software product portfolio by adding EAM, eRPA and IDP, and (iii) to introduce major nuclear power clients and expand into the nuclear power sector.

In April 2025, our Company entered into an equity interest transfer agreement with Shanghai Xihe Chuangzhi Enterprise Management Partnership Enterprise (Limited Partnership)* (上海曦合創智企業管理合夥企業(有限合夥)) (“Shanghai Xihe”), whose general partner was Mr. Li Xinan (李熙南), under which our Company shall acquired 42.5% equity interest in Beijing Huiliu at a consideration of RMB25.0 million. With the approval from the general meeting of Beijing Huiliu, our Company subscribed to an additional registered capital of RMB0.5 million at a consideration of RMB5.0 million, increasing the registered capital of Beijing Huiliu from RMB 5.6 million to RMB 6.1 million, which enlarged our Company’s shareholding in Beijing Huiliu to 51%. Upon the completion of the equity interest transfer and the increase in Beijing Huiliu’s registered capital, Beijing Huiliu became a non-wholly owned subsidiary of our Company. Its financial statements were consolidated to Our Group in April 2025 and the consideration for the equity interest transfer agreement and the increased registered capital were fully settled and paid up in May and June 2025, respectively. Both Mr. Li Xinan and Shanghai Xihe were Independent Third Parties.

Integration and Synergies

As of the Latest Practicable Date, we have fully integrated the business of each Acquired Subsidiary into our Group and achieved synergies in the following aspects:

- **Product and Technology Integration.** Products of each Acquired Subsidiary have been incorporated into our intelligent industrial software solution portfolio, and their source codes are managed under our Group’s unified system. R&D functions of each Acquired Subsidiary have been consolidated under a centralized management framework, enabling unified planning of product and technology roadmaps and standardized development processes. In terms of technical integration, we have achieved harmonized coding standards, product and user interfaces, testing protocols and quality benchmarks.
- **Implementation, Technical Services, and Maintenance.** Implementation and technical services related to the products of each Acquired Subsidiary have been integrated into the corresponding departments of our Group under unified management. This ensures consistent standards and seamless integration across application, deployment, and technical service layers. We have also established a dedicated maintenance service division to provide systematic support, enhance customer experience, and ensure operational continuity.
- **Management Integration.** Core functions such as operations, human resources, finance, and IT of each Acquired Subsidiary have been incorporated into our Group’s governance framework, achieving centralized management of policies, processes, and resources, thereby improving strategic execution and operational efficiency. We have retained the core management of each Acquired Subsidiary to our Group.

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- **Customer and Sales Synergies.** Through the acquisitions, we share market channels and customer resources, effectively expanding our customer base. All the sales team of the Acquired Subsidiaries are centrally managed by us. This facilitates integrated sales, bundled offerings, and cross-selling opportunities, reducing new product introduction costs and increasing customer stickiness.
- **Financial Synergies.** Our Group provides sufficient funding support for the R&D and business expansion of products and technologies of each Acquired Subsidiary. The finance of all Acquired Subsidiaries are centrally managed by us.
- **Brand Synergies.** Our Group enjoys strong brand influence in advanced intelligent manufacturing sectors such as semiconductors, while each Acquired Subsidiary holds varying degrees of recognition in other industries. For instances, Beijing Zhi Yang is well recognized in ERP implementation and technical services for power and chemical industries. Suzhou Vida has high visibility in intelligent manufacturing yield management for semiconductors, electronics, and panels. Beijing Huiliu has accumulated strong expertise and reputation in enterprise management solutions for the nuclear power industry. The acquisitions have created a combined brand effect, leveraging complementary strengths and generating significant brand resonance enable us to further expand into more diversified downstream industries.

RESEARCH AND DEVELOPMENT

R&D and technological innovations are crucial to our business operations and development. We have invested significantly in R&D to promote expansion in our intelligent industrial software solutions and other solutions, and their use cases, as well as to optimize existing solution offerings. Our R&D initiatives will be guided by customers’ ever-evolving technical demands and demand for AI in their manufacturing processes, and depending on our technical capabilities, sensitivity of market needs and sensitivity of the relevant technologies, we will conduct our R&D projects independently, in collaboration with other entities or by commissioning third parties.

We plan to continue to enhance our technological capabilities through exploring into various areas with highly promising expansion potentials, while actively monitoring market trends to stay ahead of industry needs. Additionally, we are integrating AI modules into our data analytics software products to elevate processing power and analytical precision. To standardize our R&D project management, we have formulated the R&D Project Management Policy (研發項目管理制度) (“**R&D Policy**”) based on the integrated product development (集成產品開發) philosophy, which features market orientation, customer-driven approaches and cross-departmental collaboration.

Throughout the R&D process, we have implemented various internal efficiency management practices which have proven to be core elements in accelerating research progress and enhancing the accuracy of results. These practices include:

- **AI Tools.** We actively promote the application of AI tools and explore other possible AI technologies across the R&D process. Before the recent surge in popularity of AI applications, we have encouraged the use of AI development tools like GitHub Copilot and incorporated the usage of these tools into employee performance evaluations. Currently, our R&D teams are leveraging AI development tools to provide optimized code suggestions, reduce repetitive coding, optimize code refactoring, automatically generate comments, draft documentation and analyze logs. We are also piloting the use of a trustworthy AI assistant across our Company to support software development tasks.
- **Coding Standards.** We have established a set of comprehensive coding standards from the early stages of software development and strictly adhere to them throughout the development process. These standards include definitions for terminology, version rules and development standards for the server, client and database sides. These standards benefit R&D by promoting consistency, reducing errors and enhancing the efficiency and accuracy of the development process.

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- **Test Standardization.** We have established a unified testing organization responsible for all tests during the product development and implementation process. From the project design phase, our professional testers are involved in writing test cases and conducting various tests, including unit, integration, scenario and performance tests. Additionally, we have built an automated testing platform based on Python/Pytest, which is used for functional, scenario and performance testing, achieving approximately 80% test automation coverage for our major software products. At the project launch stage, all tests must be completed by our professional testers and receive sign-off approval before the project can be launched. These efforts benefit R&D by ensuring thorough and consistent testing, reducing errors and enhancing the efficiency and accuracy of the development process.

During the Track Record Period, our R&D expenses were RMB52.9 million, RMB60.1 million and RMB81.7 million in 2023, 2024 and 2025, respectively.

Our Technical Teams

Our R&D work is jointly undertaken by our various R&D divisions, each focusing on different technological areas. Under our technology center, we establish various R&D divisions, each responsible for (i) iterative development of the PlantU MES system platform, as well as interface development and system integration with various other products, (ii) iterative development of PlantU EAP, along with the development of related sub-products and middleware, and (iii) standardized development of back-end packaging and testing software products. Each of our business units has its own dedicated R&D team responsible for the development of corresponding products and technologies. In particular, we have established a dedicated AI technology support department to provide foundational AI technical support to all R&D and business units, promoting the implementation and application of AI technologies across different products. Additionally, we have set up a software engineering support department, which is responsible for: (i) formulating technical coding standards and managing source code, (ii) consolidating Continuous Integration/Continuous Delivery (CI/CD) development specifications and managing development requirements and issues, (iii) standardizing product testing and ensuring product quality, and (iv) unifying User Interface (UI) design and ensuring interface consistency. We have also established the Integrated Product Management Team (集成產品管理團隊) (“IPMT”), a cross-departmental decision committee which is responsible for the overall planning of products and technologies, as well as the approval, review, supervision and process management of various R&D projects.

To support these diverse activities, we have a growing technical team, consisted of 311 R&D personnel and 620 application personnel as of December 31, 2025, representing 27.7% and 55.3% of our total number of employees as of the same date, respectively. Our R&D staff have expertise that spans a wide range of technological and industrial areas and were involved in various processes of our R&D activities on a regular basis. With rich research, development and management experience, our technical team has developed an internal best practice.

Protection of Our R&D Outcomes

We have entered into legally-binding non-compete agreement (競業限制協議) with our key technological personnel and employees involved in our R&D activities. Furthermore, all employees are required to sign a confidential information and invention assignment agreement (保密信息及發明成果轉讓協議) as part of the standard form employment agreement, pursuant to which employees must keep all confidential information of our Group and/or any related party strictly confidential during and after the termination of their employment with us, and any intellectual property conceived and developed during their employment in the course of performing their duties thereunder or otherwise exploiting our facilities, equipment, technologies or system belongs to us.

We will systematically archive and store technical documents, code, data, patents, non-patented technologies, software copyrights and trade secrets generated during the R&D process in accordance with our internal confidentiality classification. See “—Data Privacy and Security—Policies and Procedures.” Upon completion of an R&D project, we will also promptly evaluate the innovation and protectability of the results, and proactively apply for patents, software copyrights and other forms of intellectual property for eligible technologies, software or products.

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Our R&D Process

Our R&D projects primarily originate from several key sources. These include strategic development decisions aligned with our long-term goals, comprehensive market research and analysis, customer demand assessments and competitive product evaluations. Additionally, projects are initiated based on research into technologies and comprehensive forecasts of product development prospects. New products, modules and features are developed, with continuous iterative upgrades conducted to meet these strategic and market-driven needs. This approach ensures that our offerings remain competitive and aligned with the latest technological advancements and market demands.

Additionally, our R&D teams collaborate closely with our sales and marketing team and our application team. For instance, our sales and marketing team or application team may communicate customer feedback and customization requests to our R&D teams. Our R&D teams will then evaluate these inputs to determine if specific product iterations or enhancements are warranted, thereby kicking off a potential R&D project.

Through the R&D process, our R&D personnel also gain valuable experiences and know-how on solution development that will further underpin our strong R&D capabilities. We approve R&D projects based on objective and scientific feasibility studies and risk analysis through a rigorous and systemic process. Key steps in our R&D process typically consist of:

- **Project Initiation and Approval.** An R&D project will be initiated by the relevant R&D project manager, who will prepare an initiation report (立項報告). The project must subsequently undergo preliminary review and approval by the relevant product technical teams. Afterwards, upon considering the initiation requests, the members of the IPMT Initiation Meeting (IPMT立項決策會) will vote on the project, and the project will only be approved if over two-thirds of the IPMT members voted in its favor.
- **Project Design, Development and Testing.** Product design involves defining software functions, architecture and user experience based on user needs and market analysis. Product development transforms the design plan into actual operational software through coding, module development and system integration. Product testing systematically verifies software functionality, performance and stability, ensuring it meets design and quality standards.
- **Industry Adaptation.** We will customize and optimize the new software product based on specific industry requirements and standards. Through this industry adaptation, the new software product will better integrate into the target market, enhancing competitiveness and user satisfaction.
- **Project Conclusion.** The conclusion of an R&D project will be initiated by the relevant R&D project manager, who will prepare a detailed conclusion report (結案報告). Upon considering the conclusion report and oral elaborations, the members of the IPMT will vote on the project conclusion. The project will only be considered concluded if more than two-thirds of the IPMT members vote in favor. If an R&D project cannot be closed through the standard process, we will promptly analyze the root cause and determine whether to terminate, extend or adjust the project objectives.
- **Continuous Optimization and Iteration.** Following the completion of a project, the R&D project manager evaluates the need for further iterations based on factors such as market dynamics, customer feedback, and the degree of product standardization. Based on this analysis, resources are strategically allocated across R&D initiatives, with priority given to those demonstrating stronger market potential. This approach ensures the optimization of operational efficiency and alignment with the organization’s broader strategic objectives.

The content, timeline and investment of approved R&D projects are generally expected to be adhered to, and any significant changes to the above will have to be recorded and/or submitted for approval, depending on its degree of significance. We have also implemented a monthly reporting system that R&D project managers are expected to submit a monthly R&D report to the Project

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Operations Department (項目運營部). This report should include the progress of the R&D project, the monthly R&D investment and any issues encountered along with the support needed. The Project Operations Department will analyze the monthly reports and subsequently report to the IPMT Decision Committee (IPMT決策委員會).

SALES AND MARKETING

We primarily sell our solutions directly to companies in the semiconductor industry and other industries, which are end adopters of our solutions. Our total number of customers has grown swiftly from 357 as of December 31, 2023 to 678 as of December 31, 2024, and further to 843 as of December 31, 2025. The number of new projects awarded increased from 409 as of December 31, 2023 to 551 as of December 31, 2025, with a CAGR of 16.1% from 2023 to 2025. This showcased increasing customer demand of our products and the effectiveness of our sales and marketing efforts.

Sales Agreements with Our Customers

We generally enter into sales agreements with our customers in respect of our intelligent industrial software solutions, which typically include the following salient terms:

- **Service Scope.** The agreement generally specifies the intelligent industrial software solutions, technical services and operation and maintenance services that we provide, including, without limitation, their types and quantities, software functions, technical standards and service and maintenance standards. The agreement will also typically lay out the obligations of all parties, work schedules, form of delivery and/or installation and testing, as applicable. We may also provide operation and maintenance services to customers after completing the relevant project and/or the expiration of the complimentary warranty period under a separate agreement with corresponding service fees. Our complimentary warranty period is usually one year after the completion of the project, although it may be longer in major, strategic or long-term customer projects.
- **Credit Term.** The typical credit terms vary from 30 to 180 days.
- **Ownership.** Ownership varies by agreement. We own and license our software; third-party software remains with suppliers; customized solutions may belong to customers; and hardware ownership transfers to customers upon completion.
- **Intellectual Property Rights.** We generally warrant that we hold the necessary intellectual property (“IP”) rights or licenses and provide indemnities for IP infringement claims. No such claims have been made as of the Latest Practicable Date. IP arising from customization may belong to customers, subject to agreement.
- **Confidentiality.** Unless required by laws or consented to by the other party, neither party shall disclose or misappropriate each other’s trade secrets or contractual terms.
- **Termination.** Where the agreement specifies a contract period, the period typically does not exceed 1.5 years. Termination terms vary by contracts and typically include uncured breaches or termination by mutual agreement.

In addition to direct sales to end adopters, to a lesser extent, we may also enter into integrated contracts with general contractors, which typically involve licensing of standardized software products and provision of system development services. General contractors are primarily industrial software companies that are usually engaged by end adopters to assist with various aspects of project implementation, such as offering the bulk of the solutions, managing development progress, engaging with suppliers and integrating the work products from different suppliers. In 2023, 2024 and 2025, the number of accumulated general contractors were 50, 75 and 104, respectively, and to the best knowledge of our Directors, those general contractors are Independent Third Parties.

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While some of our customers are general contractors, we do not operate under a distributorship model. These contractors are chosen by end adopters to carry out projects and are not engaged by us to expand sales channels. When we sign a sales agreement with a general contractor, we treat it as our customer, even if we deliver products or services directly to the end-user. General contractors do not resell our products or services and as such, we do not consider them distributors, and their involvement does not give rise to any material concerns about channel stuffing, cannibalization, or trade receivable recoverability. The agreements with general contractors typically include the following salient terms:

- **Service Scope.** The agreement typically specifies the end adopter, solutions procured, and services (including delivery and/or installation and testing, as applicable). We may also provide operation and maintenance services to customers after completing the relevant project and/or the expiration of the complimentary warranty period under a separate agreement.
- **Pricing, Payment and Service Delivery.** Pricing is scope-based. We typically provide software solutions with implementation and customization services.
- **Intellectual Property Rights.** We warrant necessary IP rights/licences and provide indemnities; IP from post-inspection customization typically belongs to end adopters.
- **Confidentiality.** Neither party may disclose or misuse the other’s trade secrets, unless required by law or consented.
- **Termination.** For events such as material uncured breaches, insolvency, force majeure, or circumstances materially affecting performance.

Our Sales Model

We offer two licensing options: factory-wide licensing with a fixed upfront fee, and per-equipment licensing based on the number of units added.

Intelligent Manufacturing Software Solutions

Our intelligent manufacturing software solutions typically include licenses, deployment, and maintenance services. Sales models vary by the products selected and are tailored to customers’ needs. For example, we can integrate third-party software and tailor our sales model to customers’ investment plans and operational lifecycle.

The table outlines the typical sales model for our intelligent manufacturing software solutions:

Principal product/service	Whether one-time or recurring sales	Whether standalone or bundled sales
Licenses with deployment or technical services, or standalone licenses	New production line construction or line upgrade projects typically involve a one-time license fee for perpetual use.	Our product offerings cover full lifecycle products, with bundled sales of proprietary products prioritized.
	Additional licensing fees may be charged if the number of licensed users is exceeded (if applicable).	Standalone sales available if customers require only specific products.
	We are exploring new models with annual license fees, for example, some YMS projects are charged annually.	Bundling with third-party products is available upon specific request.
Maintenance services	We typically charge annual service fees.	Typically sold alongside our licenses and deployment or technical services.

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Operation Management Software Solutions

Our operation management software solutions primarily include technical and maintenance services for ERP, and licenses, deployment and maintenance services. ERP is typically provided as a standalone product with technical and maintenance services for ERP on an annual basis. The license, deployment and maintenance services such as EAM follow a sales model similar to our intelligent manufacturing software solutions.

The table outlines the typical sales model for our operation management software solutions:

Principal product/service	Whether one-off or recurring sales	Whether standalone or bundled sales
Maintenance services for ERP	We typically charge annual service fees.	Typically offered on a standalone basis.
License authorization with implementation/technical services, or standalone license authorization . . .	New production line construction or line upgrade projects typically involve a one-time license fee for perpetual use. Additional fees may be charged if the number of licensed users is exceeded (if applicable), and for deployment or technical services. We also provide an annual subscription model, as exemplified by our eRPA product, where a small proportion is sold on a yearly subscription basis.	We are also exploring opportunities to bundle them with our intelligent manufacturing and other operational management software solutions. Our product offerings cover full lifecycle products, with bundled sales of proprietary products prioritized. Standalone sales available if customers require only specific products.
Maintenance services for other operational management software solutions	We typically charge annual service fees.	Typically sold alongside our licenses and deployment or technical services.

Pricing and Fee Model

The fee for the provision of our PlantU series intelligent industrial software solutions is typically determined based on project complexity, amount of work required and manpower involved, software products supplied and customization requests raised by our customers, service period, extent of services required, among others. For ERP systems licensed from third-party suppliers, the annual license fee payable by our customers is calculated by applying a markup to our own licensing costs, as specified in individual contracts.

The specific pricing of our solutions under each agreement is determined by the service scope and the underlying solutions involved with each customer. For both our intelligent manufacturing software solutions and operations management software solutions, we typically offer two pricing models: (i) a pure licensing model under which customers pay annual license fees in exchange for the use of off-the-shelf products, or (ii) a project-based model combining licensing with implementation and customization services, where we design and offer integrated solutions based on the customized specifications of customers and assign selected technical personnel to provide onsite services to customers. In certain cases, the two delivery forms may be combined within a single contract. Our customers are usually required to make payments in installments upon milestones in accordance with the billing cycle as designated in the agreement. We also offer operation and maintenance services to our customers under a separate agreement.

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For the provision of customized solutions and services, depending on individual agreement negotiations, the payment milestones may include contract signing (typically 30% of the contract price), finalization of blueprints (typically 30% of the contract price), implementation, customer’s inspection and final acceptance of our solutions (typically 30% of the contract price) and the lapse of the complimentary warranty period (typically 10% of the contract price). For the provision of standard software products, where our PlantU series software products are involved, the payment milestones may include contract signing (typically 50% of the contract price), final acceptance of our solutions (typically 50% of the contract price) and the lapse of the complimentary warranty period. Where different delivery forms are combined into a single contract, the pricing for each component will typically be itemized in the agreement. In line with industry practice, we typically permit customers to retain 10% of the contract price until the conclusion of the complimentary warranty period. However, for major, strategic or long-term customer projects, a higher retention percentage may be applied.

For our technical services, they normally include designing and providing tailored intelligent industrial software solutions, conducting training and addressing other customized needs of the clients. We usually charge based on the number of personnel involved and their working hours, rather than on a fixed fee, with a capped fee typically specified in the relevant agreement.

We usually charge our customers an annual fee for our operation and maintenance services, generally calculated at approximately 15% to 22% of the license fee.

We believe it is crucial to provide our solutions and services at competitive prices. We conduct market research and take into consideration the pricing level of similar services or products in our prior projects and in the industry in determining our pricing.

Sales and Marketing Team

As of December 31, 2025, we had an experienced sales and marketing team of 66 members with different specialties, who work closely with our R&D team to propose customized solutions to our potential customers. Our sales and marketing team consists of a centralized department focusing on the semiconductor sector and individual sub-teams within each business unit that concentrate on specific product offerings. As of December 31, 2025, the revenue generated per member of our sales and marketing team exceeds RMB12.8 million, demonstrating the remarkable efficiency and effectiveness of our team.

In particular, we have nine regional sales centers with localized sales teams in select cities, namely, Shanghai, Suzhou, Beijing, Shenzhen, Hangzhou, Chengdu and Xiamen in Mainland China, Singapore and Penang in Malaysia, to stay close to our customers and to better capture customer demands. We have established a sales network with specialized sales and marketing staff to conduct on-site sales activities for local customers across multiple regions domestically and globally. Our specialized sales efforts also allow us to accumulate industry and regional insights, enabling us to continuously improve and enrich our offerings.

Marketing and Branding

We typically establish our relationship with customers through standalone software products or integrated solutions for a specific use case, from which we create value for the adopters of our intelligent industrial software solutions. We have aligned our technological development around these objectives to meet our customer’s continuous evolving needs. By applying our industry know-how to new and upgraded solutions, we have reinforced our role as existing customers’ long-term trusted provider that assists them in addressing new challenges in their digitalization and automation progress. With our word-of-mouth reputation and proven track record, we can replicate our success through acquiring new customers in the same industry sector, as well as developing similar solutions to acquire customers from other industry sectors.

In addition to cross-selling and word-of-mouth referrals, we promote our solutions through various other channels. We frequently invite customers in the semiconductor industry and other industries to seminars to showcase our new product directions and roadmaps, thereby keeping them informed about our latest advancements. Through participating in industry exhibitions like

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SEMICON China, the world’s largest semiconductor industry platform, we are able to showcase our competitive solutions and communicate directly with potential customers and other industry participants. We believe we are well positioned to increase our visibility in the industry and grow our market share in the future.

Customer Support

We believe a dedicated customer support is key to nurturing a long-term relationship with our customers. After signing customer contracts, our sales and marketing team will gradually hand the client project over to our application team, which provides post-sale technical transfer, system implementation and technical support services. Our delivery center plays a key role in this project execution stage. It is responsible for two major functions: (i) the development of standardized templates for delivery, which are tailored based on the application scenarios and production line management requirements of customers in specific segments of the semiconductor industry, with the dual objectives to minimize our workload on customization and to shorten our delivery cycles; and (ii) the on-site solution deployment and implementation based on the standardized templates, which are then customized according to specific customer requirements, ensuring timely and quality delivery within project budget.

Afterwards, our maintenance department will provide continuous maintenance services throughout the complimentary warranty period, which typically spans around one year but may be extended through a separate operation and maintenance services agreement. While customer support scope varies by customer and project, we generally provide three main categories of support as part of our standard offerings: (i) product-related support: bug fixes for the core functionalities and customized components of our software, software patches and upgrades, among others; (ii) technical support: regular online and/or onsite system inspections, mobile, email and/or online support channels, emergency online and/or onsite support, remote consultations, and expert consultations, among others; and (iii) trainings: for operating and R&D personnel.

In particular, for our key customers, we typically assign dedicated customer service personnel who will, in turn, work closely with our application and R&D teams to provide targeted technical support. The precise scope of services and the relevant fees will be set out in individual operation and maintenance services contracts. We also conduct regular customer visits to optimize our performance and seek cross-selling and up-selling opportunities based on key customers’ evolving needs.

Due to the nature of the intelligent industrial software solutions we provided to our customers, product return is not applicable to our business. During the Track Record Period and up to the Latest Practicable Date, we had successfully maintained a good record with no material complaints attributed to product quality.

CUSTOMERS AND SUPPLIERS

Customers

We have developed and offered our solutions to companies across various industries. This diverse base comprises private enterprises and SOEs, enabling us to cater to a broad spectrum of recurring customers who rely on our tailored solutions and high standards of service. Our customers during the Track Record Period are primarily based in Mainland China.

The majority of our customers are the end adopters of our solutions while some others are general contractors engaged by end adopters. End adopters engage these general contractors to assist with various aspects of project implementation. See “—Sales and Marketing—Sales Agreements with Our Customers.” Given our technical superiority in certain fields and/or our industry reputation, end adopters may sometimes designate us as the supplier of selected software products and services, despite that another company has been selected as the general contractor. The aforesaid procurement process through general contractors by end adopters is in line with the industry norm.

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Revenue generated from our top five customers in each period during the Track Record Period accounted for 36.2%, 28.6% and 27.6% of our total revenue in 2023, 2024 and 2025, respectively, and revenue generated from our largest customer in each period during the Track Record Period accounted for 11.5%, 10.8% and 10.1% of our total revenue in the same periods, respectively. The following table sets forth certain information of our top five customers in each period during the Track Record Period.

Customer	Principal business	Registered Capital ⁽¹⁾	Products or services sold	Transaction amount	Percentage of total revenue	Credit term	Payment method	Year of commencement of business relationship
		(RMB in thousands)		(RMB in thousands)	(%)	(days)		
<i>For the year ended December 31, 2023</i>								
Customer A	5G communication equipment, smartphones, cloud computing services, enterprise network solutions and semiconductor chip design	41,041,132	Intelligent manufacturing software solutions	33,025.0	11.5	60	Bank transfer	2020
Customer B	Electricity generation and supply (thermal power, hydropower, wind power, solar energy), coal development and sales, technology-industrial financial services, and integrated energy solutions	37,000,000	Operations management software solutions	22,613.2	7.9	30	Bank transfer	2023
Customer C	R&D, production, and foundry services for analog circuits, power devices, micro controller units and other chips	21,198,060	Intelligent manufacturing software solutions	19,177.3	6.7	10~30	Bank transfer	2022
Customer D	Design and development of high-voltage MOSFET, IGBT, power integrated circuit and wafer foundry services	10,814,000	Intelligent manufacturing software solutions	17,108.2	6.0	5~180	Bank transfer	2022
Customer E	Advanced process wafer foundry services, development and commercialization of specialized semiconductor technologies	14,680,000	Intelligent manufacturing software solutions and operations management software solutions	11,895.7	4.1	15~30	Bank transfer	2019

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Customer	Principal business	Registered Capital ⁽¹⁾	Products or services sold	Transaction amount	Percentage of total revenue	Credit term	Payment method	Year of commencement of business relationship
		(RMB in thousands)		(RMB in thousands)	(%)	(days)		
<i>For the year ended December 31, 2024</i>								
Customer E . . .	Advanced process wafer foundry services, development and commercialization of specialized semiconductor technologies	14,680,000	Intelligent manufacturing software solutions and operations management software solutions	53,904.2	10.8	15~30	Bank transfer	2019
Customer F . . .	R&D, production and sales of large-diameter semiconductor silicon wafers	36,083	Intelligent manufacturing software solutions	27,546.9	5.5	30	Bank transfer	2019
Customer B . . .	Electricity generation and supply (thermal power, hydropower, wind power, solar energy), coal development and sales, technology-industrial financial services, and integrated energy solutions	37,000,000	Operations management software solutions	22,717.0	4.5	30	Bank transfer	2023
Customer G . . .	Refurbishment and resale of semiconductor equipment	2,000	Hardware products	21,000.0	4.2	300 ⁽²⁾	Bank transfer	2023
Customer H . . .	Production of semiconductor silicon wafers (such as 12-inch polished wafers, epitaxial wafers) and development of advanced process technologies	96,700	Intelligent manufacturing software solutions	17,949.1	3.6	7~10	Bank transfer	2024
<i>For the year ended December 31, 2025</i>								
Customer I . . .	Oil and gas exploration and development, new energy, refining sales, new materials, support and services, capital and finance businesses	333,333	Operations management software solutions	73,718	10.1	45	Bank transfer	2025
Customer J . . .	New energy, general aviation, leisure tourism and industrial investment	4,000,000	Intelligent manufacturing software solutions	35,398	4.8	90	Bank transfer	2025
Customer K . . .	Provision of electrical system solutions in the transportation and energy sectors	1,357,948	Intelligent manufacturing software solutions and Operations management software solutions	35,358	4.8	30 ~ 60	Bank acceptance bill and Commercial Acceptance Bill	2019

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Customer	Principal business	Registered Capital ⁽¹⁾	Products or services sold	Transaction amount	Percentage of total revenue	Credit term	Payment method	Year of commencement of business relationship
		(RMB in thousands)		(RMB in thousands)	(%)	(days)		
Customer L . .	Provision of consulting and implementation services for Extended-ERP business	10,000	Operations management software solutions	30,919	4.2	10	Bank transfer	2025
Customer M . .	Digital intelligence system development, electronic information manufacturing, semiconductor material manufacturing and industrial investment	10,599,264	Operations management software solutions	26,184	3.7	45	Letter of Credit	2025

- (1) The registered capital amount is based on figures to the best of our knowledge as of December 31, 2025.
- (2) Customer G was granted a relatively extended credit term during the period compared to typical customers due to the high-value nature of the semiconductor equipment purchased, while considering its strong reputation, proven track record, and the strategic value they might bring to our business development.

As of the Latest Practicable Date, none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five customers in each year during the Track Record Period.

While we aim to be a cross-industry intelligent industrial software solutions provider, a majority of our top five customers in each period during the Track Record Period were Chinese front-end semiconductor companies, and a large number of our current intelligent industrial software solutions are tailored for the semiconductor industry, as CIM is particularly crucial in semiconductor fabrication. We also have been diversifying our customer base in terms of solution offerings and industrial sectors, aiming to acquire more customers and decrease the risks of customer concentration. See “Business—Our Competitive Strengths—Customer Network and Industry Benchmark Use Cases.”

Going forward, we also plan to further penetrate into other industries beyond semiconductor industries where we have accumulated experience and resources. We also plan to explore business opportunities with existing customers’ newly established subsidiaries and branch offices, as well as other corporate customers for our ERP system in Mainland China and in other markets, such as Singapore, Malaysia and Hong Kong.

Suppliers

Our suppliers primarily include (i) licensors of software products included in our solution offerings and for our daily business operations, such as our ERP as well as other computer operating systems, database software, development tools, software components and network security systems; (ii) providers of source code; (iii) providers of hardware; and (iv) human resources technical services provider. During the Track Record Period, most of our major suppliers are from Mainland China, and other major suppliers are from Japan, the Republic of Korea and the United Kingdom.

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Purchase from our top five suppliers in each period during the Track Record Period accounted for 82.1%, 52.1% and 49.1% of our total purchases in 2023, 2024 and 2025, respectively, and purchase from our largest supplier in each period during the Track Record Period accounted for 36.7%, 19.7% and 16.4% of our total purchases in the same periods, respectively. The following table sets forth certain information of our top five suppliers in each period during the Track Record Period.

Supplier ⁽¹⁾	Principal business	Products or services procured	Transaction amount <i>(RMB in thousands)</i>	Percentage of total purchases <i>(%)</i>	Credit term <i>(days)</i>	Payment method	Year of commencement of business relationship
<i>For the year ended December 31, 2023</i>							
Supplier A . . .	Provision of semiconductor equipment	Semiconductor equipment	44,579.5	36.7	In advance	Bank transfer	2023
Supplier B . . .	Provision of data center infrastructure solutions, IT equipment power/environment solutions, and system integration solutions	Software and customized development services	30,509.0	25.1	5	Bank transfer	2023
Supplier C . . .	Provision of ERP software	ERP software licenses and support services	16,655.0	13.7	365 ⁽²⁾	Bank transfer	2018 ⁽³⁾
Supplier D . . .	Provision of semiconductor equipment	Semiconductor equipment	3,992.7	3.3	In advance	Bank transfer	2023
Supplier E . . .	Supply of machinery, electronic equipment and others	Semiconductor equipment	3,982.3	3.3	5~10	Bank transfer	2023
<i>For the year ended December 31, 2024</i>							
Supplier F . . .	Provision of software source code	Source code and exclusive sales rights	33,484.3	19.7	15	Bank transfer	2024
Supplier G . . .	Provision of software source code	Source code and exclusive sales rights	19,257.7	11.3	15	Bank transfer	2024
Supplier C . . .	Provision of ERP software	ERP software licenses and support services	17,885.1	10.5	365 ⁽²⁾	Bank transfer	2018 ⁽³⁾
Supplier H . . .	Hardware equipment related business	Equipment procurement (ion implanters)	9,065.3	5.3	On demand	Bank transfer	2023
Supplier I . . .	Business digitalization solutions and services, specializing in the ERP domain	Human resources technical services	8,768.3	5.3	15	Bank transfer	2023

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Supplier ⁽¹⁾	Principal business	Products or services procured	Transaction amount (RMB in thousands)	Percentage of total purchases (%)	Credit term (days)	Payment method	Year of commencement of business relationship
<i>For the year ended December 31, 2025</i>							
Supplier J . . .	Provision of enterprises with digital marketing solutions and data intelligence services through big data and artificial intelligence technologies	Human resources technical services	47,114	16.4	3	Banker's acceptance and bank transfer	2025
Supplier K . . .	Provision of implementation, optimization, and technical services for the human resources module of ERP systems	Human resources technical services	30,114	10.5	10	Letter of Credit	2025
Supplier L . . .	Procurement, sales, R&D and Renovation of semiconductor equipments	Semiconductor equipment	24,336	8.5	30	Letter of Credit	2025
Supplier M . . .	R&D and production of machine vision, intelligent manufacturing solutions, industrial automation equipment	Hardware equipment	23,128	8.0	2	Bank transfer	2025
Supplier C . . .	Provision of ERP software	ERP software licenses and support services	16,396	5.7	365 ⁽²⁾	Bank transfer	2018 ⁽³⁾

- (1) The transaction amounts of each of our top five suppliers and its branches or subsidiaries are combined on a group basis.
- (2) Supplier C was granted a relatively extended credit term during the period compared to certain other suppliers due to the longer implementation cycle of projects involving ERP software. The credit term was aligned with the end adopter's annual payment schedule.
- (3) 2018 is the year that Supplier C commenced business relationship with Shanghai Foreverwin, which was acquired by us in 2022.

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To the best of our knowledge, all of our top five suppliers in each period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, save for Supplier L (an associate of our Group in which Bai Sai Fund, a Management Shareholder, holds approximately 20% equity interests), none of our Directors, their close associates or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five suppliers in each period during the Track Record Period. See note 19 to Accountants’ Report in Appendix I and “Relationship With Our Controlling Shareholders” in this document for details.

The salient terms of our agreements with suppliers for the provision of hardware are set forth as follows:

- **Deliverables.** The agreement generally specifies the hardware that we purchase. The suppliers shall deliver the hardware in accordance with either the relevant specifications in its manufacturer’s manual or our specifications, whichever is higher. The suppliers shall also provide free installation, maintenance and technical support services.
- **Delivery and Acceptance.** The suppliers shall deliver the hardware to our designated place and are responsible for relevant fees and insurance, as applicable. The delivery shall occur within 30 days after the execution of the agreement or within the period that the parties otherwise agree in writing. We may opt for either a one-time delivery or deliveries in batches. For batch deliveries, the agreement will outline the schedule and specific deliverables for each batch.
- **Payment.** We typically pay our suppliers: (i) a lump sum payment within 15 days after the execution of the agreement; (ii) installment payments with one-time delivery, split into two installments — one within five business days post-agreement execution and the other within five business days after delivery and acceptance inspection; or (iii) installment payments with delivery in batches, where each installment is paid within a stipulated period after each batch delivery.
- **Termination.** The agreement may be terminated under circumstances such as uncured breaches or force majeure events. Either party may be required to pay penalty for breach of contract.

The salient terms of our agreements with suppliers for the provision of human resources technical services are set forth as follows:

- **Deliverables.** The agreement generally specifies the services that we purchase. The suppliers shall also provide free installation, maintenance and technical support services in accordance with the agreement or the manufacturer’s specifications.
- **Delivery and Acceptance.** The suppliers shall deliver the services to our designated place and are responsible for relevant fees and insurance, as applicable.
- **Payment.** We typically settle service fees on a monthly basis. Each month during the service period, we will provide suppliers with the service time and attendance records of their personnel, along with the corresponding monthly service fee. Suppliers shall issue an invoice for the specified amount, and we will remit payment for the previous month’s service fee within ten business days of receiving the invoice.
- **Termination.** The agreement may be terminated under circumstances such as uncured breaches or force majeure events. Either party may be required to pay penalty for breach of contract.

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The salient terms of our software and/or source code license agreements with suppliers are set forth as follows:

- **Deliverables.** The agreement generally specifies the software and/or source code that we license. The suppliers shall deliver the software and/or source code as original and genuine in accordance with either the relevant specifications in its manufacturer’s manual or our specifications, whichever is higher. The suppliers may also provide free installation, maintenance and technical support services for one to five years.
- **Delivery and Acceptance.** The suppliers shall deliver the services to our designated place and are responsible for relevant fees and insurance, as applicable.
- **Intellectual Property.** The agreement may also provide that we have the exclusive, perpetual licensing rights for the software and its source code applications within China. We typically obtain the right to (i) sublicense or re-authorized our clients to use the software, that means the client’s equipment may utilize the relevant software systems of our Group; (ii) copy, correct errors, or redevelop the licensed materials; and (iii) include the licensed software and source code in our software and hardware products.
- **Payment.** The agreement typically sets out a fixed fee for the software and/or source code. Depending on individual agreement negotiations, we typically pay our suppliers in two to four installments upon milestones as designated in the agreement, which may include contract signing, completion of delivery, verification of the software and source codes by us, or other agreed-upon benchmarks.
- **Termination.** The agreement may be terminated under circumstances such as uncured breaches, failure of the software or source code to pass our validation test, or failure to deliver the software or source code. Either party may be required to pay penalty for breach of contract.

In addition, we have enacted supply management policy and procedures to maintain effective control of our suppliers and the quality, costs and delivery process of our supplies. We adopt a rigorous supplier selection process to evaluate their background information, business qualifications, supply capabilities, quality management, and after-sales service abilities, among others. See “—Quality Control—Software, Hardware and Services Procurement.”

Our procurement department purchases from eligible suppliers in accordance with our procurement plans and procedures. We also regularly evaluate the performance of our suppliers to ensure their continuing compliance with our standards, taking into consideration the nature of supplies involved, multifaceted quality performance metrics, R&D and technical support capabilities and their commercial terms with us. Additionally, our procurement department actively seeks and reserves multiple brand supply resources for these products. This proactive approach ensures a stable and reliable supply chain, mitigating any risks associated with supply shortages or delays. As of the Latest Practicable Date, we were not aware of any material fluctuations of the price of our supplies as we manage price volatility through the competitive bidding and negotiation process.

Overlapping Customer and Supplier

During the Track Record Period, to the best knowledge of our Directors, Customer A, one of our five largest customers in 2023, was also our supplier. Customer A primarily purchased intelligent manufacturing software solutions from us due to our advanced technologies and strong market reputation and provided server services to us. In 2023, 2024 and 2025, the revenue generated from Customer A amounted to RMB33.0 million, RMB11.3 million and RMB0.3 million, representing 11.5%, 2.3% and less than 0.1% of our total revenue, while our purchases from Customer A amounted to nil, nil and RMB0.01 million, accounting for nil, nil and less than 0.1% of our total purchases, respectively.

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The terms of our purchases from and sales to such overlapping customer and supplier were negotiated separately, and such purchases and sales were neither inter-connected nor inter-conditional. The general terms with the overlapping customer and supplier were comparable to those with other suppliers and customers. According to CIC, it is common for upstream and downstream enterprises in our industry to transact with each other as both suppliers and customers. Accordingly, our Directors are of the view that all purchases from and sales to such overlapping customer and supplier were conducted in the ordinary course of business, on normal commercial terms, based on our genuine business needs and on an arm’s length basis. Save as disclosed above, to the best of our knowledge, none of our five largest customers in each year or period during the Track Record Period was a supplier of us or vice versa.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We do not engage third-party logistics service providers for product fulfillment and delivery services. Requisite hardware components to implement our intelligent industrial software solutions are typically directly delivered by the hardware components vendors to the venue specified by our customers. As our intelligent industrial software solutions may be customized to meet the customers’ requirements and delivered on a project-specific basis, we conduct the installation process for our software products and hardware components (if any) on-site. We are sometimes required to engage third-party logistics service providers to distribute certain components from us to our customers during the Track Record Period. To the best of our knowledge and belief, all of these logistics service providers are Independent Third Parties.

Inventory Management

Our inventories mainly include purchased hardware and components, goods and contract fulfillment cost. Our inventories amounted to RMB159.1 million, RMB101.8 million and RMB76.8 million as of December 31, 2023, 2024 and 2025, respectively. We adopt a strict inventory control policy in place to control the inbound and outbound of inventory items and monitor our stock levels and minimize obsolete inventory, while keeping the inventory of hardware components at a level necessary to fulfill customers’ orders from time to time. We do not engage any third-party warehouse service providers as we source our hardware components specifically for each project and assembly of such hardware components is conducted on site. Substantially all hardware-related inventory is ordered directly from suppliers based on individual customer specifications and delivered straight to the customer’s designated site.

QUALITY CONTROL

We are committed to maintaining the highest level of quality in our solutions and services. We have designed and implemented a quality management system that provides the framework for continuous improvement of our intelligent industrial software solutions and services, and we closely monitor the implementation of our quality management procedures and measures. We have obtained the ISO9001 certification for our quality management systems, ISO14001 for our environment protection management system, and ISO45001 for our employment health and safety management system in 2024.

Software, Hardware and Services Procurement

We procure software licenses, hardware components, human resource technical services and other outsourcing services from external suppliers. Under our Procurement Management Policy (採購管理制度), all procurement decisions have to be made in accordance with these seven guiding principles: (i) “5R” Procurement Principle. Implement procurement according to the principles of right price, right quality, right quantity, right time and right place to maximize procurement efficiency. (ii) Fairness and Transparency Principle. The procurement process should be conducted based on the principles of openness, fairness, transparency and non-discrimination to ensure the fairness and transparency of the procurement process. (iii) Risk Management Principle. Procurement risks should be assessed, and corresponding risk management measures should be formulated to ensure the safety and smoothness of the procurement process. (iv) Compliance Principle. Strict adherence to relevant laws, regulations and standards is required to ensure the

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legality and standardization of the procurement process. (v) Cost Control Principle. Cost control strategies should be developed, and procurement costs should be evaluated and monitored to achieve cost control objectives. (vi) Quality Control Principle. Quality control standards should be established, and suppliers should undergo strict quality evaluation and monitoring to ensure that the procured products and services meet our requirements and standards. And (vii) Long-term Cooperation Principle. Emphasis should be placed on long-term cooperation with suppliers, establishing good partnership relationships to reduce procurement risks and costs.

Suppliers are selected through a comprehensive evaluation process. New suppliers must provide the required background information, and their business qualifications, supply capabilities, quality management, and after-sales service abilities are thoroughly assessed. We will also conduct regular adjustments and appraisals of suppliers to ensure their quality. These rigorous processes ensure that the quality of supplier is enhanced, meeting our projects’ stringent quality requirements. See “—Customers and Suppliers—Suppliers.”

Installation and Maintenance

We typically offer software installation and testing as part of our standard software license contract. As our software products and hardware components (if any) are delivered to project sites for assembly, we typically conduct our testing on site before project handover to our customers. Given the highly customized nature of our projects, we do not have a one-size-fits-all quality control policy, but rather rely on the expertise of our team and stringent Procurement Management Policy to ensure quality. Our customers typically provide a written acceptance form upon satisfactory testing results, which signifies the completion of the delivery process. We typically offer a complimentary one-year warranty on our software products, which is extendable upon the payment of an annual maintenance fee. Our maintenance department provides product-related support, technical support and trainings to our customers. See “—Sales and Marketing—Customer Support.” During the Track Record Period and up to the Latest Practicable Date, we had successfully maintained a good record with no material complaints attributed to product quality.

DATA PRIVACY AND SECURITY

We view data privacy and security of vital importance to our brand and reputation, and our customers’ confidence in our offerings. We adhere to this view in the following manner:

Data Collection

As a leading provider of intelligent industrial software solutions, upon obtaining proper prior consent, we may have access to certain operational data of our customers when we conduct on-site solution deployment or maintenance for customers, such as those data relating to manufacturing and operations in the semiconductor industry and other industries, as well as our customers’ contact details. We may also have access to certain personal data relating to trace, upon obtaining proper prior consent, for our solutions that assist customers in security and emergency management. However, access limitations are in place such that only selected personnel relevant to the project are authorized to access such data for service purpose. Customer operational data collection is strictly confined to importing by our on-site personnel via the customer’s internal network and does not require uploading to the cloud. We do not access, use or disclose customer operational data unless per relevant customers’ authorization or otherwise required by laws or regulations.

In addition, our sales personnel collect certain customer data, typically during the early stages of customer relationship development, upon consent. Such data include contact details, contract information, and information on business opportunities. Such data are stored in our internal customer relationship management system managed by our operations department. Access to such data is strictly confined to operations and sales personnel responsible for the specific customer’s orders.

For the purpose of product development, we collect source codes from a variety of data sources, including our internal R&D source codes, source codes procured from third parties, and open-source codes that can be used commercially. Such source codes are accessible by our R&D personnel, with internal monitoring software installed to strictly regulate information sharing. Open-source codes are subject to the respective developer’s ownership rights.

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We also have access to certain employee personal data, including basic personal information collected with consent upon employee onboarding and personal data relating to staff location. Such personal data are mainly stored on our human resources system managed by our human resources department. Access to such personal data is strictly confined to designated human resources personnel, with system logs monitoring any unauthorized access attempts.

Data Storage and Deletion

The personal information and data processed in our daily business operations are all stored within the PRC. The data collected and generated within the territory of the PRC will not be stored or transmitted to overseas locations, organizations, or individuals. During the Track Record Period and up to the Latest Practicable Date, we were not involved in any cross-border transfer of personal data, and we were not aware of any material non-compliance, administrative penalties, pending or threatened litigation or disputes in relation to data privacy and cyber security laws and regulations in jurisdictions where we operate.

We retain customer and employee personal data only for the shortest period necessary to achieve the intended purposes. We are typically required to delete customer operational data upon leaving our customers’ sites for on-site solution deployment or maintenance. In addition, such data generally can no longer be accessed or processed once our on-site personnel leaves our customers’ local environment. We will also permanently delete employees’ personal data upon their departure.

Policies and Procedures

We have designed and implemented a series of policies and procedures covering every aspect of our day-to-day business operations to protect customer data where we have formulated the comprehensive Semi-Tech Group Data Security Management Policy (賽美特集團數據安全管理制 度) (“**Data Policy**”). Furthermore, we enter into confidentiality agreements and/or employment agreements with confidentiality provisions with our employees. We have established a multi-step process to ensure our employees avoid unauthorized acts that may harm our IT systems and infrastructure, and comply with applicable data protection and privacy laws. These steps include a dedicated section in our employee handbook covering intellectual property, confidentiality and non-compete restrictions, as well as regular updates on IT policies and best practices. To ensure data security and governance, we classified data into four levels of confidentiality. All data, information, and documents must be labeled with their confidentiality level, which will be determined by the department that generates the document based on the actual situation.

Preventive Measures

We employ a variety of technical measures to prevent and detect risks and vulnerabilities regarding data privacy and security. We have incorporated the a secured digital office platform that integrates identity authentication, virtual private network connection, risk detection, and access control functions, into all aspects of our internal IT system. The system is installed in all Company computers, and our employees are generally not permitted to use their personal computer to conduct any work-related activities, thereby ensuring that all work-related data and communications are monitored by the system. All work-related documents must be transmitted internally using our email or internal communication system. Our email system must be used for sending files that meet confidentiality requirements to external customers, suppliers, partners, and the use of cloud drives, WeChat, USB drives or other tools to send work-related files to customers is strictly forbidden. The use of various cloud drives on work computers and/or uploading confidential Company files to cloud drives for storage are prohibited. If there is a need to use such other methods, an email application must be submitted to the Data Security Committee (數據安全委員會), and execution is only permitted after approval and recording.

As a software company, we prioritize the security and confidentiality of our source code above all else. In addition to standard IT security protocols mentioned above, all our source code is stored in a private GitLab repository, which is meticulously maintained by our IT team. Our R&D teams are required to upload all source code to GitLab. GitLab provides comprehensive management capabilities, allowing each R&D team to access only their own team’s codes. Furthermore, we

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implement automated system log monitoring to track activities of our IT administrators, thereby ensuring that no unauthorized access from the administrator end occurs. This multi-layered approach safeguards our intellectual properties and trade secrets, as well as maintains the integrity of our development processes.

Through the implementation of these policies and advanced security systems, we have established a data security firewall between our internal network and the Internet. This firewall ensures that all data and information are protected as they circulate within the internal network. Any data that needs to be transmitted externally must comply with the requirements under the Data Policy, undergo a thorough review process and be properly recorded.

In September 2024, we engaged a registered third party certification organization to conduct an information security management audit over our information security management activities related to computer application software development, operations and maintenance. According to its report, we have implemented appropriate and effective information asset risk assessment and mitigation measures, and we obtained the ISO20000 (information technology service management systems certification) and ISO27001 (information security management systems certification) international standard certifications. We obtained the CMMI5 (software capability maturity level five) international standard certification in 2025.

Personnel and Organization

To ensure the security of our data, establish a comprehensive data security system and maintain data security policies, we have formed a Data Security Committee to (i) promulgate and implement data security policies, (ii) monitor and assess data security risks, (iii) enhance data security awareness among all employees, and (iv) respond to and handle data security incidents.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any data or personal information leakage or loss, infringement of data or personal information, or information security incident, which could materially and adversely affect our business operations. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation or dispute related to data security and personal information protection, nor had we been subject to or involved in any investigation or penalty by relevant competent regulatory authorities in this regard, that had a material adverse effect on our business, results of operations or financial condition.

Our PRC Legal Advisors are of the view that, during the Track Record Period and up to the Latest Practicable Date, we had not recorded any leakage of data, breaches of confidential business information, or violations of cybersecurity, data protection and privacy laws, rules and regulations by any competent regulatory authorities, which could materially and adversely affect our business operations.

COMPETITION

China’s advanced-industry intelligent manufacturing software companies market is relatively fragmented. We face competition from software companies of different sizes and business modes. Moreover, the industry competition may continue to intensify along with the evolving technologies and customer needs, as well as the changing market landscape in terms of the types and number of competitors and degree of market adoption. We primarily compete on the bases of prompt R&D and application of advanced technologies, industry acumen, customer insights, range of solution offerings, brand recognition, and service capacity and quality, among others. We believe that we are well-positioned to compete effectively based on the foregoing factors.

However, some of our competitors, especially international ones, may have greater brand recognition, longer corporate operating history, more advanced technical capabilities and broader established customer base than us. See “Risk Factors—Risks Relating to Our Business and Industry—If we fail to compete effectively, our business, results of operations and financial condition could be materially and adversely affected” and “Industry Overview.”

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LICENSES, PERMITS AND APPROVALS

Our PRC Legal Advisors have advised us that, during the Track Record Period and up to the Latest Practicable Date, we had obtained all material requisite licenses, permits and approvals necessary to conduct our operations from the relevant government authorities in Mainland China, and such licenses, permits and approvals remained in full effect. We are required to renew such licenses, permits, approvals and certificates from time to time. We do not expect any material legal obstacles in obtaining such renewals as long as the relevant documents are submitted as required by the relevant government authorities.

The following table sets forth details of the material licenses, permits and approvals we hold for our operation in Mainland China up to the Latest Practicable Date:

No.	Holder	License/permit/approval	Issuing authority	Grant date	Expiration date
1. . .	Our company	Registration Certificate of Customs Declaration Entity of PRC (中華人民共和國海關報關單位註冊登記證書)	Shanghai Customs of PRC (中華人民共和國上海海關)	July 23, 2018	Remains effective indefinitely
2. . .	Our company	CMMI-DEV 3	CMMI Partner	September 19, 2025	September 19, 2028
3. . .	Semi-Tech Technology	CMMI V3.0 Development Maturity Level 5	Premium CMMI Partner	July 12, 2025	July 12, 2028
4. . .	Semi-Tech Technology	CMMI Development Domain Maturity Level 3	CMMI Partner	July 5, 2024	July 5, 2027
5. . .	Our company	Permit for the Discharge of Urban Sewage into Drainage Networks (城鎮污水排入排水管网許可證)	Shanghai Minhang District Water Authority (上海市閔行區水務局)	June 20, 2025	October 30, 2026
6. . .	Beijing Huiliu	CMMI-DEV V2.0 MATURITY LEVEL 3	CMMI Partner	February 2, 2024	February 2, 2027
7. . .	Beijing Zhi Yang	CMMI-DEV 3	CMMI Partner	February 20, 2025	February 20, 2028

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We rely on a combination of contractual restrictions, confidentiality procedures, and intellectual property registration to establish and protect our proprietary technologies. We have dedicated taskforce to curate and implement our intellectual property strategies, evaluate our intellectual property status, coordinate related internal trainings, and protect against risks relating to our intellectual properties.

As of December 31, 2025, we had 43 trademarks, 49 invention patents, eight utility model patents, 386 computer software copyrights and ten copyrighted works registered in Mainland China. As of the Latest Practicable Date, we had 67 and one patent applications pending approval in Mainland China and the United States, respectively. As of the Latest Practicable Date, we had not been subject to any material dispute or claims for infringement upon third parties’ trademarks, licenses, and other intellectual property rights in Mainland China. See “Statutory and General Information—Further Information about Our Business—Intellectual Property Rights” in Appendix VI to this document.

During the Track Record Period and up to the Latest Practicable Date, we had not identified breaches of our intellectual property rights which, viewed alone or in the aggregate, had a material impact on our business, results of operations or financial condition, nor had we had any material dispute or legal proceeding concerning intellectual property rights with third parties.

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EMPLOYEES

The following table shows the numbers and percentages of our full-time employees by function as of December 31, 2025.

Function/department	Number of employees	% of total employees
Technical		
• Application	620	55.3
• R&D	311	27.7
	931	83.0
Management	125	11.1
Sales and Marketing	66	5.9
Total	1,122	100.0

We believe that our employees are valuable assets that contribute to the success of our Group. We recruit our employees based on a number of factors such as their industry experience, their educational background, and our vacancy needs. We generally pay our employees a fixed salary and other allowances based on their respective positions and in accordance with the relevant laws internal policies, in addition to year-end variable and discretionary performance bonuses.

We also enter into individual employment contracts with our employees based on a standard form covering matters such as employment term, wages, employee benefits, employment scope and grounds for termination. In addition, we generally enter into standard legally-binding confidentiality and non-compete agreements with our employees. As required under PRC laws and regulations, we participate in and make contributions to social insurance, including pension, medical, maternity, work-related injury and unemployment, and housing provident fund. Our Directors also confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not received any fines, penalties, warnings, or administrative actions against us by any local authorities in relation to our employees and any relevant local labor laws or regulations which could materially and adversely affect our business operation.

During the Track Record Period, we did not make adequate social insurances and housing provident fund contributions for certain employees. As advised by our PRC Legal Advisors, under the premise that there have been no significant changes in the policies on social insurance contributions and enforcement and supervision requirements by the relevant government authorities, and no material complaints from employees, the likelihood that we would be required by relevant authorities to make a centralized supplementary payment for any historical shortfalls for social insurance and housing provident fund contributions and/or be subject to material administrative penalties due to failure to make full contributions is remote. In addition, during the Track Record Period, we engaged third-party human resource agencies to make social insurance and housing provident fund contributions for certain employees. Our PRC Legal Advisors are of the view that our arrangement of paying social insurance and housing fund contributions for some employees through third-party human resources service agencies will not have a material adverse impact on our business operations. See “—Risk Management and Internal Control—Internal Control” and “Risk Factors—Risks Relating to Our Business and Industry—We face certain legal and regulatory risks relating to labor-related laws and regulations, which may adversely affect our business and our results of operations.”

In respect of our failure to make full contributions and use of third-party service providers for payment of contributions to social insurance and housing provident fund contributions, we have reviewed our practice and adopted or plan to adopt the following measures to comply with the regulatory requirements:

- we are in the process of communicating with our employees with a view to seek their understanding and cooperation in complying with the applicable payment base, which may require additional contributions from our employees;

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- we plan to gradually reduce the number of employees for whom social insurance and housing provident funds contributions are processed through third-party agents. Ultimately, all contributions will be made directly by us without involving any third-party agents;
- we plan to adjust the payment base gradually for all employees’ social insurance and housing provident funds contributions as soon as practical upon the request of the competent authority in compliance with the applicable laws and regulations and with the employees’ cooperation; and
- we will make contributions for our employees in a manner as requested as soon as practicable once we receive any notification from the relevant government authorities requiring us to make contributions for the shortfall amounts or to amend our policies or practices in this regard, so that we will not be subject to any administrative punishment from the relevant government authorities due to the failure to make such contributions in time.

As of the Latest Practicable Date and up to the Latest Practicable Date, our employees were not represented by any labor union. We believe that we maintain a good working relationship with our employees during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date and up to the Latest Practicable Date, our employees had not negotiated their terms of employment through any labor union or by way of collective bargaining agreements. Our employees undergo regular trainings to enhance their technical skills, knowledge of industry quality standards, occupational health and safety standards, and applicable laws and regulations. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any major labor disputes, work stoppages, or labor strikes that led to disruptions in our operations.

INSURANCE

We consider our insurance coverage to be adequate in accordance with the commercial practices in our industry. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain any insurance policies covering damages to our information technology systems. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

PROPERTIES

Our R&D center is located in Shanghai, China. We own and lease properties in Mainland China and overseas. As of December 31, 2025, none of the properties leased or owned by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report.

Mainland China

As of the Latest Practicable Date, we had rights to use one parcel of land with a total area of approximately 16,059.1 sq.m. in Shanghai, China and we obtained the title certificates of the aforesaid parcel of land in Shanghai, China. As of the Latest Practicable Date, we commenced and were still at the early stage of the construction of building on the aforesaid parcel of land, which will primarily be used as our R&D center. See “Future Plans and Use of [REDACTED].”

As of the Latest Practicable Date, we entered into property assignment agreements for acquisition of three properties with a total gross floor area of approximately 3,586.5 sq.m. in Suzhou, and we were still in the process of obtaining the title certificates for the afore-said three properties in Suzhou.

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As of the Latest Practicable Date, we leased 12 properties in Mainland China, which are used as office spaces, from Independent Third Parties, with an aggregated GFA of approximately 5,373.6 sq.m. In addition, we may from time to time lease other properties as staff dormitories for application personnel working on projects outside their usual place of work. We intend to renew the other leases or negotiate new lease terms when they expire. We did not experience any material difficulties in negotiating a renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date.

Landlords for two of our leased properties in Mainland China have not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. Consequently, if any of these leases are terminated as a result of challenges by third parties, we may not be able to continue to use such properties. If we are not able to continue to own or lease these properties due to any of the issues mentioned above, we may need to seek alternative properties and relocate. We believe that there are alternative premises available at reasonable market rents in the relevant regions if we have to relocate, and we do not anticipate such relocation to have any material adverse effect on our business operations and financial condition. See “Risk Factors—Risks Relating to Our Business and Industry—We currently operate our business mainly through leased properties which exposes us to risks in relation to unpredictable increases in rental and relocation costs. In addition, our leased properties may potentially be contested by third parties or government bodies causing our operations to be disrupted” for further details of the related risk.

Pursuant to the applicable laws and regulations in Mainland China, property lease contracts must be registered with the relevant local branches of the PRC Ministry of Housing and Urban Development. As of the Latest Practicable Date, we had not completed lease registration of 12 properties we leased in Mainland China, primarily due to the landlords’ failure to provide valid title certificates or the difficulty of procuring the relevant landlords’ cooperation to register such leases. Our PRC Legal Advisors have advised us that the lack of registration for the lease contracts will not affect the validity of such lease contracts under PRC law, and have also advised us that the competent housing authorities may order us to register the lease agreement in a prescribed period of time and a maximum penalty of RMB10,000 may be imposed for each non-registered lease agreement if we fail to complete the registration within the prescribed timeframe. As of the Latest Practicable Date, we were not subject to any penalties arising from the non-registration of lease agreements in Mainland China, and we have not received any notice from relevant authorities in relation to the non-registration of the lease agreements. We believe that there is a sufficient supply of properties in Mainland China, and thus we do not rely on existing leases in Mainland China for our business operations.

Overseas

Additionally, we have leased four properties located in Hong Kong, Japan, Singapore and Malaysia, respectively, all of which are primarily used as offices. Our management are of the view that such tenancy agreements are entered into in accordance with the local legal requirements and are valid and binding.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors—Risks Relating To Our Business and Industry—We may be involved in litigation, legal or contractual disputes, governmental investigations or administrative proceedings, which may divert our management’s attention and adversely affect our business, results of operations and financial condition.”

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, or results of operations.

Legal Compliance

Our Directors confirm that, as advised by our Legal Advisors, our Group has complied with all material applicable laws and regulations in Mainland China and overseas, and there was no non-compliance incident that materially and adversely affected our business, financial position, or results of operations during the Track Record Period and up to the Latest Practicable Date.

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AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognition in respect of our business achievements, significant ones of which are set forth below:

Award/Recognition	Award year	Awarding institution/Authority
State-Level Technologically Advanced “Little Giant” Enterprise (國家級專精特新“小巨人”企業)	2023	Ministry of Industry and Information Technology (工業和信息化部)
Shanghai Municipal Little Giant of Technology (Training) Enterprise (上海市科技小巨人(培育)企業)	2023	Shanghai Municipal Economy and Information Technology Commission (上海市經濟和信息化委員會) and Shanghai Municipality Science and Technology Commission (上海市科學技術委員會)
Shanghai Municipal Innovative Small and Medium-sized Enterprise (上海市創新型中小企業)	2023	Shanghai Municipal Economy and Information Technology Commission (上海市經濟和信息化委員會)
2024 Shanghai Municipal Key Service Unicorn (Potential) Enterprise (2024年上海市重點服務獨角獸(潛力)企業)	2024	Shanghai Small and Medium-sized Enterprises Development Service Center (上海市中小企業發展服務中心)
Top 100 High-Growth Enterprises in Shanghai in 2024 (上海市2024高成長百家企業)	2024	Shanghai Municipal Economy and Information Technology Commission (上海市經濟和信息化委員會)
2024 Semiconductor Manufacturing Technology Innovation TOP20 (2024半導體製造技術創新TOP20)	2024	Committee of World Innovators Meet 2024 (WIM2024組委會)
National High and New Technology Enterprise (國家級高新技術企業)	2024	Office of the Leading Group for the National High and New Technology Enterprise Certification Management (全國高新技術企業認定管理工作領導小組辦公室)
Top 100 High-Growth Enterprises in Shanghai in the Software and Information Technology Services Industry in 2024 (2024上海軟件和信息技術服務業高成長百家企業)	2024	Shanghai Municipal Economy and Information Technology Commission (上海市經濟和信息化委員會)
Shanghai High and New Technology Enterprise Certificate (上海市高新技術企業證書)	2024	Shanghai Municipal Bureau of Finance (上海市財政局), Shanghai Municipality Science and Technology Commission (上海市科學技術委員會) and Shanghai Municipal Tax Service of the State Taxation Administration (國家稅務總局上海市稅務局)
Hurun Global Gazelle Enterprise (胡潤全球瞪羚企業)	2024	Hurun Research Institute (胡潤研究院)
Social Responsibility Award (社會責任獎)	2025	Shanghai Federation of Industry and Commerce Industrial Products Service Chamber (上海市工商聯工業品服務商會)
Shanghai Municipal Minhang District Enterprise Technology Center (上海市閔行區企業技術中心)	2025	Minhang District Economic Commission (閔行區經濟委員會)
Software Enterprise Certificate (軟件企業證書)	2025	China Software Industry Association (中國軟件行業協會)
Shanghai Municipal Enterprise Technology Center (上海市企業技術中心)	2025	Shanghai Municipal Economy and Information Technology Commission (上海市經濟和信息化委員會)

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ENVIRONMENT, SOCIAL AND GOVERNANCE (“ESG”) MATTERS

We consider environmental sustainability, corporate social responsibility and governance as part of our core growth philosophy that will be pivotal to our ability to create sustainable value for our Shareholders.

Environment

Overview

We believe that responsible environmental management is a pathway to achieving economic and environmental coexistence. We have consistently demonstrated our commitment to this principle by adhering to relevant laws and regulations while developing internal environmental management protocols. Due to the nature of our business, we do not operate any manufacturing facilities and are not subject to significant environmental risks. During the Track Record Period and up to the Latest Practicable Date, our operations did not generate any environmental pollutants regulated by applicable environmental protection laws and regulations. We have complied with environmental regulatory requirements, covering sewage, noise, waste classification and resource consumption in all material aspects. We have not been subject to any material administrative penalties for violations of environmental laws and regulations and is not classified as a high-pollution enterprise.

Commitments and Initiatives

Although we are not subject to material environmental or climate-related risks, we are dedicated to put in efforts towards environmental protection through implementing a number of policies to reduce energy, water and paper consumption. As such, we implemented the following measures in the course of our business operations: (i) we encourage our employees to save water at washroom and tea room; (ii) we encourage our employees to practice “paperless working” by using digital working means as much as possible; (iii) we keep indoor air-conditioning temperature at 25°C during summer; (iv) we purchase and use energy-saving equipment such as LED lightbulbs in all offices; (v) our administrative staffs perform regular check in our office daily and turn off lights for unused conference rooms or working areas; and (vi) we post reminders or memos to our employees in appropriate office settings to encourage employees to act environmental-responsibly.

We keep track of our energy consumption as a mean to evaluate the effectiveness of our environmental protection measures. We will continue to monitor our energy consumption to re-evaluate the efficiency of electricity and water consumptions in our operations.

Furthermore, our operational activities met environmental standards, supported by a certified environmental management system under the ISO 14001 framework. Moving forward, we will further enhance our environmental management systems by setting science-based goals and ensuring their effective implementation. This will strengthen our environmental performance and support sustainable development.

Environmental Metrics

During the Track Record Period, we have assessed our environmental performance by understanding the environmental footprint, and the most significant consumption is the use of electricity, water and paper.

The table below sets forth our electricity, water and paper consumption for the periods indicated:

Indicator	Unit	For the year ended December 31,		
		2023	2024	2025
Energy consumption	MWh	229.4 ⁽¹⁾	321.2 ⁽¹⁾	455.9 ⁽¹⁾
Water consumption	Tons	1,002.7	1,076.7	1,561.4 ⁽²⁾
Paper consumption	Tons	2.1	1.9	2.7

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- (1) The increase in energy consumption was mainly attributable to the acquisition and establishment of subsidiaries during the Track Record Period.
- (2) The increase in water consumption in 2025 was mainly attributable to (i) the renovation of our self-owned office property in Suzhou; and (ii) our expansion of operational scale resulting from the growth in our employee headcount and the area of our office premises.

The table below sets forth our total greenhouse gas (“GHG”) emissions for the periods indicated:

GHG emissions ⁽¹⁾	Unit	For the year ended December 31,		
		2023	2024	2025
Scope 1	<i>Ton carbon dioxide equivalent (“tCO₂e”)</i>	3.4	6.2	9.1
Scope 2	<i>tCO₂e</i>	123.1	172.4	244.6
Scope 3	<i>tCO₂e</i>	833.5	855.7	906.1
Total GHG emissions	<i>tCO₂e</i>	960.0	1,034.3	1,159.9

- (1) The calculation of GHG emissions was made reference to The Greenhouse Gas Protocol — A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and the World Resources Institute. As we engage in the business of providing intelligent industrial software solutions but not industrial manufacturing, our Scope 1 (Direct) emissions are minimal. Scope 2 (Energy Indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations, specifically arising from electricity used by our network and data infrastructure hosted by third party suppliers. Scope 3 (Other Indirect) emissions cover GHG emissions of indirect emissions in our Group’s value chain, specifically arising from daily commute and business travels by our employees.

We believe our business operation achieved an average level of environmental performance compared to other companies in our industry. Taking into account factors such as geographical differences, industry specifics and company scale, we selected three major peers with a similar business model for comparison, all of which are listed on the Main Board of the Hong Kong Stock Exchange. Accordingly, we consider their disclosed information to be an appropriate benchmark for assessing our environmental performance. According to their annual reports for 2024, their energy consumption per million RMB of revenue and water consumption per million RMB of revenue ranged from 0.6 to 2.4 MWh and 1.5 to 16.4 tons, respectively. We achieved 0.6 MWh and 2.2 tons for the same indicators in 2024, respectively. Our major peers’ total GHG emissions per million RMB of revenue ranged from 0.7 to 2.9 tCO₂e in 2024, while our total GHG emissions per million RMB of revenue amounted to 2.1 tCO₂e in 2024.

Environmental Targets

Based on our historical environmental metrics and expansion plans, we aim to reduce each of our energy consumption intensity, water consumption intensity, and operational GHG emissions intensity by 5% by 2030 as compared to our 2025 levels.

The sources of GHG emissions in our business operations mainly include (i) energy consumption for daily office operations and for supporting the IT infrastructure hosted by third-party service providers, which require continuous operation and cooling due to the business nature of the Group, and (ii) employees’ business travel, particularly those involved in on-site solution deployment or maintenance for customers. We have always been committed to reducing GHG emissions in our business operations. For example, we have encouraged our employees to use public transportation and new energy vehicles.

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In addition, our planned initiatives to achieve the targets include establishing additional delivery centers and employing application personnel locally. We expect that this can reduce our GHG emissions by reducing the number of employee business trips. We will also continue to raise our employees’ energy conservation awareness and consistently implement existing measures throughout our business operations. See “—Commitments and Initiatives.”

Corporate Social Responsibility

Charitable Causes and Rural Revitalization Efforts

We are committed to advancing social welfare through charitable giving and rural revitalization. As of the Latest Practicable Date, we donated RMB100,000 to the Minhang District branch of the Shanghai Charity Foundation (上海市慈善基金會閔行區代表處) to support local public welfare initiatives. As of the Latest Practicable Date, we contributed RMB5.0 million to the Ningxiang No. 1 High School Education Foundation (寧鄉一中教育基金會) in Hunan Province to support the construction of a comprehensive teaching building. Additionally, we entered into a village-enterprise partnership with Heyuan Village (何元村) in Shidian County, Yunnan Province, providing RMB50,000 to fund a rural lighting project. We have been recognized with a Social Responsibility Award (社會責任獎) by the Shanghai Federation of Industry and Commerce Industrial Products Service Chamber (上海市工商聯工業品服務商會).

University-enterprise Collaboration

We actively foster partnerships with academic institutions through donations, research collaborations and graduate recruitment. We have also partnered with Tsinghua University on a national key R&D initiative under the 14th Five-Year Plan, aimed at overcoming core technical challenges in human-machine interaction, industrial software and hybrid intelligent computing platforms. We also signed a technology development agreement with a renowned university in Mainland China to co-develop advanced algorithms for semiconductor manufacturing and data analysis. We also signed a donation agreement with the Qinghai University Education Foundation (青海省青海大學教育基金會) to support research and student entrepreneurship. We have paid RMB4.25 million as of the Latest Practicable Date.

Employee Safety, Welfare and Development

We strictly comply with China’s labor laws and prioritize employee well-being and career advancement.

We are committed to abiding by all applicable regulatory requirements, preventing and reducing hazards and risks that may harm the health of our employees, and ensuring the health and safety of our employees and surrounding communities. Strictly complying with the Law of the People’s Republic of China on Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and other applicable laws and regulations, we have continuously strengthened the occupational health protection of employees and systematically sorted out the occupational health management system documents. We have attained ISO 45001 certification. We have established a comprehensive management system that continuously optimizes employees’ work experience by addressing health risks associated with the digital office environment. In addition, we provide our employees with annual health check-ups, psychological counseling resources, and healthy lifestyle promotion activities to foster a positive and sustainable work atmosphere, supporting employees in maintaining their physical and mental health while working efficiently.

We have implemented a comprehensive suite of internal policies including an employee handbook, job rotation system, project bonus scheme, performance evaluation framework, patent incentive policy and onboarding training program to foster employee development. We support work-life balance through family visit benefits for traveling staff, team-building activities and recreational subsidies. Additional benefits include dormitory accommodations, meal and travel allowances and annual health checkups.

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Employee Diversity and Equality

We uphold a culture of equality, diversity, innovation and zero tolerance for discrimination, fostering a transparent and trusting environment that values honesty and inclusiveness. We comply with the Labor Law of the PRC (《中華人民共和國勞動法》), the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), Law of the PRC on the Protection of Rights and Interests of Women (《中華人民共和國婦女權益保障法》) and other laws and regulations in all material aspects, and have formulated internal policies to standardize employment practices and procedures including the recruitment and hiring, onboarding and offboarding, to specify the contents of labor contracts and regulations on employment management, and to clarify the rights of employees regarding their working hours, rest and leave, to ensure the implementation of the equal employment mechanism. For example, we have clarified the legal rights and interests of female employees regarding rest and vacation in our internal policies. We have also established channels for employees to provide feedback.

Business Ethics

We require all our employees and our suppliers to adhere strictly to the business ethics. Specifically, we have implemented a set of policies to ensure our operations comply with applicable anti-bribery and anti-corruption regulations in jurisdictions where we operate. The policies explain potential bribery and corruption conduct and our anti-bribery and anti-corruption measures. Improper payments prohibited by the policy include bribes, kickbacks, excessive gifts or facilitation payment, or any other payment made or offered to obtain an undue business advantage. Our legal department is responsible for investigating the reported incidents and taking appropriate measures as necessary. We conduct background checks before hiring any third party and ensure that the hiring procedure is implemented fully in accordance with the anti-bribery and anti-corruption policies. We also have regular training for employees regarding anti-bribery and anti-corruption policies to facilitate better implementation.

Local Economic Development

We are committed to supporting local economic development by actively creating employment opportunities within the communities where we operate. Over the past few years, we have consistently contributed to the local workforce by hiring where our offices and branches are located. This approach not only strengthens our ties with the community but also enhances our understanding of local needs and dynamics. We remain dedicated to fostering inclusive growth and building long-term value through local engagement.

Commitment to Innovation and Technological Advancement

We view R&D and technological innovation as essential to our long-term development and corporate responsibility. Our sustained investment in R&D not only drives business growth but also supports the broader community by advancing intelligent industrial software solutions that respond to evolving industry needs. Guided by our structured R&D Policy, we ensure efficient, collaborative and market-oriented innovation that enhances our competitiveness while contributing to sustainable industrial progress.

Responsible Data Governance and Privacy Protection

We are committed to safeguarding data privacy and upholding the trust of our stakeholders through a comprehensive data governance framework. Guided by our Data Policy, we implement strict protocols across all operations, including data classification, employee confidentiality obligations, and secure IT infrastructure. Our Data Security Committee oversees policy enforcement, risk monitoring, and incident response. Through technical safeguards, internal access controls and centralized source code management, we ensure the integrity and confidentiality of sensitive information. Our adherence to international standards — CMMI5 (software capability maturity level five), ISO20000 (information technology service management systems certification) and ISO27001 (information security management systems certification) — reflects our dedication to responsible digital practices and the protection of customer, employee and partner data.

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Governance

Corporate Governance Framework

We have established a comprehensive corporate governance framework in accordance with the requirements of the Company Law of the PRC (《中華人民共和國公司法》), Securities Law of the PRC (《中華人民共和國證券法》) and other applicable laws, regulations and regulatory guidelines. This framework comprises Shareholders’ meeting, Board of Directors, Board committees and independent Directors. Together, these bodies form a clearly defined and well-coordinated system of authority, decision-making, oversight and execution. We have adopted our Articles of Association and a suite of governance policies to ensure the standardized and effective operation of our corporate governance structure.

Since our conversion into a joint stock limited company and till the end of the Track Record Period, we have convened 32 general meetings of Shareholders, 36 Board meetings, 23 meetings of Board sub-committees, and four meetings of independent Directors.

Shareholders’ Meeting System

Since our conversion into a joint stock limited company, the general meeting of Shareholders has operated in strict compliance with relevant laws, regulations and the Articles of Association. It has effectively resolved key matters such as the election of Directors, formulation and amendment of the Articles of Association and other core governance policies, approval of related-party transactions, external investments and strategic business decisions.

Board of Directors System

In accordance with the Company Law of the PRC (《中華人民共和國公司法》) and our Articles of Association, we have established a Board of Directors and formulated the Rules of Procedure for the Board (董事會議事規則) to standardize the deliberation and decision-making processes. Our Board is elected by the general meeting of Shareholders and is accountable. Our Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Directors serve a term of three years and may be re-elected upon expiration of their term, except that Independent Directors may serve no more than two consecutive terms. We have adopted a Board diversity policy. The Nomination Committee considers candidates’ experience, professional background, culture and education. As of the Latest Practicable Date, our Board includes three female Directors. Throughout the Track Record Period and up to the Latest Practicable Date, our Board has operated in a compliant and effective manner, fulfilling its responsibilities in accordance with the Articles of Association and the Rules of Procedure. Regular and ad hoc Board meetings have been convened as required and necessary.

Our Board has the collective and overall responsibility for establishing, adopting and reviewing our ESG vision, policy and target, and evaluating, determining and addressing our ESG-related risks. Our Board may engage independent third parties to evaluate the ESG risks and review our existing strategy, target and internal controls. Necessary improvement will then be made to mitigate the risks. Our Board also directs our dialogue with stakeholders regarding ESG matters. Our management presents and communicates the key highlights of ESG-related matters to our Board periodically. We are currently not subject to significant health, safety, environmental or climate-related risks. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental regulations. During the Track Record Period and up to the Latest Practicable Date, we had not incurred material capital expenditures or compliance costs related to ESG. We also do not anticipate to incur material capital expenditures or compliance costs related to climate in the foreseeable future.

Board Committees System

We have established four Board committees: the Strategy Committee, Audit Committee, Nomination Committee and Remuneration and Appraisal Committee. These committees are responsible for advising on corporate strategy, audit matters, senior management appointments and compensation and performance evaluation, respectively. Each committee operates under its own

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charter and provides professional insights and recommendations to our Board. During the Track Record Period and up to the Latest Practicable Date, the committees reviewed matters including financial performance, strategic initiatives, compensation plans and personnel appointments, contributing to more effective and professional Board decision-making. Their establishment and operation have enhanced the efficiency, scientific rigor and oversight capacity of our Board, further strengthening our corporate governance framework.

Independent Director System

Our Board currently includes three independent Directors. We have implemented the Working Rules for Independent Directors (獨立董事工作制度), which clearly define their qualifications, appointment process, term of office, rights and responsibilities, and procedures for expressing independent opinions. Since their appointment, our independent Directors have actively participated in corporate governance in accordance with the Company Law of the PRC (《中華人民共和國公司法》), Securities Law of the PRC (《中華人民共和國證券法》), Articles of Association and internal policies. They have contributed their expertise in finance, law and strategic planning in safeguarding the interests of all shareholders and supporting the continuous improvement of our governance practices.

Equity Incentives and Talent Retention

To further strengthen our corporate governance framework and align employee interests with long-term strategic goals, we have implemented equity incentive schemes during the Track Record Period. These initiatives are designed to establish a balanced system of motivation and accountability for mid-level and core employees, while attracting and retaining high-caliber talent across management, R&D, operations, marketing and production. By fostering a culture of shared success, these programs enhance our market competitiveness and support our sustainable development. See “Statutory and General Information—Further Information about our Directors and Substantial Shareholders—Equity Incentive Schemes.”

RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control

We have designated responsible personnel to monitor the ongoing compliance by us with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of necessary measures. In addition, we plan to provide our Directors, senior management and relevant employees with continuing training programs and/or updates regarding the relevant PRC laws and regulations on a regular basis with a view to proactively identify any concern and issue relating to any potential non-compliance.

We have adopted internal rules and policies governing various aspects of our business operations and management, including information system, physical assets, procurement, sales and marketing, financial reporting and human resources. For example, we have designed and implemented a series of internal control policies and procedures relating to our information system, such as encryption and authorization procedures, and data security practice guidelines for our employees. See “—Data Privacy and Security.” In addition, we have established internal control policies covering various aspects of human resource management such as recruiting, training, work ethics and legal compliance. Furthermore, we have adopted a set of policies and procedures in connection with our financial reporting management, such as maintenance of chart of accounts, budget management procedures and monthly financial close procedures. In particular, segregation of duties is established for the preparation of financial reports, requiring that the approver be different from the preparer. For example, after the finance department completes the preparation of monthly financial reports, these reports will be submitted to the chief financial officer and relevant management for review through email. The authorized management personnel will reply as evidence of approval after confirming the accuracy of the reports.

We have also taken the following internal control rectification regarding social insurances and housing provident fund contributions: (i) We have enhanced our human resources policies, which explicitly require social insurance and housing provident fund contributions to be made in full in accordance with applicable local requirements; (ii) We have designated our human resources

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department to review and monitor the reporting and contributions of social insurance and housing provident fund on a regular basis to ensure that we have made these payments for our employees in compliance with the applicable laws and regulations or in a manner as required by the relevant government authorities. The designated human resources personnel shall prepare the written records of the relevant payments on a monthly basis and submit the same to the heads of our human resources and finance departments for review; (iii) We will keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds; (iv) We will strengthen legal compliance training to our employees to increase their awareness of the relevant PRC laws and regulations and encourage their cooperation in making payments for social insurance and housing provident funds; and (v) We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments.

We have appointed Somerley Capital Limited as our external compliance advisor with effect from the date of the [REDACTED] to advise on ongoing compliance with the Listing Rules and other applicable securities laws and regulations in Hong Kong.

Risk Management

We are exposed to various risks in the operations of our business and we believe that risk management is important to our success. Key operational risks faced by us include, among others, our ability to respond to technological changes, competition in the relevant industries, our ability to retain and grow our customer base and usage, our ability to enhance or upgrade our existing intelligent industrial software solutions and introduce new ones, and our ability to successfully expand to and develop market recognition in various industry sectors. See “Risk Factors.” In addition, we also face numerous market risks, such as credit risk, liquidity risk, interest rate risk and currency risk that arise in the ordinary course of our business. See “Financial Information—Qualitative and Quantitative Disclosure about Market Risks.”

We have implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including administration of daily operations, data security, financial reporting procedures, and compliance with applicable laws and regulations. Our Board oversees and manages the overall risks associated with our operations. We have established an Audit Committee to review and supervise the financial reporting process and internal control system of our Group. See “Directors and Senior Management—The Special Committees of the Board—Audit Committee” for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our Audit Committee.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Mr. Li Gangjiang (李鋼江) (chairman of the Board, an executive Director and the chief executive officer of our Company) and Ms. Ni Qiong (倪瓊) effect control over our Company through Shareholders which are their close associates and jointly controlled by them (the “**Management Shareholders**”), namely:

- (a) Covision Venture Capital, a company ultimately controlled by Mr. Li Gangjiang and Ms. Ni Qiong¹;
- (b) Bai Sai Fund, a limited partnership of which the general partner is Covision Private Equity, a company ultimately controlled by Mr. Li Gangjiang and Ms. Ni Qiong;
- (c) Shanghai Semi-Tech No. 1, Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 3 and Shanghai Semi-Tech No. 5, each being a limited partnership of which the general partner is Covision Venture Capital; and
- (d) Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 4 and Hainan Semi-Tech No. 5, each being a limited partnership of which the general partner is Covision Private Equity, a company ultimately controlled by Mr. Li Gangjiang and Ms. Ni Qiong.

To further consolidate the control over the management shareholders of the Company and enhance the efficiency of the shareholder decision-making process, Covision Venture Capital and Shenzhen He Xing entered into an acting-in-concert agreement (the “**Acting-in-concert Agreement**”) in 2022. Pursuant to the Acting-in-concert Agreement, Shenzhen He Xing agreed to be under the actual control of Covision Venture Capital over the Group’s daily operations and major decision-making. Shenzhen He Xing will support Covision Venture Capital and act in concert with it in making various financial and operational decisions related to the Group, including but not limited to amendments to the Company’s articles of association; medium-and long-term development planning, business policies, investment plans, and financing plans; annual financial budgets, final accounts, profit distribution and loss compensation plans; increases or decreases in registered capital, mergers, divisions, dissolutions, liquidations, or changes in corporate form; and significant changes or adjustments to the nature of the Company’s business.

As of the Latest Practicable Date, Covision Venture Capital, which controlled approximately 46.25% of the voting rights in the issued share capital of the Company, was acting in concert with Shenzhen He Xing, which held approximately 0.48% of the issued share capital of the Company. Therefore, Covision Venture Capital and Shenzhen He Xing together had an interest in approximately 46.73% of the Company’s voting rights and were entitled to exercise control over them. Mr. Li Gangjiang and Ms. Ni Qiong, through the Management Shareholders, were entitled to control the voting rights of approximately 48.63% of the issued share capital of our Company.

Immediately upon [REDACTED] of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes), the Controlling Shareholders will together control the voting rights of approximately [REDACTED] of the total issued share capital of our Company. Accordingly, Mr. Li Gangjiang and Ms. Ni Qiong, together with the Management Shareholders (namely Covision Venture Capital, Bai Sai Fund, Shanghai Semi-Tech No. 1, Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 3, Shanghai Semi-Tech No. 5, Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 4 and Hainan Semi-Tech No. 5), Shanghai Jerry and Jenny, Jia Jia Holding, Covision Private Equity and Shenzhen He Xing will be a group of Controlling Shareholders of our Company upon [REDACTED].

(1) As of the Latest Practicable Date, the general partner of Covision Venture Capital was Covision Private Equity, which was 100% owned by Jia Jia Holding, which was owned as to 98% and 2% by Shanghai Jerry and Jenny and Ms. Ni Qiong, respectively. Shanghai Jerry and Jenny was under the joint management of Mr. Li Gangjiang and Ms. Ni Qiong, of which Mr. Li Gangjiang was the general partner holding 98% of the partnership interest and Ms. Ni Qiong held 2% of the partnership interest as a limited partner. Therefore, Covision Venture Capital and Covision Private Equity were both ultimately controlled by Mr. Li Gangjiang and Ms. Ni Qiong.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Shenzhen He Xing is a limited partnership established under PRC law and managed by its general partner, Ms. Yang Fan (楊帆). As of the Latest Practicable Date, Ms. Yang Fan held approximately 90% of the partnership interest in Shenzhen He Xing. Shenzhen He Xing is principally engaged in economic and business consulting. For the background of other Controlling Shareholders, please refer to the sections headed “History, Development and Corporate Structure” and “Directors and Senior Management.”

INDEPENDENCE OF OUR BUSINESS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the [REDACTED].

Management Independence

We are able to carry on our business independently from the Controlling Shareholders from management perspective. Our Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Li Gangjiang, who is a member of the group of Controlling Shareholders, also serves as our executive Director.

Our Directors are of the view that our Company is able to function independently from the Controlling Shareholders for the following reasons:

1. our daily management and operations are carried out by our executive Directors and the senior management with assistance from our core technical staff, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our executive Directors and the senior management, see “Directors and Senior Management”;
2. each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
3. we have three independent non-executive Directors who (i) account for not less than one-third of the Board, (ii) do not and will not hold any directorships or management positions in our Controlling Shareholders, (iii) possess the requisite industry knowledge and experience and are qualified to provide independent, sound and professional advice to our Company, and (iv) will be responsible for deciding certain matters of our Company which must always be referred to the independent non-executive Directors for review;
4. in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, any interested Director is required to declare the nature of such interest and shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum; and
5. to support our management independence, we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management. See “—Corporate Governance.”

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational Independence

Our Group is not operationally dependent on our Controlling Shareholders. Our Company (including through our subsidiaries) holds all relevant licenses and owns all relevant intellectual properties and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, technology, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and suppliers and an independent management team to handle our day-to-day operations.

Based on the above, our Directors believe that we are able to operate independently from the Controlling Shareholders and their close associates.

Financial Independence

Our Group is not financially dependent on our Controlling Shareholders, and we do not expect to rely on our Controlling Shareholders for financing after the [REDACTED]. Our Company has established its own independent finance department and implemented its own independent audit, accounting, internal control and financial management systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank account with our Controlling Shareholders. We have made tax filings and paid tax independently of our Controlling Shareholders pursuant to applicable laws and regulations. We have adequate internal resources to support our daily operations, and we are capable of obtaining financing from third parties, if necessary, without reliance on our Controlling Shareholders. We also have an audit committee comprising non-executive Directors only to oversee our accounting and financial reporting processes.

No loan or guarantee has been provided by, or granted to, the Controlling Shareholders or their close associates during the Track Record Period and as of the Latest Practicable Date.

In view of our internal resources, our undrawn banking facilities, our net cash generated from operating activities and the estimated net [REDACTED] from the [REDACTED], our Directors confirm that we will not rely on our Controlling Shareholders for financing support after the [REDACTED]. Our Directors also believe that, upon [REDACTED], the sustainability of our business — as demonstrated by our results of operations and financial position during the Track Record Period — will enhance our ability to obtain or renew loans and borrowings from banks on an independent basis without the support of the Controlling Shareholders.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their close associates.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Save and except for the interests of our Controlling Shareholders in our Company and its subsidiaries, our Controlling Shareholders and our Directors do not have any interest in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group’s business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the CG Code, which sets out principles of good corporate governance, upon [REDACTED].

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders:

1. where a Shareholders’ meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

2. our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with a member of the group of Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;
3. we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and believe our independent non-executive Directors (i) possess sufficient and diverse experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole;
4. where our Directors reasonably request the advice of independent professionals, such as financial advisers, valuers or legal advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
5. we have appointed the Compliance Advisor to provide advice and guidance to us in respect of compliance with the Hong Kong Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage any conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

CONTINUING CONNECTED TRANSACTIONS

Upon [REDACTED], certain transactions between us and our connected person will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSON

We have entered into certain transactions in the ordinary and normal course of our business with the following connected person, which are expected to continue after the [REDACTED] and will constitute continuing connected transactions of our Company:

Name of our connected person	Connected Relationship
Guangdong Mediacom Technology Co., Ltd.* (廣東美凱技術有限公司)	Mediacom is owned as to 60% by Shanghai Jenny and Jerry, whose general partner is Covision Private Equity, a wholly-owned subsidiary of Jia Jia Holding. Jia Jia Holding is owned as to 2% by Ms. Ni Qiong (倪瓊) and 98% by Shanghai Jerry and Jenny. Shanghai Jerry and Jenny is ultimately controlled by Mr. Li Gangjiang (李鋼江) (as general partner with 98% partnership interest) and Ms. Ni Qiong (as limited partner). Both of Mr. Li Gangjiang and Ms. Ni Qiong are Controlling Shareholders of our Group, and Mr. Li Gangjiang is also a Director of our Group. Therefore, Mediacom is an associate of Mr. Li Gangjiang and Ms. Ni Qiong and constitutes a connected person of our Company under the Listing Rules.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Procurement Framework Agreement with Mediacom

Principal Terms

On [●], our Company (for ourselves and on behalf of our subsidiaries at the date of the agreement) entered into an procurement framework agreement (the “**Procurement Framework Agreement**”) with Mediacom (for itself and on behalf of its subsidiaries at the date of the agreement), pursuant to which Mediacom agreed to provide to our Group machine control modules and emergency brakes. The Procurement Framework Agreement has a term commencing from the [REDACTED] to and including [December 31, 2028], subject to early termination by the Company giving at least one month’s prior written notice to Mediacom. The Procurement Framework Agreement may be renewed by mutual consent of parties thereto provided that applicable requirements of the Listing Rules are complied with.

Pricing

The amount to be paid by our Group under the Procurement Framework Agreement with Mediacom shall be in line with normal commercial terms and determined on arms’ length basis with reference to (i) the specification, model, unit price, type and quality of the machine control modules and emergency brakes; (ii) the prevailing market price of comparable products provided by the Independent Third Parties; and (iii) if no comparable market price, at price with reference to actual cost or reasonable cost (whichever is lower) incurred plus a profit margin within the pre-agreed arm’s length range.

Reasons for the Transactions

Mediacom is a technology company engaged in the research, development, production, and sales of comprehensive solutions for image signal transmission, display, control technology, audio and video management, seat collaboration, and integrated control processing. It is one of the few companies worldwide that possesses core optical fiber KVM technology and software and hardware system solutions. Mediacom is familiar with our Group’s business needs, quality standards and operational requirements in respect of the machine control modules and emergency brakes and the negotiation time and cost can be reduced in view of the existing friendly business cooperation among the parties. The purchases from Mediacom will be at competitive prices not less favorable than those that our Group can obtain from Independent Third Parties.

CONTINUING CONNECTED TRANSACTIONS

Historical Amounts

For the years ended December 31, 2023, we did not record any transaction amounts. For the year ended December 31, 2024 and 2025, the historical transaction amount with respect to the procurement of machine control modules and emergency brakes by our Group from Mediacom was approximately RMB0.3 million and RMB1.2 million.

Listing Rules Implications

Since the transactions contemplated under the Procurement Framework Agreement will be conducted on normal commercial terms or better, the highest applicable percentage ratio is expected to be, on an annual basis, less than 5% and the expected procurement cost contemplated under the Procurement Framework Agreement for each of the three years ending 31 December 2028 is less than HK\$3,000,000, the Procurement Framework Agreement is fully exempt from reporting, annual review, announcement and independent Shareholder’s approval requirements pursuant to Rule 14A.76 of the Listing Rules.

INTERNAL CONTROL PROCEDURES ADOPTED BY OUR COMPANY IN RESPECT OF THE IMPLEMENTATION OF CONTINUING CONNECTED TRANSACTION FRAMEWORK AGREEMENT

Our Group adopts the following internal control measures to ensure that the transactions will be carried out in accordance with the terms of the Procurement Framework Agreement, including the pricing policies, and in compliance with all the applicable requirements under the Listing Rules:

- we have adopted a connected transactions management policy for the purpose of ensuring that connected transactions will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole;
- prior to the execution of the underlying agreements for the procurement of machine control modules and emergency brakes from Mediacom, if quotations from Independent Third Parties are available, the operation department of the relevant business sector of our Group will compare the quotations offered by Mediacom with those offered by Independent Third Parties to ensure that the quotations offered by Mediacom are no less favorable to our Group than those offered by Independent Third Parties to our Group. If there are no quotations offer by Independent Third Parties, the operation department of the relevant business sector and the finance department of our Group will jointly determine the prices of the proposed transactions based on reasonable costs plus a reasonable profit to ensure that the prices are fair and reasonable;
- the finance department of our Group shall (i) regularly examine the pricing of the transactions under the Procurement Framework Agreement to ensure that those transactions are conducted in accordance with the pricing terms therein, and (ii) periodically monitor the transaction amount under the Procurement Framework Agreement to ensure that our Company complies with all the applicable requirements under the Listing Rules, including to revise the relevant annual cap when appropriate;
- the legal department of our Group has reviewed the terms of the Procurement Framework Agreement and shall in case of any proposed change to the principal terms of the transactions, ensure that our Company complies with all the applicable requirements under the Listing Rules, including but not limited to publishing an announcement; and
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the Procurement Framework Agreement and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

The Board of our Company consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors, which is responsible and has the general authority for the management and operation of our Company. The Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

The senior management of our Company consists of seven members and is responsible for the management of day-to-day operations of our Company.

DIRECTORS

The following table sets out the key information of our Directors as at the Latest Practicable Date.

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Li Gangjiang (李綱江) . . .	51	Executive Director, chairman of the Board and chief executive officer	February 1, 2021	April 1, 2021	Responsible for the overall strategic planning, business policy, capital operation and comprehensive operation and management of the Group
Ms. Zhang Ying (張影) .	47	Executive Director, president	March 1, 2021	October 19, 2021	Responsible for the business direction and daily decision-making of the Group, and directly responsible for the Pan-semiconductor Product Center
Mr. Li Guangzhu (李光珠) . . .	45	Executive Director, chief marketing officer	July 1, 2021	October 19, 2021	Responsible for the overall marketing management and major customer development of the Group
Ms. Zhang Xin (張鑫)	37	Executive Director	March 27, 2024	May 6, 2025	Responsible for the overall strategic planning and capital operation of the Group
Mr. Liu Hongnan (劉洪楠) . . .	37	Non-executive Director	November 28, 2025	November 28, 2025	Responsible for high-level supervision on the management and operations of our Group

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Yu Hui (余輝)	40	Non-executive Director	August 27, 2025	August 27, 2025	Responsible for high-level supervision on the management and operations of our Group
Mr. Pang Fengzheng (龐風征) . . .	54	Independent non-executive Director	November 30, 2023	November 30, 2023	Responsible for supervising and providing independent opinions and judgments to the Board
Dr. Ye Hangjun (葉航軍) . . .	50	Independent non-executive Director	November 30, 2023	November 30, 2023	Responsible for supervising and providing independent opinions and judgments to the Board
Ms. Zhang Zhidi (張志迪)	42	Independent non-executive Director	August 27, 2025	August 27, 2025	Responsible for supervising and providing independent opinions and judgments to the Board

Executive Directors

Mr. Li Gangjiang, aged 51, joined the Group in February 2021 and has served as the chief executive officer of the Company since February 2021 and as a Director and the chairman of the Board of our Company since April 2021, and has been re-designated as an executive Director on September 1, 2025. He is primarily responsible for the overall strategic planning, business policy, capital operation and comprehensive operation and management of the Group. Mr. Li serves as the only executive director or chairman of the board of directors at our Company’s certain subsidiaries, including Suzhou Vida, Semi-Tech Technology, Beijing Semi-Tech Cloud Software Technology Co., Ltd.* (北京賽美特雲軟件技術有限公司), Chengdu Semi-Tech, Zhejiang Semi-Tech Software Technology Co., Ltd.* (浙江賽美特軟件科技有限公司), Hangzhou Guan Tian, Shanghai Foreverwin, Shanghai Semi-Tech and Anhui Semi-Tech.

Mr. Li has over 20 years of experience in software industry. From July 2001 to March 2003, he worked as a software development engineer at Microsoft’s headquarter in Seattle (listed on the NASDAQ Global Market, stock code: MSFT.O), a technology company that creates platforms and tools powered by AI and delivers solutions that meet the evolving needs of the customers, where he was responsible for developing software. From April 2003 to January 2007, he successively worked as a software engineer at Intel China Ltd., a global designer and manufacturer of semiconductor products, including CPUs and other solutions, primarily markets and sells through its Intel Product business and manufactures through its Intel Foundry business and other suppliers, where he was responsible for system top-level design and technical decisions and developing scalable, secure, high-performance software architecture solutions, and later worked at Intel Asia Pacific Research and Development Corporation. From April 2007 to September 2011, he worked as a senior technical manager at Google Information Technology (China) Co., Ltd., a company primarily engaged in design, research and development of computer software and hardware, production of computer software, computer and hardware leasing, computer system integration, provision of technical consultation, technical services, technology transfer, technical testing, and training on the above technologies, sale of self-produced products, import and export of technology,

DIRECTORS AND SENIOR MANAGEMENT

goods and agency and business information consulting services. From October 2011 to May 2013, he served as the chief technology officer of tv.Sohu.com (搜狐視頻) at Feihu Information Technology (Tianjin) Co., Ltd. (飛狐信息技術(天津)有限公司) (which is well known as Sohu (搜狐)), an online media content and service provider that, through its social features, allows users to generate and distribute content on its platform and interact with each other, where he was responsible for co-ordinating technology teams and resources to achieve long-term competitiveness. From May 2013 to August 2014, he worked as a director of big data department at Baidu Online Network Technology (Beijing) Limited (百度在線網絡技術(北京)有限公司), the world’s largest Chinese search engine and the largest Chinese website. From July 2014 to January 2018, he served as the co-founder and chief technology officer at Gaotu Education Technology Group Co., Ltd. (formerly known as Beijing Baijia Hulian Technology Co., Ltd.* (北京百家互聯科技有限公司), (listed on the New York Stock Exchange, stock code: GOTU.N)), a technology-driven education company with core expertise in online courses providing learning services and educational content as well as digital learning products, where he was responsible for overall co-ordination, operational affairs and strategic decisions. From July 2017 to December 2023, he served as the chairman of the board of directors and the chief executive officer of Baijiayun Group Ltd. (百家雲集團有限公司) (listed on OTC Pink market, stock code: RTCJF), a one-stop AI video solution provider with core expertise in SaaS and PaaS solutions, where he was responsible for overall co-ordination, operational affairs and strategic decisions. From November 2019, he has been the chairman of the board of directors, executive director and the general manager of Covision Private Equity, a company primarily engaged in private equity investment.

Mr. Li successively obtained a bachelor’s degree and a master’s degree in computer science and technology from Tsinghua University (清華大學) in the PRC in June 1998 and June 2000 and a master’s degree in business administration from China Europe International Business School (中歐國際工商學院) in the PRC in August 2019. Mr. Li was offered an opportunity to pursue his studies for a doctorate degree in electronic information at Tsinghua University (清華大學) in the PRC in July 2020 and has been pursuing his studies since then. He has won numerous awards and honors, including being awarded 2005 Intel Achievement Award by Intel China Ltd. for leadership in defining and delivering Intel’s first unique software/hardware platform solution for China icafes, the Mobile Fengchao team led by him being awarded the “Baidu CEO Special Award for 2013” in January 2014, being recognized as a “2016 Entrepreneurial Leading Talent” under the Haiying Talent Program in August 2017, being selected as a talent for the 2019 Nanjing “High-level Entrepreneurial Talent Introduction Programme (Municipal) (高層次創業人才引進計劃(市級))” by Nanjing Talent Work Leadership Team in December 2019 and a member of the entrepreneurship category of the “Program of Innovative and Entrepreneurial Talent (雙創人才)” in Jiangsu Province in 2020. He was also awarded the titles of “Leading Talent in Science and Technology (科技領軍人才)” by the Suzhou Industrial Park Administrative Committee in February 2022, “Gusu Innovation and Entrepreneurship Leading Talent in 2023 (2023年姑蘇創新創業領軍人才)” by Talent Work Leading Group Office of Suzhou Municipal Committee of the Communist Party of China in December 2023, “Outstanding Entrepreneur (優秀企業家)” by the People’s Government of Minhang District of Shanghai Municipality in February 2024 and “2025 Forbes China New Era Disruptive Founder Awards (2025年福布斯中國新時代顛覆力創始人評選)” by Forbes China and Global Business Research Center in January 2026.

Ms. Zhang Ying, aged 47, joined Guyao Software Technology (Suzhou) Co., Ltd. (固耀軟件科技(蘇州)有限公司) (“**Guyao Suzhou**,” which was subsequently acquired as a subsidiary of the Company) in February 2011, and has served as a Director and the president of our Company since October 2021, and has been re-designated as an executive Director on September 1, 2025. She is primarily responsible for the business direction and daily decision-making of the Group, and is directly responsible for the Pan-semiconductor Product Center.

Ms. Zhang has over 20 years of experience in software industry. From July 2003 to July 2007, Ms. Zhang worked as a software engineer at Shangyang Software (Shanghai) Co., Ltd.* (上揚軟件(上海)有限公司), a professional software company that provides integrated solutions for high-tech manufacturing industries such as semiconductor, photovoltaic and LED in the PRC. From July 2007 to January 2011, she served as the senior manager of Guyao Electronic Technology (Shanghai) Co., Ltd.* (固耀電子科技(上海)有限公司), a company primarily engaged in design and manufacture of software for computer and network system, sales of its self-produced products, and provision of related technical advice and services, where she was responsible for equipment automation project management and site implementation.

DIRECTORS AND SENIOR MANAGEMENT

Since February 2011, Ms. Zhang has served as an executive director and the general manager of Guyao Suzhou, a company primarily engaged in research and developing software technology products and computer system integration solutions, selling the company’s developed products and providing related after-sales consulting services.

Ms. Zhang successively obtained a bachelor’s degree in industrial automation and a master’s degree in automatic control from Harbin University of Science and Technology (哈爾濱理工大學) in the PRC in July 2000 and April 2003. Ms. Zhang has started her study in Master of Business Administration degree at China Europe International Business School (中歐國際工商學院) in the PRC since September 2024.

Mr. Li Guangzhu, aged 45, joined Shenzhen Semi-Tech in May 2015 and has served as a Director and the chief marketing officer of our Company since October 2021, and has been re-designated as an executive Director on September 1, 2025. He is primarily responsible for the overall marketing management and major customer development of the Group.

Mr. Li has over 17 years of experience in software industry. From January 2008 to December 2015, Mr. Li worked as a senior manager at MIRACOM Inc Co., a company specialises in enterprise software, develops and distributes operations management system and other enterprise IT software.

From May 26, 2015 to April 2, 2018, Mr. Li served as a director of Shenzhen Semi-Tech, a company primarily engaged in the provision of automation and digitalization solutions for high-tech manufacturing industries as well as the R&D and application of intelligent manufacturing software systems. Mr. Li has subsequently served as the general manager of Shenzhen Semi-Tech since April 2, 2018 and the executive director of Shenzhen Semi-Tech since June 18, 2020.

Mr. Li obtained a bachelor’s degree in automation from Tongji University (同濟大學) in the PRC in July 2004.

Ms. Zhang Xin, aged 37, joined the Company in March 2024. She was appointed as a Director of the Company in May 2025, and was re-designated as an executive Director on September 1, 2025. She is primarily responsible for the overall strategic planning and capital operation of the Group.

Ms. Zhang has over 14 years of experience in the internet industry. From July 2011 to September 2014, Ms. Zhang worked as a business assistant of big data department at Baidu Online Network Technology (Beijing) Co., Ltd., a subsidiary of Baidu, Inc. (listed on the Nasdaq Global Market, stock code: BIDU.O), the world’s largest Chinese search engine and the largest Chinese website. From September 2014 to May 2017, Ms. Zhang served as human resources management positions director at Gaotu Education Technology Group Co., Ltd. (formerly known as Beijing Baijia Hulian Technology Co., Ltd.* (北京百家互聯科技有限公司) (listed on the New York Stock Exchange, stock code: GOTU.N), a technology-driven education company with core expertise in providing online courses and digital learning products for learning services and educational content). From May 2017 to September 2025, Ms. Zhang served as vice president and board secretary of Baijiayun Group Ltd. (listed on OTC Pink market, stock code: RTCJF), a one-stop AI video solutions provider with core expertise in SaaS and PaaS solutions. She was responsible for the daily management and operations of the group and the organization of board meetings.

Ms. Zhang is currently pursuing a Master degree of Business Administration at Tsinghua University, School of Economics and Management (EMBA) in the PRC.

Non-executive Directors

Mr. Liu Hongnan, aged 37, joined the Group and was appointed as a non-executive Director of the Company on November 28, 2025. He is primarily responsible for high-level supervision on the management and operations of our Group.

Mr. Liu worked in SDIC Venture Capital (Beijing) Private Equity Fund Management Co., Ltd.* (國投創業(北京)私募基金管理有限公司) from October 2024 to now, responsible for project investment and management.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liu obtained a bachelor’s degree in computer software from Tsinghua University in the PRC.

Mr. Yu Hui, aged 40, joined the Group and was appointed as a Director of the Company in August 2025 and was re-designated as a non-executive Director on September 1, 2025. He is primarily responsible for high-level supervision on the management and operations of our Group.

Mr. Yu has over 15 years of experience in auditing, equity investment and corporate governance. Mr. Yu has served as a supervisor of Shanghai Weimairui Technology Co., Ltd.* (上海微邁睿科技有限公司), a company primarily engaged in providing technology services, where he is responsible for high-level supervision for the management and operation of the company, since July 2024. Mr. Yu has served as an investment director and partner of intelligent technology department at Shanghai Free Trade Zone Equity Investment Fund Management Co., Ltd.* (上海自貿區股權投資基金管理有限公司), a company primarily engaged in equity investments, where he is responsible for the fundraising, investment, management and exit of equity investment funds since February 2017.

From December 2009 to July 2014, Mr. Yu served as a senior accountant at Ernst & Young Hua Ming LLP Shanghai Branch (安永華明會計師事務所(特殊普通合夥)上海分所), a partnership primarily engaged in auditing.

Mr. Yu obtained a bachelor’s degree in accounting from Xiamen University (廈門大學) in the PRC in July 2009 and a Master of Business Administration degree from Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University (上海交通大學上海高級金融學院) in the PRC in June 2016. He was granted the qualification of non-practicing member of the Certified Public Accountants (註冊會計師非職業會員) by the Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in June 2015.

Mr. Yu was awarded the “Best Investor in the Information Technology Industry for 2024 (2024年度信息技術行業最佳投資人)” by the Shanghai Private Equity Association (上海股權投資協會) in May 2025 and the “Best Investor in Shanghai for 2023 (2023年度上海地區最佳投資人)” by the Shanghai International Equity Association (上海國際股權協會) in December 2023.

Independent Non-executive Directors

Mr. Pang Fengzheng, aged 54, joined the Group and was appointed as an independent Director in November 2023 and was re-designated as an independent non-executive Director on September 1, 2025. He is primarily responsible for supervising and providing independent opinions and judgments to the Board.

Mr. Pang has over 35 years of experience in accounting and finance management. Mr. Pang has served as (i) the chief partner of Beijing Chengdixin Accounting Firm (General Partnership)* (北京誠得信會計師事務所(普通合夥)), an accounting firm primarily engaged in audit and finance related business, since December 2017, (ii) the manager of Beijing Xinda Jiayuan Taxation Firm Co., Ltd.* (北京信達佳源稅務師事務所有限責任公司), a company primarily engaged in tax matters related business, since March 2020 and (iii) an independent director of Beijing Tongmei Crystal Technology Co., Ltd.* (北京通美晶體技術股份有限公司), a company primarily engaged in R&D, production and sales of semiconductor substrate materials, since April 2021.

Mr. Pang served as the accounting manager of Shandong Wucheng Yinhe Textile Co., Ltd.* (山東武城銀河紡織有限公司), a company primarily engaged in cotton textile, from August 1990 to December 2007, where he was responsible for the accounting matters. Mr. Pang served as a project manager at Shandong branch of Lianda Accounting Firm* (利安達會計師事務所山東分所), an accounting firm, from January 2008 to September 2009. Mr. Pang served as a project manager of Lixin Accounting Firm Co., Ltd. Beijing Branch* (立信會計師事務所有限公司北京分公司), an accounting firm, from November 2009 to May 2010. Mr. Pang served as a project manager of Beijing Huashen Accounting Firm Co., Ltd.* (北京華審會計師事務所有限公司), an accounting firm, from June 2010 to April 2011. Mr. Pang served as a project manager of Beijing Xinghua Accounting Firm (Special General Partnership)* (北京興華會計師事務所(特殊普通合夥)), an accounting firm, from May 2011 to November 2017. Mr. Pang served as an independent director of Beijing Shimizu Aipai Architectural Design Co., Ltd.* (北京清水愛派建築設計股份有限公司), a company primarily engaged in agricultural design, from March 2020 to December 2021, where he took an independent supervisory role.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Pang obtained his post-secondary’s degree in accounting from Shandong Dezhou Textile Industry School* (山東德州紡織工業學校) in the PRC in July 1990 and a college degree in economics management from the Party School of Shandong Provincial Committee (山東省委黨校) in the PRC in June 2004. Mr. Pang was qualified as a Certified Practicing Accountant accredited by CPA China in May 2008 and a Senior Management Accountant (高級管理會計師) accredited by Beijing National Accounting Institute (北京國家會計學院) in February 2019.

Dr. Ye Hangjun, aged 50, joined the Group and was appointed as an independent Director of the Company in November 2023 and was re-designated as an independent non-executive Director on September 1, 2025. He is primarily responsible for supervising and providing independent opinions and judgments to the Board.

Dr. Ye has over 20 years of experience in the internet industry. Dr. Ye worked at Xiaomi Inc. (a controlled structured entity of Xiaomi Corporation (listed on the Stock Exchange, stock code: 1810), an investment holding company primarily engaged in development and sales of smartphones, IoT and lifestyle products, provision of internet services, development, manufacture and sales of smart EV and investments holding in the PRC and other countries or regions), since September 2012 and currently serves as the general manager of autonomous driving and robotics department, responsible for the research and development of autonomous driving technologies and products.

Prior to joining the Company, Dr. Ye worked as the staff research member at IBM China Company Limited (IBM) (listed on the New York Stock Exchange, stock code: IBM) and primarily engaged in IT resolutions. Dr. Ye then worked as a senior software engineer at Google Information Technology (China) Company Limited, a company primarily engaged in design, research and development of computer software and hardware, from February 2006 to October 2010. After that, Dr. Ye worked as the director of indexing and downloading group of search platform department at Tencent Technology (listed on the Stock Exchange, stock code: 0700), an internet company. Dr. Ye then served as a non-executive director of Kingsoft Cloud Holdings Limited (listed on the Stock Exchange, stock code: 3896), a company primarily engaged in providing enterprise and institutional customers with cloud computing services covering cloud infrastructure, storage, big data analytics and artificial intelligence, focusing on the digital transformation needs of multiple industries such as the internet, government, finance and healthcare industry, from April 2021 to March 2023.

Dr. Ye successively obtained a bachelor’s degree and a doctor’s degree in computer science from Tsinghua University (清華大學) in the PRC in June 1998 and July 2003.

Ms. Zhang Zhidi, aged 42, joined the Group and was appointed as an independent Director in August 2025 and was re-designated as an independent non-executive Director on September 1, 2025. She is primarily responsible for supervising and providing independent opinions and judgments to the Board.

Ms. Zhang has served as an executive director of Beijing Youaiyouguang Education Consulting Co., Ltd.* (北京有愛有光教育諮詢有限公司), a company primarily engaged in providing educational counseling services, since May 2024.

Ms. Zhang has over eight years of experience in legal profession and nearly nine years of experience in finance industry. Prior to joining our Group, from October 2007 to June 2011, she was a lawyer at Commerce & Finance Law Offices (通商律師事務所), a law firm primarily engaged in providing legal services. From June 2011 to September 2016, she was a counsel at Beijing FenXun Law Firm (北京市奮迅律師事務所), a law firm primarily engaged in providing legal services. From September 2016 to October 2018, she served as the senior vice president of asset-backed securitisation at CITIC Securities Company Limited (中信證券股份有限公司) (listed on the Stock Exchange, stock code: 6030 and Shanghai Stock Exchange, stock code: 600030), a company primarily engaged in securities, funds, futures, foreign exchange and commodities. From November 2018 to March 2021, she served as the executive director of strategic clients department at CRP-FANYA Investment Consultants (Beijing) Co., Ltd. (華興泛亞投資顧問(北京)有限公司), a company primarily engaged in providing financial advisory services, a subsidiary of China

DIRECTORS AND SENIOR MANAGEMENT

Renaissance Holdings Limited (listed on the Stock Exchange, stock code: 1911), a company primarily engaged in investment management, private financing, mergers and acquisitions, securities issuance and underwriting, securities research and trading, wealth management and other services, where she was primarily responsible for establishment and management of the Strategic Clients Department and incubation and landing of offshore wealth management business. From April 2021 to December 2022, she served as a director at Hainan Huaxing Fanrui Technology Consulting Co., Ltd. (海南華興凡睿科技諮詢有限公司), a company primarily engaged in providing financial advisory services, also a subsidiary of China Renaissance Holdings Limited (listed on the Stock Exchange, stock code: 1911), where she was primarily responsible for the establishment and management of the Strategic Client Department, assisting the CEO office in formulating the group’s strategic client services and key collaboration direction, providing integrated services to core strategic clients and focusing on cross-discipline co-operation.

Ms. Zhang obtained a bachelor’s degree in thermal and power engineering from Shandong University (山東大學) in the PRC in July 2005 and a master’s degree in law from University of International Business and Economics (對外經濟貿易大學) in the PRC in June 2008. She obtained her qualification of legal profession from the Ministry of Justice of the PRC (中華人民共和國司法部) in February 2008, her securities practice qualification from Securities Association of China (中國證券業協會) in September 2016, her fund practice qualification from the Asset Management Association of China (中國證券投資基金業協會) in August 2020 and obtained professional qualifications for dealing in securities and futures in Hong Kong in April 2025.

SENIOR MANAGEMENT

The following table sets out the key information of the senior management as at the Latest Practicable Date.

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities
Mr. Li Gangjiang . .	51	Chief executive officer	February 1, 2021	December 26, 2022	Responsible for overall business operation and management of our Group
Mr. Min Dong Sik (閔東植)	59	Chief scientist	March 8, 2019	August 26, 2025	Responsible for the overall product development of the Group
Ms. Zhang Ying . .	47	President	March 1, 2021	August 26, 2025	Responsible for our Group’s daily operations and management of semiconductor business
Mr. Li Guangzhu . .	45	Chief marketing officer	July 1, 2021	August 26, 2025	Responsible for sales and marketing operation of our Group
Mr. Yu Hui (蔚輝) . .	42	Chief financial officer	August 1, 2025	August 26, 2025	Responsible for the Group’s initial public offering and overall capital operation, market capitalization management, and strategic mergers and acquisitions investments

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities
Mr. Li Long (李龍)	36	Board secretary	September 23, 2024	August 26, 2025	Responsible for the [REDACTED] of the Company, investment and financing, corporate governance, and investor relations management
Ms. Chen Liqian (陳黎倩)	40	Financial controller	May 1, 2021	December 26, 2022	Responsible for the finance management of our Group

For the biographical details of Mr. Li Gangjiang, Ms. Zhang Ying and Mr. Li Guangzhu, please refer to the section headed “Directors — Executive Directors” above.

Mr. Min Dong Sik, aged 59, joined the Group in March 2019 and has served as the chief scientist of the Company since August 2025, leading the strategic innovation of technology, coordinating the R&D system, overcoming key technical difficulties and enhancing the Company’s technological influence in the industry. He is primarily responsible for the overall product development of the Group.

Mr. Min has over 32 years of experience in software development. From February 1993 to March 1998, Mr. Min worked at SK Hynix, one of the world’s largest DRAM memory chip manufacturer whose main products include DRAM, NAND flash memory, CIS (image sensor), among others. From April 1998 to October 2000, Mr. Min served as the section manager of the FA Automation Department at HumanWare, which has been a member of the EssilorLuxottica (依視路陸遜梯卡集團) since 2013 and is primarily engaged in developing solutions to help the visually impaired people explore their potential and maintain their ability to live independently. From November 2000 to October 2019, Mr. Min served as the president of Chinese Corporation for MIRACOM Inc Co., a company specialises in enterprise software, develops and distributes operations management system and other enterprise IT software.

Mr. Min obtained a bachelor’s degree of engineering in computer science from Incheon National University (仁川國立大學) in South Korea in February 1993.

Mr. Yu Hui, aged 42, joined the Group in August 2025 and has served as the chief financial officer of the Company since August 2025. He is primarily responsible for the Group’s initial public offering and overall capital operation, market capitalization management and strategic mergers and acquisitions investments.

Mr. Yu has over 15 years of experience in the investment banking and private equity industries. Prior to joining the Group, he worked for over 11 years at China International Capital Corporation Limited (中國國際金融股份有限公司) (“CICC,” listed on the Stock Exchange, stock code: 3908 and the Shanghai Stock Exchange, stock code: 601995) dedicated to investment banking and private equity investments. From January 2023 to July 2025, he served as the delegated fund representative and fund principal of CICC Capital Management Co., Ltd (中金資本運營有限公司) (“CICC Capital,” a wholly-owned subsidiary of CICC which specialized in private equity investments and asset management), responsible for the investment management business of private equity funds under CICC Capital. From February to December 2022, he served as executive general manager of Beijing Science Technology and Innovation Investment Management Co., Ltd. (a subsidiary of CICC Capital), as the senior executive representative on behalf of CICC Capital, responsible for the investment management of the Beijing Science Technology Innovation Fund (北

DIRECTORS AND SENIOR MANAGEMENT

京市科技創新基金). From September 2020 to February 2022, he successively served as executive general manager of CICC Jia Cheng Investment Management Company Limited (中金佳成投資管理有限公司) (a wholly-owned subsidiary of CICC, which was dissolved in December 2021) and CICC Capital, responsible for their private equity fund investment management businesses. From February 2014 to September 2020, he served as executive general manager of the Investment Banking Department of CICC, primarily responsible for capital operations and financing, including initial public offerings and mergers and acquisitions of leading companies in the TMT industry on the A-share, Hong Kong, and US stock markets. From July 2010 to January 2014, he successively worked in the Investment Banking Department of China Securities Co., Ltd. (listed on the Stock Exchange, stock code: 6066 and the Shanghai Stock Exchange, stock code: 601066) and the Investment Banking Committee of Guotai Haitong Securities Co., Ltd. (listed on the Stock Exchange, stock code: 2611 and the Shanghai Stock Exchange, stock code: 601211).

Mr. Yu graduated from Peking University (北京大學) in the PRC in July 2010 with a master’s degree. From June 2021 to August 2024, he studied and graduated in the first class of Long China at Tsinghua University PBC School of Finance (清華大學五道口金融學院) in the PRC. He has studied for an EMBA in finance at Tsinghua University PBC School of Finance in the PRC since September 2024.

Mr. Li Long (李龍), aged 36, joined the Group in September 2024 as a senior specialist at the chairman’s office, responsible for the [REDACTED] of the Company, investment and financing, corporate governance, and investor relations management and has been our Board secretary since August 2025.

Mr. Li has over 10 years of experience in finance. Mr. Li served as a senior associate at investment banking department of Zhongtai Securities Co., Ltd. (中泰證券股份有限公司), listed on the Shanghai Stock Exchange, stock code: 600918) from July 2015 to June 2017; a senior associate at merger & acquisition department of Zheshang Securities Co., Ltd. (浙商證券股份有限公司) (listed on the Shanghai Stock Exchange, stock code: 601878) from June 2017 to December 2020; a vice president at investment banking department of China Securities Co., Ltd. (中信建投證券股份有限公司) (listed on the Stock Exchange, stock code: 6066 and the Shanghai Stock Exchange, stock code: 601066) from January 2021 to September 2024.

Mr. Li obtained a bachelor’s degree in materials science and engineering from Southwest Jiaotong University (西南交通大學) in the PRC in June 2012, and he further obtained a master’s degree in law from Fudan University (復旦大學) in the PRC in June 2015. Mr. Li obtained the Legal Professional Qualification from the Ministry of Justice of the People’s Republic of China in March 2015, the China Securities Practitioner Qualification from the Securities Association of China in December 2015, and was registered as a sponsor representative by the Securities Association of China in December 2020.

Ms. Chen Liqian, aged 40, joined the Group in May 2021 and has served as the financial controller of our Company since December 2022. Ms. Chen served as our Director from April 8, 2024 to April 28, 2025. Ms. Chen currently holds finance controller positions at our various subsidiaries, including Shanghai Semi-Tech, Beijing Semi-Tech Cloud Software Technology Co., Ltd.* (北京賽美特雲軟件技術有限公司), Chengdu Semi-Tech, Hangzhou Guan Tian, Zhejiang Semi-tech Software Technology Co., Ltd.* (浙江賽美特軟件科技有限公司) and Anhui Semi-Tech. She is primarily responsible for the finance management of our Group.

Ms. Chen has over 10 years of experience in accounting and finance management. From September 2012 to November 2014, Ms. Chen worked at New Oriental in Haidian District in Beijing, a company primarily engaged in education and training. From December 2014 to February 2018, she worked as the financial officer at Gaotu Education Technology Group Co., Ltd. (高途教育科技集團有限公司) (formerly known as Beijing Baijia Hulian Technology Co., Ltd.* (北京百家互聯科技有限公司) (listed on the New York Stock Exchange, stock code: GOTU.N)), a technology-driven education company with core expertise in online courses providing learning services and

DIRECTORS AND SENIOR MANAGEMENT

educational content as well as digital learning products. From February 2018 to April 2021, she served as director of finance department at Baijiayun Group Ltd.(百家雲集團有限公司) (listed on OTC Pink market, stock code: RTCJF), a one-stop AI video solution provider with core expertise in SaaS and PaaS solutions, where she was primarily responsible for accounting and financial management of the group.

Ms. Chen obtained a bachelor’s degree in computer science and technology from the School of Information Engineering at Zhengzhou University of China in July 2011.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each Director (except for Mr. Liu Hongnan) confirms that he/she has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on August 31, 2025 and Mr. Liu Hongnan has obtained legal advice pursuant to Rule 3.09D of the Listing Rules on March 3, 2026. Each Director is aware of his/her responsibilities as a director of the listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed that (i) he/she is independent for each of the factors set out in Rules 3.13(1) to (8) of the Listing Rules; (ii) as at the Latest Practicable Date, he/she did not have any past or present financial or other interests in the business of our Company or its subsidiaries, nor was he/she connected in any way with any of the core connected persons of our Company under the Listing Rules; and (iii) there were no other factors which may affect his/her independence at the time of his/her appointment.

Disclosure under Rule 8.10(2) of the Listing Rules

As at the Latest Practicable Date, none of our Directors was interested in any business which competes directly or indirectly with our business pursuant to Rule 8.10(2) of the Listing Rules.

Resigned Directors

During the Track Record Period and up to the Latest Practicable Date, certain former Directors resigned as a Director on voluntary and amicable basis due to other work arrangements, details of which were set out as follows:

Name	Appointment date	Resignation date	Reasons for the resignation
Mr. Zhang Chao (張超)	March 29, 2023	November 14, 2023	Mr. Zhang was a Director appointed by Company’s investor and resigned due to the internal work arrangements from the investor.
Mr. Min Dong Sik	October 19, 2021	March 28, 2024	Mr. Min will devote more time to Company’s R&D work so he resigned the title of Director.

DIRECTORS AND SENIOR MANAGEMENT

Name	Appointment date	Resignation date	Reasons for the resignation
Ms. Chen Liqian .	April 8, 2024	April 28, 2025	Ms. Chen will devote more time on Company’s financial work so she resigned the title of Director.
Mr. Jiang Dacai (姜達才)	December 26, 2022	June 30, 2025	Mr. Jiang was a Director appointed by Company’s investor and resigned due to the internal work arrangements from the investor.
Mr. Shen Hui (沈慧)	November 30, 2023	July 27, 2025	Mr. Shen was unable to devote enough time and energy to fulfilling the duties due to personal work arrangement.
Ms. Ni Qiong (倪瓊)	April 8, 2024	November 28, 2025	Ms. Ni was unable to devote enough time and energy to fulfill the duties due to personal work arrangement.

To the best of the knowledge and belief of our Directors, there were no disputes or disagreements between our Group and each of the resigned Directors as mentioned above, and there are no matters that need to be brought to the attention of the Stock Exchange and potential investors in Hong Kong.

OUR JOINT COMPANY SECRETARIES

Mr. Li Long (李龍) was appointed as one of our joint company secretaries on August 30, 2025. Mr. Li is our Board secretary. See “—Senior Management.”

Mr. Wong Chun Wing Samuel, aged 31, was appointed as one of the joint company secretaries of our Company on August 30, 2025.

Mr. Wong is an assistant manager of the listing services department of TMF Hong Kong Limited, a company engaged in providing corporate services, where he is responsible for providing corporate secretarial and compliance services to listed company clients. Mr. Wong has over 8 years of professional experience in the corporate secretarial field. Mr. Wong currently provides corporate secretarial and compliance services to BAIC Motor Corporation Limited (listed on the Stock Exchange, stock code: 1958), CMOC Group Limited (listed on the Stock Exchange, stock code: 3993), China Traditional Chinese Medicine Holdings Co. Limited (listed on the Stock Exchange, stock code: 570), Greentown China Holdings Limited (listed on the Stock Exchange, stock code: 3900), Shandong Gold Mining Co., Ltd. (listed on the Stock Exchange, stock code: 1787) and Weimob Inc. (listed on the Stock Exchange, stock code: 2013).

Mr. Wong obtained a bachelor of business administration degree from Hang Seng Management College in Hong Kong in November 2017.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wong is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators) in the United Kingdom.

THE SPECIAL COMMITTEES OF THE BOARD

We have established four special committees of the Board, namely the audit committee, nomination committee, remuneration and appraisal committee and strategy committee.

Audit Committee

The Audit Committee comprises three Directors, namely Mr. Pang Fengzheng, Ms. Zhang Zhidi and Dr. Ye Hangjun. All members of the Audit Committee are our independent non-executive Directors. Mr. Pang Fengzheng, our independent non-executive Director, is the chairman of the Audit Committee. Mr. Pang Fengzheng has appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and has terms of reference in compliance with the relevant PRC laws and regulations, Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the CG Code.

Nomination Committee

The Nomination Committee comprises three Directors, namely Mr. Li Gangjiang, Dr. Ye Hangjun and Ms. Zhang Zhidi. More than half of the members of the Nomination Committee are our independent non-executive Directors. Mr. Li Gangjiang, our chairman of the Board is currently the chairman of the Nomination Committee. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board and has terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the CG Code.

Remuneration and Appraisal Committee

The Remuneration and Appraisal Committee comprises three Directors, namely Dr. Ye Hangjun, Mr. Pang Fengzheng and Mr. Li Gangjiang. More than half of the members of the Remuneration and Appraisal Committee are our independent non-executive Directors. Dr. Ye Hangjun, our independent non-executive Director is currently the chairman of the Remuneration and Appraisal Committee. The Remuneration and Appraisal Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board and has terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the CG Code.

Strategy Committee

The Strategy Committee comprises six Directors, namely Mr. Li Gangjiang, Ms. Zhang Ying, Ms. Zhang Xin, Mr. Liu Hongnan, Mr. Yu Hui and Mr. Li Guangzhu. Mr. Li Gangjiang, our executive Director, chairman of our Board and the chief executive officer of our Company, is currently the chairman of the Strategy Committee. The main duties of the Strategy Committee are to make recommendations to the Board on the long-term development strategy and major investments and projects of our Company.

DIRECTORS AND SENIOR MANAGEMENT

CORPORATE GOVERNANCE CODE

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the [REDACTED], save that Mr. Li Gangjiang, will serve as both the chairman of our Board and chief executive officer as discussed below.

Pursuant to code provision C.2.1 set out in Part II of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. Mr. Li Gangjiang currently performs the chairman of our Board and chief executive officer. Our Board believes that Mr. Li Gangjiang has been managing our Company since February 1, 2021 and is familiar with the operations of our Group, it is in the best interest of our Group to have both roles assumed by Mr. Li Gangjiang after the [REDACTED] for the effective management of our Group as well as for the development of the business of our Group, and that Mr. Li Gangjiang will provide strong and consistent leadership to our Group. This arrangement will ensure the effective and efficient overall strategic planning of our Group as the structure will enable our Company to make and implement decisions quickly and effectively. In addition, our Company has put in place appropriate checks and balances through the Board of Directors and three independent non-executive Directors. Our independent non-executive Directors are able to maintain their independence of character and judgment and are able to express their views without undue restrictions. We will consult our Board for advice on any major decisions. Accordingly, our Board is of the view that the balance of power and authority of the existing arrangement will not be jeopardized as the arrangement does not result in an excessive concentration of power in a single individual, which may adversely affect the interests of minority Shareholders.

BOARD DIVERSITY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a director of our Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, our Company currently has three female Directors in the Board, one female member in the Nomination Committee and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have two non-executive Directors and three independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also our Company’s employees, compensation in the form of fees, salaries, bonuses, allowances, and other benefits in kind. The remuneration of directors and senior management is determined with reference to factors such as the responsibilities, risks and commitments of the directors and senior management, the market standards of the industry and the operations of our Company. Our independent non-executive Directors receive compensation with reference to their respective positions and duties, including being a member or the chairperson of Board committees.

DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth the aggregate amount of remuneration paid to our Directors and the five highest paid individuals (including certain Directors) for each of the years ended December 31, 2023, 2024 and 2025.

	For the year ended December 31,		
	2023	2024	2025
	(RMB'000)	(RMB'000)	(RMB'000)
Directors	1,490	1,676	2,117
Five highest paid individuals	4,107	4,147	4,372

During the Track Record Period, (i) no emoluments were paid to our Directors or the five highest paid individuals as an inducement to join or upon joining our Group, (ii) no emoluments were paid or payable to our Directors, the retiring Directors or the five highest paid individuals for their loss of office as a Director of any member of our Group or of any other office in connection with the management of the affairs, and (iii) no Directors waived or agreed to waive any emoluments.

Save as disclosed above and in “Financial Information,” “Accountant’s Report” and “Statutory and General Information,” no other payments have been paid or are payable in respect of the Track Record Period to our Directors and senior management by our Group. Under the arrangements currently in force, we estimate the aggregate remuneration, excluding discretionary bonus, of our Directors for the year ending December 31, 2026 to be approximately RMB2.28 million.

See note 10 and note 11 to the Accountant’s Report in Appendix I to this document for details on remuneration paid to our Directors and senior management and, on an aggregate basis, the five highest paid individuals of our Group during the Track Record Period.

See “Statutory and General Information—Equity Incentive Schemes” in Appendix VI to this document for details on the incentive schemes for our Directors and senior management.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances including:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, the sale or transfer of treasury shares and share repurchases;
- (iii) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the compliance advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED] and such appointment may be subject to extension by mutual agreement.

SUBSTANTIAL SHAREHOLDERS

So far as known to our Directors as at the Latest Practicable Date, immediately following the [REDACTED] of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes), the following persons will have an interest and/or short position (as applicable) in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, once the H Shares are [REDACTED] on the Stock Exchange:

Name of Shareholder	Nature of interest	Description of Shares	As at the Latest Practicable Date ⁽¹⁾		Immediately following the [REDACTED] of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes)		
			Number of Shares	Approximate percentage of interest in our Company	Number of Shares	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾	Approximate percentage of interest in our Company ⁽¹⁾
Mr. Li Gangjiang (李綱江)	Interest in controlled corporations ⁽²⁾	Unlisted Shares	206,855,917	48.14%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
		Interests in parties acting in concert through a controlled corporation ⁽²⁾	2,072,698	[0.48]%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Ni Qiong (倪瓊)	Interest in controlled corporations ⁽²⁾	Unlisted Shares	206,855,917	48.14%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
		Interests in parties acting in concert through a controlled corporation ⁽²⁾	2,072,698	[0.48]%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Jerry and Jenny	Interest in controlled corporations ⁽²⁾	Unlisted Shares	206,855,917	48.14%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
		Interests in parties acting in concert through a controlled corporation ⁽²⁾	2,072,698	[0.48]%	[REDACTED]	[REDACTED]	[REDACTED]
Jia Jia Holding	Interest in controlled corporations ⁽²⁾	Unlisted Shares	206,855,917	48.14%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
		Interests in parties acting in concert through a controlled corporation ⁽²⁾	2,072,698	[0.48]%	[REDACTED]	[REDACTED]	[REDACTED]
	Interests in parties acting in concert through a controlled corporation ⁽²⁾	Unlisted Shares	206,855,917	48.14%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
		Interests in parties acting in concert through a controlled corporation ⁽²⁾	2,072,698	[0.48]%	[REDACTED]	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Name of Shareholder	Nature of interest	Description of Shares	As at the Latest Practicable Date ⁽¹⁾		Immediately following the [REDACTED] of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes)		
			Number of Shares	Approximate percentage of interest in our Company	Number of Shares	Approximate percentage of interest in the Unlisted Shares/ H Shares (as appropriate) ⁽¹⁾	Approximate percentage of interest in our Company ⁽¹⁾
Covision Private Equity . . .	Interest in controlled corporations ⁽²⁾⁽³⁾	Unlisted Shares	206,855,917	48.14%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interests in parties acting in concert through a controlled corporation ⁽²⁾	Unlisted Shares	2,072,698	[0.48]%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
Covision Venture Capital . . .	Beneficial owner ⁽³⁾⁽⁴⁾	Unlisted Shares	79,521,412	18.51%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporations ⁽³⁾⁽⁴⁾	Unlisted Shares	119,200,659	27.74%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of parties acting in concert ⁽²⁾	Unlisted Shares	2,072,698	[0.48]%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-tech No. 2 . . .	Beneficial owner ⁽⁴⁾	Unlisted Shares	39,594,473	9.22%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-tech No. 1 . . .	Beneficial owner ⁽⁴⁾	Unlisted Shares	36,297,646	8.45%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-tech No. 3 . . .	Beneficial owner ⁽⁴⁾	Unlisted Shares	28,039,018	6.53%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Semi-tech No. 5 . . .	Beneficial owner ⁽⁴⁾	Unlisted Shares	15,269,522	3.55%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen He Xing . . .	Beneficial owner	Unlisted Shares	2,072,698	0.48%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
	Interest of parties acting in concert ⁽²⁾	Unlisted Shares	206,855,917	48.14%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]
Guotou Jixin Fund . . .	Beneficial owner	Unlisted Shares	29,605,107	6.89%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	–	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

- (1) The calculation is based on the total number of [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (without taking into account the H Shares which may be [REDACTED] upon the exercise of the [REDACTED]).

SUBSTANTIAL SHAREHOLDERS

- (2) As at the Latest Practicable Date, Mr. Li Gangjiang (李綱江) (as general partner with 98% partnership interest) and Ms. Ni Qiong (倪瓊) (as limited partner with 2% partnership interest) ultimately controlled Shanghai Jerry and Jenny. Jia Jia Holding was held as to 2% by Ms. Ni Qiong and 98% by Shanghai Jerry and Jenny. Covision Private Equity was wholly owned by Jia Jia Holding. As such, under the SFO, each of Mr. Li Gangjiang, Ms. Ni Qiong, Shanghai Jerry and Jenny and Jia Jia Holding is deemed to be interested in the 206,855,917 Unlisted Shares, which Covision Private Equity is deemed to be interested in.

Pursuant to the Acting-in-concert Agreement, Shenzhen He Xing agreed to be under the actual control of Covision Venture Capital over the Group's daily operations and major decision-making. Shenzhen He Xing will support Covision Venture Capital and act in concert with it in making various financial and operational decisions related to the Group, including but not limited to amendments to the Company's articles of association; medium- and long-term development planning, business policies, investment plans, and financing plans; annual financial budgets, final accounts, profit distribution and loss compensation plans; increases or decreases in registered capital, mergers, divisions, dissolutions, liquidations, or changes in corporate form; and significant changes or adjustments to the nature of the Company's business.

As Mr. Li, Ms. Ni, Shanghai Jerry and Jenny, Jia Jia Holding and Covision Private Equity are deemed to be interested in the Shares directly and indirectly held by Covision Venture Capital, as of the Latest Practicable Date, they are also entitled to exercise control over the equity interests held by Shenzhen He Xing, which represent 0.48% of the total issued share capital of the Company. Therefore, under the SFO, as of the Latest Practicable Date, Mr. Li, Ms. Ni, Shanghai Jerry and Jenny, Jia Jia Holding and Covision Private Equity are collectively deemed to be interested in an aggregate of 48.63% of the total issued share capital of the Company.

- (3) As at the Latest Practicable Date, Covision Private Equity was the general partner of Covision Venture Capital, Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 4, Hainan Semi-Tech No. 5 and Bai Sai Fund. As such, under the SFO, Covision Private Equity is deemed to be interested in the (i) 119,200,659 Unlisted Shares, which Covision Venture Capital is deemed to be interested in; and (ii) 79,521,412 Unlisted Shares, 1,124,027 Unlisted Shares, 236,558 Unlisted Shares, 523,261 Unlisted Shares and 6,250,000 Unlisted Shares held by Covision Venture Capital, Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 4, Hainan Semi-Tech No. 5 and Bai Sai Fund, respectively.
- (4) As at the Latest Practicable Date, Covision Venture Capital was the general partner of Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 1, Shanghai Semi-Tech No. 3, Shanghai Semi-Tech No. 5.

As such, under the SFO, Covision Venture Capital is deemed to be interested in the 39,594,473 Unlisted Shares, 36,297,646 Unlisted Shares, 28,039,018 Unlisted Shares and 15,269,522 Unlisted Shares held by Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 1, Shanghai Semi-Tech No. 3 and Shanghai Semi-Tech No. 5, respectively.

- (5) All interests are long positions.

For those who are directly and/or indirectly interested in 10% or more of the issued voting shares of any other members of our Group, see “Statutory and General Information—Further Information about our Directors and Substantial Shareholders—Disclosure of Interests—(b) Interests of the Substantial Shareholders” in Appendix VI to this document.

Save as disclosed above and in Appendix VI, our Directors are not aware of any person who will, immediately following [REDACTED] of the [REDACTED] and the conversion of Unlisted Shares into H Shares (and the [REDACTED] of any additional Shares pursuant to the [REDACTED]), have an interest or short position in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the [REDACTED] of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB429,666,455 comprising 429,666,455 Unlisted Shares in issue with a nominal value of RMB1.00 each.

UPON [REDACTED] OF THE [REDACTED]

Immediately upon [REDACTED] of the Share Subdivision, the [REDACTED] and Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is not exercised and no Shares are [REDACTED] under the Pre-[REDACTED] Share Option Schemes, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of issued share capital
H Shares to be converted from Unlisted Shares	[859,332,910]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%

Immediately upon [REDACTED] of the Share Subdivision, the [REDACTED] and Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is fully exercised and no Shares are [REDACTED] under the Pre-[REDACTED] Share Option Schemes, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % of [REDACTED] share capital
H Shares to be converted from Unlisted Shares	[859,332,910]	[REDACTED]
H Shares to be [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100%

SHARE CLASSES

Upon [REDACTED] of the Share Subdivision, the [REDACTED] and conversion of [REDACTED] Unlisted Shares into H Shares, all of our H Shares are ordinary shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, certain qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for or traded among legal and natural persons of the PRC.

SHARE CAPITAL

[REDACTED]

All our Unlisted Shares are not [REDACTED] or [REDACTED] on any stock exchange. The holders of our Unlisted Shares may, at their own option, authorize us to apply to the CSRC for conversion of their respective Unlisted Shares into H Shares. After the conversion of Unlisted Shares, such converted Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and the filing procedure with the CSRC shall have been completed. The [REDACTED] of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange. In addition, such conversion, [REDACTED] and [REDACTED] shall in all respects comply with the regulations prescribed by the State Council’s securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our initial [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior [REDACTED] for [REDACTED] at the time of our initial [REDACTED] in Hong Kong.

No voting of class shareholder is required for the [REDACTED] and [REDACTED] of the converted Shares on the Stock Exchange. Any [REDACTED] for [REDACTED] of the converted Shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion. After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Domestic Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to [REDACTED] H Share certificates. Registration on our [REDACTED] will be conditional on (a) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] of members and the due dispatch of H Share certificates; and (b) the [REDACTED] of the [REDACTED] to trade on the Stock Exchange in compliance with the Listing Rules, the [REDACTED] and the [REDACTED] in force from time to time. Until the converted shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as [REDACTED].

TRANSFER OF SHARES [REDACTED] PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, our Shares [REDACTED] prior to the [REDACTED] shall not be transferred within 12 months from the [REDACTED].

REGISTRATION OF SHARES NOT [REDACTED] ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC, the domestic shareholders of our Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of such shares involved in the application is completed.

CIRCUMSTANCES UNDER WHICH A GENERAL MEETING IS REQUIRED

For details of circumstances under which a Shareholders’ general meeting is required, see “Summary of Articles of Association” in Appendix V to this document.

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You should read the following discussion in conjunction with the consolidated financial statements and the notes thereto included in the Accountants’ Report set out in Appendix I to this document, which have been prepared in accordance with HKFRS. You should read the entire Accountants’ Report in Appendix I to this document and not rely merely on the information contained in this section. Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth in “Forward-looking Statements” and “Risk Factors.” In evaluating our business, you should carefully consider the information provided in “Risk Factors” and “Business” in this document.

OVERVIEW

We are a leading provider of intelligent industrial software solutions in China. With strong commercialization capabilities, we are one of a few China-based advanced-industry intelligent manufacturing software companies to achieve profitability, according to CIC.

Our revenue increased by 74.2% from RMB286.8 million in 2023 to RMB499.7 million in 2024, and further by 46.4% to RMB731.5 million in 2025. Our adjusted profit (Non-HKFRS measure) increased significantly from RMB26.0 million in 2023 to RMB78.7 million in 2024, and further by 23.5% to RMB97.3 million in 2025.

BASIS OF PREPARATION

Our consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of our Group for each of the year ended December 31, 2023, 2024 and 2025, and the consolidated statements of financial position of our Group and the statements of financial position of our Group as of December 31, 2023, 2024 and 2025, and material accounting policy information and other explanatory information have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). All HKFRS effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout the Track Record Period.

The historical financial information has been prepared under the historical cost convention except for financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value as explained in the accounting policies as set out in note 2.3 to the Accountants’ Report in Appendix I to this document. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Economic and Industry Trends

Our business and results of operations are subject to China’s overall economic conditions and the development of intelligent industrial software market in China. As the foundation of intelligent manufacturing, industrial intelligence solutions plays an increasingly vital role, which is not only a key enabler for enterprises undergoing digital transformation, but also a core driver propelling the advancement of intelligent manufacturing in China and worldwide. In recent years, our business has benefited from the rising demand for intelligent manufacturing software in China as well as Chinese government policies promoting technological self-reliance. We are committed to capturing

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significant market opportunities and facilitating the domestication of intelligent manufacturing software. The market size of China’s industrial software market grew from RMB197.4 billion in 2020 to RMB294.0 billion in 2024, representing a CAGR of 10.5%, and is expected to reach RMB467.0 billion by 2029, at a CAGR of 9.7%, according to CIC. Moreover, the market size of China’s advanced-industry intelligent manufacturing software companies grew from RMB17.1 billion in 2020 to RMB31.0 billion in 2024, representing a CAGR of 16.1%, and is expected to reach RMB62.5 billion by 2029, at a forecast CAGR of 15.0%, according to the same source. We are the largest Chinese company among the top advanced-industry intelligent manufacturing software providers in China, in terms of industrial software revenue from advanced industries in 2024, according to the same source. We believe we are well positioned to compete and capitalize the significant intelligent manufacturing software market potential by leveraging our market position, technological prowess, accumulated experiences servicing advanced industries and diversified and expanding customer base.

Ability to Innovate Our Solutions and Strengthen Technological Prowess

To leverage opportunities created by rapidly evolving market demands and strengthen our competitive position, we view continuous innovation in our solution offerings and core technologies as imperative. This requires sustained investment in research and development, including initiatives to attract and retain top talent.

We incurred research and development expenses of RMB52.9 million, RMB60.1 million and RMB81.7 million in 2023, 2024 and 2025, respectively. Going forward, while we anticipate research and development expenses as a percentage of revenue may not increase at the same growth as our revenue, research and development expenses in absolute amounts are expected to rise as we plan to intensify efforts to deploy solutions and maintain our market position. In particular, we aim to deepen our technological capabilities in AI empowerment and accelerate AI integration into our intelligent industrial software solutions to further enhance the functionalities and efficacy of our solutions. We plan to continuously optimize and upgrade critical components of our AI capabilities. See “Future Plans and Use of [REDACTED]—Use of [REDACTED].”

Our ability to offer tailored, industry-specific solutions — particularly for semiconductor enterprises — addresses critical sector challenges and positions us strongly in the market. To further enhance our value creation capabilities, we intend to expand the applicability of our intelligent manufacturing software solutions across a broader range of industries and application scenarios, including electrification, electronics, automotive, display panels, photovoltaic, chemicals, new energy batteries, high-end equipment, metal products and biopharmaceuticals industries. While these efforts will likely raise research and development expenses, we believe they will strengthen our market position and ensure sustainable growth by solidifying our competitive edges in innovation.

Ability to Grow Our Customer Base and Deepen Existing Customer Relationships

Our long-term growth hinges partly on strengthening relationships with our customers and motivating increased spending from our customers through securing large-scale project engagements. As of December 31, 2023, 2024 and 2025, we had accumulated 357, 678 and 843 customers, respectively. These customers have played a significant role in driving our revenue growth. Our operational and financial success relies on maintaining strong ties with existing customers, their ability and willingness to sustain purchases and payments for our solutions, and our capacity to attract customers. Customer diversification also influences our revenue mix and gross profit margin. Our project-based solutions cater to customers across multiple advanced industries, each with distinct operational requirements and purchasing patterns. These variances necessitate projects tailored to specific scales, complexities, cost frameworks and implementation timelines. See “—Change in Offering Mix.”

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Our ability to attract customers is critical to our business. We believe our well-established sales channels and intelligent industrial software solutions enable us to capture customer demands and business opportunities. We recorded selling and marketing expenses of RMB27.6 million, RMB35.9 million and RMB51.2 million in 2023, 2024 and 2025, accounting for 9.6%, 7.2% and 7.0% of our revenue for the same years, respectively. We will prioritize directing resources toward sales and marketing initiatives that bolster brand visibility and efficiently grow our customer base. Additionally, we aim to increase average contract value by deploying specialized sales and supporting teams to identify latent needs and propose customized solutions. Leveraging our industry know-how, we proactively respond to evolving customer requirements and introduce new functionalities aligned with these demands, thereby expanding their investment with us over time.

Change in Offering Mix

Our cost structure and gross profit margin could vary between different contracts, projects, customers and use cases, as we generally offer different solutions on a project basis based on the demands of specific customers for the intelligent industrial software solutions, as well as their budget requirements. The complexity of our customer engagements materially affect our financial performance through variable resource requirements, profitability, and revenue recognition timing, which would lead to change in our gross profit margin.

In addition, changes in offering mix have affected, and may continue to affect, our financial performance, particularly our revenue growth and profitability. Our cost of sales primarily consisted of labor-related costs as well as hardware, subcontracting and external sourcing software costs. Our hardware, subcontracting and external sourcing software costs represented 35.5%, 55.8% and 62.0%, and our labor-related costs represented 57.8%, 39.2% and 33.7%, of our total cost of sales in 2023, 2024 and 2025, respectively. As such, the variations in the amount and nature of our labor-related costs and hardware, subcontracting and external sourcing software costs across projects and customers could affect our gross profit margins.

Ability to Control Costs and Improve Operational Efficiency

Our ability to effectively control our costs and expenses while achieving expected business growth is critical to our profitability. We recorded cost of sales of RMB160.7 million, RMB301.9 million and RMB471.3 million in 2023, 2024 and 2025, accounting for 56.0%, 60.4% and 64.4% of our total revenue for the same years, respectively. The fluctuation in our cost of sales as a percentage of our total revenue during the Track Record Period was primarily due to (i) the nature of our project-based business model that cost of sales varies across projects, and (ii) the expansion of our operations management software solutions, which typically had lower gross profit margins compared to our intelligent manufacturing software solutions. As we continue to scale up our business operations, we expect our cost of sales to increase in absolute terms. We also expect our cost of sales as a percentage of our total revenue to remain at relatively stable levels by leveraging our cross-selling scale of our product portfolio and accumulated industry experience, thus gradually improving our overall gross profit margin.

In addition, our business and results of operations are affected by our operating expenses. We recorded selling and marketing expenses of RMB27.6 million, RMB35.9 million and RMB51.2 million in 2023, 2024 and 2025, accounting for 9.6%, 7.2% and 7.0% of our total revenue for the same years, respectively. We recorded administrative expenses of RMB53.8 million, RMB61.2 million and RMB87.3 million in 2023, 2024 and 2025, accounting for 18.8%, 12.2% and 11.9% of our total revenue for the same years, respectively. As we expand our business, we believe we can leverage our established team and accumulated experience to improve our operational efficiency and maintain our operating expenses as a percentage of total revenue at a relatively low level.

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MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements and the understanding of our financial condition and results of operations. We have also made certain accounting judgments and assumptions in the process of applying our accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates and expectations.

Set out below is a summary of certain material accounting policies, estimates and judgments which we believe are most important for understanding the results of operation and financial condition of us. See notes 2 and 3 to the Accountants’ Report in Appendix I to this document for a detailed description of our material accounting policies, judgments and estimates.

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between us and the customer at contract inception. When the contract contains a financing component which provides us with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Our revenue is primarily derived from intelligent manufacturing software solutions, operations management software solutions, and others.

- *Intelligent Manufacturing Software Solutions.* Revenue from intelligent manufacturing software solutions consists of the integrated services including software system sales, technical services and maintenance services.
- *Operations Management Software Solutions.* Revenue from operations management software solutions refers to the provision of solutions services that help customers streamline their core business processes-including finance, human resources, asset management, compliance, manufacturing, supply chain, sales, and procurement.

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- *Others.* Revenue from others consists of the procurement, refurbishment, and resale of semiconductor equipment (including lithography machines and etching machines). The performance obligation is satisfied when the customers accept the products, and the revenue is recognized at a point of time.

For intelligent manufacturing software solutions and operations management solutions, our Group provides multiple deliverables to customers, including the design of solutions, and delivery of products and software. They are accounted for as a single performance obligation because our Group provides integrated products and solutions.

The revenue of integrated products and solutions is recognized at a point in time when the customers accept the products and solutions after the installation is complete or when the customers obtain the control of the products and solutions if no installation is required.

The revenue of technical personnel support services and maintenance services is recognized over time, because the customers simultaneously receive and consume the services provided by our Group over the period. The performance obligation is satisfied over time with reference to the customers' usage of services to the satisfaction of the performance obligation of the projects.

Other Income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract Liabilities

A contract liability is recognized when a payment is received, or a payment is due (whichever is earlier) from a customer before we transfer the related goods or services. Contract liabilities are recognized as revenue when we perform under the contract by transferring control of the related goods or services to the customer.

Contract Fulfillment Costs

Other than the costs which are capitalized as property, plant and equipment, costs incurred to fulfill a contract with a customer are capitalized as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalized contract costs are amortized and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

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DESCRIPTION OF MAJOR PROFIT OR LOSS LINE ITEMS

The following table sets forth a summary, for the years indicated, of our consolidated results of operations.

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Revenue	286,772	100.0	499,692	100.0	731,496	100.0
Cost of sales	(160,685)	(56.0)	(301,885)	(60.4)	(471,265)	(64.4)
Gross profit	126,087	44.0	197,807	39.6	260,231	35.6
Other income, gains and losses, net	32,986	11.5	41,311	8.2	36,062	4.9
Selling and marketing expenses	(27,564)	(9.6)	(35,927)	(7.2)	(51,217)	(7.0)
Administrative expenses	(53,804)	(18.8)	(61,178)	(12.2)	(87,343)	(11.9)
Research and development expenses	(52,944)	(18.5)	(60,105)	(12.0)	(81,670)	(11.2)
Other expenses	(327)	(0.1)	(10,333)	(2.1)	(281)	(0.1)
Finance costs	(292)	(0.1)	(1,415)	(0.3)	(2,246)	(0.3)
Impairment losses on financial assets, net	(849)	(0.3)	(176)	(0.0)	(5,987)	(0.8)
Impairment losses on contract assets, net	(64)	(0.0)	(193)	(0.0)	(79)	(0.0)
Share of profits of associates	—	—	2,032	0.4	4,899	0.7
Profit before tax	23,229	8.1	71,823	14.4	72,369	9.9
Income tax credit	1,336	0.5	2,009	0.4	398	0.1
Profit for the year	24,565	8.6	73,832	14.8	72,767	10.0

Non-HKFRS Measures

To supplement our consolidated financial statements which are presented under HKFRS, we also use adjusted net profit (Non-HKFRS measure) as additional financial measures, which are not required by, or presented in accordance with HKFRS. We believe that such Non-HKFRS measure facilitate comparisons of operating performance from year to year and company to company by eliminating potential impact of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (Non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such Non-HKFRS measures has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for the analysis of, our results of operations or financial condition as reported under HKFRS.

We define adjusted net profit (Non-HKFRS measure) as profit for the year adjusted for (i) share-based payment expenses and (ii) [REDACTED] expenses. Share-based payment expenses consisted of non-cash expenses arising from the incentive grants to eligible individuals. See note 35 to the Accountants’ Report in Appendix I to this document. [REDACTED] expenses mainly include professional service fees incurred in relation to the [REDACTED] and the [REDACTED].

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The following table sets forth a reconciliation of our profit for the year to adjusted net profit (Non-HKFRS measure) for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Profit for the year	24,565	73,832	72,767
Adjusted for:			
Share-based payment expenses	1,450	4,899	3,577
[REDACTED] expenses	—	—	[REDACTED]
Non-HKFRS measure:			
Adjusted net profit for the year	26,015	78,731	[REDACTED]

Revenue

During the Track Record Period, we generated revenue primarily from the provision of intelligent manufacturing software solutions and operations management software solutions to customers. We recorded total revenue of RMB286.8 million, RMB499.7 million and RMB731.5 million in 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of our revenue by business line, both in absolute amount and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Intelligent manufacturing software solutions	254,017	88.6	372,919	74.6	437,012	59.7
Operations management software solutions	29,215	10.2	101,134	20.2	294,484	40.3
Others ⁽¹⁾	3,540	1.2	25,639	5.2	—	—
Total	286,772	100.0	499,692	100.0	731,496	100.0

- (1) Our other business primarily included the procurement, refurbishment and resale of semiconductor equipment (including lithography machines and etching machines). While this revenue was categorized under “others” due to its relatively smaller scale compared to other revenue streams, it reflected our broader commercial efforts and was aligned with our business development strategy at the time. We proactively and temporarily suspended our standalone hardware resale business for semiconductor equipment (other than activities with software synergies) in early 2025 to evaluate a more efficient business model and to optimize the allocation of capital and management resources. Notwithstanding the foregoing, we continue to maintain semiconductor equipment-related activities that have synergies with our software solutions, including the provision of certain second-hand semiconductor equipment bundled with and integrated into our software solutions. Such activities generated revenue in 2025, which was classified under the intelligent manufacturing software solutions segment in accordance with HKFRSs.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales primarily consisted of (i) hardware, subcontracting and external sourcing software costs, primarily related to the hardware, software and technical services procured for our project execution; (ii) labor-related costs, primarily included salaries and bonus of our employees engaged in project implementation and technical support; and (iii) share-based payment expenses. We recorded cost of sales of RMB160.7 million, RMB301.9 million and RMB471.3 million in 2023, 2024 and 2025, accounting for 56.0%, 60.4% and 64.4% of our total revenue for the same years, respectively. The following table sets forth a breakdown of our cost of sales by nature, both in absolute amount and as a percentage of total, for the years indicated.

For the year ended December 31,						
2023		2024		2025		
Amount	%	Amount	%	Amount	%	
(RMB in thousands, except for percentage)						
Hardware, subcontracting and external sourcing software costs	57,038	35.5	168,536	55.8	292,091	62.0
Labor-related costs	92,818	57.8	118,343	39.2	159,014	33.7
Share-based payment expenses	489	0.3	2,284	0.8	1,481	0.3
Others ⁽¹⁾	10,340	6.4	12,722	4.2	18,679	4.0
Total	160,685	100.0	301,885	100.0	471,265	100.0

(1) Primarily included rental fees, provision for warranties as well as the depreciation of right-of-use assets.

The following table sets forth a breakdown of our cost of sales by business line, both in absolute amount and as a percentage of total, for the years indicated.

For the year ended December 31,						
2023		2024		2025		
Amount	%	Amount	%	Amount	%	
(RMB in thousands, except for percentage)						
Intelligent manufacturing software solutions	138,961	86.5	206,788	68.5	247,454	52.5
Operations management software solutions	20,205	12.6	72,906	24.2	223,811	47.5
Others ⁽¹⁾	1,519	0.9	22,191	7.3	—	—
Total	160,685	100.0	301,885	100.0	471,265	100.0

(1) Our other business primarily included the procurement, refurbishment and resale of semiconductor equipment (including lithography machines and etching machines).

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Gross Profit and Gross Profit Margin

Our gross profit was RMB126.1 million, RMB197.8 million and RMB260.2 million in 2023, 2024 and 2025, representing a gross profit margin of 44.0%, 39.6% and 35.6% for the same years, respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentage)						
Intelligent manufacturing						
software solutions	115,056	45.3	166,131	44.5	189,558	43.4
Operations management						
software solutions	9,010	30.8	28,228	27.9	70,673	24.0
Others ⁽¹⁾	2,021	57.1	3,448	13.4	—	—
Total	126,087	44.0	197,807	39.6	260,231	35.6

(1) Our other business primarily included the procurement, refurbishment and resale of semiconductor equipment (including lithography machines and etching machines).

Other Income, Gains and Losses, Net

Our other net income and gains primarily consisted of (i) government grants; (ii) investment income of other financial assets at amortized costs; (iii) value-added tax refund; (iv) fair value gains on financial assets at fair value through profit or loss (“FVTPL”), mainly relating to a minority equity investment; (v) interest income; (vi) investment income from financial assets at fair value through profit or loss; and (vii) gain on disposal of financial assets at FVTPL. Our other net income and gains amounted to RMB33.0 million, RMB41.3 million and RMB36.1 million in 2023, 2024 and 2025, respectively. See note 6 to the Accountants’ Report in Appendix I to this document.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) employee benefits expenses, primarily including salaries and bonuses for our selling and marketing personnel; (ii) travel expenses; (iii) business development expenses; (iv) marketing expenses, primarily consisting of advertising and promotion expenses and costs incurred for exhibitions; and (v) share-based payment expenses. Our selling and marketing expenses were RMB27.6 million, RMB35.9 million and RMB51.2 million in 2023, 2024 and 2025, accounting for 9.6%, 7.2% and 7.0% of our revenue for the same years, respectively. The following table sets forth a breakdown of our selling and marketing expenses for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentage)						
Employee benefits						
expenses	16,192	58.7	21,240	59.1	33,856	66.1
Travel expenses	5,522	20.0	6,606	18.4	7,663	15.0

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	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Business development expenses	3,230	11.7	5,055	14.1	6,224	12.2
Marketing expenses	1,908	6.9	1,218	3.4	1,498	2.9
Share-based payment expenses	106	0.4	401	1.1	403	0.8
Others ⁽¹⁾	606	2.3	1,407	3.9	1,573	3.0
Total	27,564	100.0	35,927	100.0	51,217	100.0

(1) Primarily included tendering and bidding expenses, office expenses and other miscellaneous expenses.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefits expenses, primarily including salaries and bonuses for our administrative personnel; (ii) [REDACTED] expenses; (iii) depreciation of right-of-use assets of our leased offices as well as property, plant and equipment, and amortization; (iv) professional service fees paid to third party professional service providers; (v) travel expenses; (vi) rental expenses, primarily consisting of short-term rental expenses and utility expenses; (vii) taxation and surcharges; and (viii) share-based payment expenses. Our administrative expenses were RMB53.8 million, RMB61.2 million RMB87.3 million in 2023, 2024 and 2025, accounting for 18.8%, 12.2% and 11.9% of our total revenue for the same years, respectively. The following table sets forth a breakdown of our administrative expenses for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentage)</i>						
Employee benefits expenses	33,793	62.8	36,432	59.6	37,249	42.7
[REDACTED] expenses	—	—	—	—	[REDACTED]	[REDACTED]
Depreciation and amortization	6,508	12.1	9,084	14.8	9,602	11.0
Professional service fees	3,710	6.9	2,368	3.9	5,247	6.0
Travel expenses	2,778	5.2	2,552	4.2	3,765	4.3
Rental expenses	1,794	3.3	3,828	6.3	3,765	4.3
Taxation and surcharges	2,128	4.0	2,633	4.3	1,952	2.2
Share-based payment expenses	404	0.8	900	1.5	545	0.6
Others ⁽¹⁾	2,689	4.9	3,381	5.4	4,306	4.9
Total	53,804	100.0	61,178	100.0	[REDACTED]	100.0

(1) Primarily included office expenses and other miscellaneous expenses.

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Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee benefits expenses, primarily including salaries and bonuses for our R&D personnel; (ii) outsourcing research and development expenses; (iii) depreciation and amortization; and (iv) share-based payment expenses. Our research and development expenses were RMB52.9 million, RMB60.1 million and RMB81.7 million in 2023, 2024 and 2025, accounting for 18.5%, 12.0% and 11.2% of our total revenue in the same years, respectively. The following table sets forth a breakdown of our research and development expenses for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentage)</i>					
Employee benefits expenses	50,988	96.3	53,377	88.8	71,631	87.7
Outsourcing research and development expenses . . .	452	0.9	2,751	4.6	3,987	4.9
Depreciation and amortization	—	—	2,310	3.8	3,335	4.1
Share-based payment expenses	451	0.9	1,314	2.2	1,148	1.4
Others ⁽¹⁾	1,053	1.9	353	0.6	1,569	1.9
Total	52,944	100.0	60,105	100.0	81,670	100.0

(1) Primarily included travel expenses, short-term lease expenses and other miscellaneous expenses.

Other Expenses

Our other expenses primarily consisted of donations to academic institutions. We had other expenses of RMB0.3 million, RMB10.3 million and RMB0.3 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs primarily consisted of interest on lease liabilities, interest on bank and other borrowings and other finance cost. We had finance costs of RMB0.3 million, RMB1.4 million and RMB2.2 million in 2023, 2024 and 2025, respectively.

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets mainly represented provisions for our trade receivables and other receivables under the expected credit loss model. We had net impairment losses on financial assets of RMB0.8 million, RMB0.2 million and RMB6.0 million in 2023, 2024 and 2025, respectively.

Impairment Losses on Contract Assets, Net

Our net impairment losses on contract assets mainly represented provisions related to contract assets. We had net impairment losses on contracts assets of RMB0.1 million, RMB0.2 million and RMB0.1 million in 2023, 2024 and 2025, respectively.

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Share of Profits of Associates

We recorded share of profits of associates of RMB2.0 million and RMB4.9 million in 2024 and 2025, respectively.

Income Tax Credit

We recorded income tax credit of RMB1.3 million, RMB2.0 million and RMB0.4 million in 2023, 2024 and 2025, respectively.

Mainland China

Pursuant to the PRC Enterprise Income Tax Law and related regulations, enterprises which operate in China are generally subject to corporate income tax at a statutory rate of 25% on the taxable profit. Our Company was subject to a preferential tax rate of 15% in 2023, 2024 and 2025. Certain subsidiaries of our Group are regarded as High and New Technology Enterprises (“HNTe”) and they are subject to a preferential corporate income tax rate of 15% for three years commencing from the years when these companies were approved as HNTe. In addition, some subsidiaries of our Group are entitled to the preferential policy of small- and micro-sized enterprises, for which the applicable income tax rate is 5%. For our Group’s subsidiaries that are regarded as qualified enterprises, they are entitled to a preferential treatment of two-year exemption and three-year half reduction on corporate income tax.

Hong Kong

Our subsidiary in Hong Kong is subject to Hong Kong corporate income tax rate of 16.5% on the assessable profits of the subsidiary in accordance with Hong Kong tax laws and regulations.

Malaysia

Our subsidiary in Malaysia is subject to Malaysia corporate income tax calculated based on the applicable tax rate of 24% on the assessable profits of the subsidiary in accordance with Malaysia tax laws and regulations.

Singapore

Our subsidiary in Singapore is subject to Singapore corporate income tax calculated based on the applicable tax rate of 17% on the assessable profits of the subsidiary in accordance with Singaporean tax laws and regulations.

During the Track Record Period and up to the Latest Practicable Date, we had paid all relevant taxes when due and there were no matters in dispute or unresolved with the relevant tax authorities.

Profit for the Year

We recorded net profit of RMB24.6 million, RMB73.8 million and RMB72.8 million in 2023, 2024 and 2025, respectively.

FINANCIAL INFORMATION

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 46.4% from RMB499.7 million in 2024 to RMB731.5 million in 2025, primarily due to the increases in the revenue generated from intelligent manufacturing software solutions and operations management software solutions.

- *Intelligent manufacturing software solutions.* Our revenue generated from intelligent manufacturing software solutions increased by 17.2% from RMB372.9 million in 2024 to RMB437.0 million in 2025, primarily driven by the increased number of Large Value Projects delivered in relation to our intelligent manufacturing software solutions, attributable to our enhanced efforts and the continuous upgrade and iteration of our intelligent manufacturing software solutions.
- *Operations management software solutions.* Our revenue generated from operations management software solutions increased significantly from RMB101.1 million in 2024 to RMB294.5 million in 2025, primarily due to (i) the increased number of operations management software solutions projects delivered from 58 in 2024 to 136 in 2025 driven by product upgrades and enhanced sales efforts, and (ii) the larger market demand driven by enterprise digital transformation.
- *Others.* Our revenue from other business was RMB25.6 million in 2024 and nil in 2025 because we proactively suspended semiconductor equipment procurement, refurbishment and resale to reassess operating models and optimize resource allocation.

Cost of Sales

Our cost of sales increased by 56.1% from RMB301.9 million in 2024 to RMB471.3 million in 2025, primarily due to the increase in hardware, subcontracting and external sourcing software costs of RMB123.6 million, mainly driven by increased subcontracting of technical services to meet strong demand for operations management software solutions in 2025.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 31.6% from RMB197.8 million in 2024 to RMB260.2 million in 2025. Our gross profit margin decreased from 39.6% in 2024 to 35.6% in 2025, primarily due to the increase in the proportion of our revenue from the operations management software solutions, which had a lower gross profit margin as compared to intelligent manufacturing software solutions.

- *Intelligent manufacturing software solutions.* Our gross profit margin for intelligent manufacturing software solutions remained relatively stable at 44.5% in 2024 and 43.4% in 2025.
- *Operations management software solutions.* Our gross profit margin for operations management software solutions decreased from 27.9% in 2024 to 24.0% in 2025, primarily due to the lower gross profit margins of certain large-scale projects undertaken for major customers.
- *Others.* Our gross profit margin for other business was 13.4% in 2024 and nil in 2025.

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Other Income, Gains and Losses, Net

Our other net income and gains decreased by 12.7% from RMB41.3 million in 2024 to RMB36.1 million in 2025, primarily due to the decrease in interest income from bank deposits. See note 6 to the Accountants’ Report in Appendix I to this document.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 42.6% from RMB35.9 million in 2024 to RMB51.2 million in 2025, primarily due to an increase in employee benefits expenses of RMB12.6 million from the expansion of our selling and marketing personnel in 2025, driven by our business growth.

Administrative Expenses

Our administrative expenses increased by 42.8% from RMB61.2 million in 2024 to RMB87.3 million in 2025, primarily due to an increase in [REDACTED] expenses of RMB[REDACTED] in preparation of our [REDACTED].

Research and Development Expenses

Our research and development expenses increased by 35.9% from RMB60.1 million in 2024 to RMB81.7 million in 2025, primarily due to an increase in employee benefits expenses of RMB18.3 million, as a result of the expansion of our R&D team driven by our business growth.

Other Expenses

Our other expenses amounted to RMB10.3 million in 2024 and RMB0.3 million in 2025, primarily due to the donations to academic institutions in 2024.

Finance Costs

Our finance costs remained relatively stable at RMB1.4 million in 2024 and RMB2.2 million in 2025.

Impairment Losses on Financial Assets, Net

We recognized net impairment losses on financial assets of RMB0.2 million in 2024 and RMB6.0 million in 2025, primarily due to (i) an increase in our trade receivables of over one year, and (ii) an increase in trade receivables driven by our business growth.

Impairment Losses on Contract Assets, Net

We recognized net impairment losses on contract assets of RMB0.2 million in 2024 and RMB0.1 million in 2025.

Share of Profits of Associates

We recorded share of profits of associates of RMB2.0 million in 2024 and RMB4.9 million in 2025.

Income Tax Credit

We recorded an income tax credit of RMB2.0 million in 2024 and RMB0.4 million in 2025.

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Profit for the Year

As a result of the foregoing, our net profit remained relatively stable at RMB73.8 million in 2024 and RMB72.8 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 74.2% from RMB286.8 million in 2023 to RMB499.7 million in 2024, primarily due to the increases in the revenue generated from intelligent manufacturing software solutions and operations management software solutions.

- *Intelligent manufacturing software solutions.* Our revenue generated from intelligent manufacturing software solutions increased by 46.8% from RMB254.0 million in 2023 to RMB372.9 million in 2024, primarily due to (i) the increased number of customers and projects acquired, driven by our enhanced efforts to expand customer base and continuous upgrade and iteration of our solutions; and (ii) the increase in the number of projects delivered from 345 in 2023 to 505 in 2024 relating to intelligent manufacturing software solutions, supported by our enhanced project execution capabilities and refined delivery efficiency.
- *Operations management software solutions.* Our revenue generated from operations management software solutions increased significantly from RMB29.2 million in 2023 to RMB101.1 million in 2024, primarily due to (i) the increase in the number of projects delivered from 12 in 2023 to 58 in 2024 relating to operations management software solutions; and (ii) the acquisition of Beijing Zhi Yang in 2024, which mainly engaged the provision of operations management software solutions.
- *Others.* Our revenue generated from other business increased significantly from RMB3.5 million in 2023 to RMB25.6 million in 2024, primarily due to the increase in the revenue from the sales of semiconductor equipment.

Cost of Sales

Our cost of sales increased significantly from RMB160.7 million in 2023 to RMB301.9 million in 2024, primarily due to the increase in hardware, subcontracting and external sourcing software costs of RMB111.5 million and labor-related costs of RMB25.5 million, driven by (i) the increase in the number of projects delivered relating to our intelligent manufacturing software solutions and operations management software solutions; and (ii) the expansion of our project execution and application team along with our business expansion.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 56.9% from RMB126.1 million in 2023 to RMB197.8 million in 2024. Our gross profit margin decreased from 44.0% in 2023 to 39.6% in 2024, mainly due to the change in gross profit margin of our business lines as set out below.

- *Intelligent manufacturing software solutions.* Our gross profit margin for intelligent manufacturing software solutions decreased from 45.3% in 2023 to 44.5% in 2024, primarily due to (i) our implementation of competitive pricing to acquire strategic and reputable customers, in response to the intensified market competition in the intelligent manufacturing software solutions industry in China; and (ii) increased proportions of hardware subcontracted and external software sourced, which entailed relatively lower gross profit margins as compared to our in-house developed software.

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- *Operations management software solutions.* Our gross profit margin for operations management software solutions decreased from 30.8% in 2023 to 27.9% in 2024, primarily due to the increased labor-related cost, driven by expansion of application team along with our business expansion.
- *Others.* Our gross profit margin for other business decreased from 57.1% in 2023 to 13.4% in 2024, primarily due to the fulfillment of a single large-scale order of semiconductor equipment that entailed a relatively lower gross profit margin.

Other Income, Gains and Losses, Net

Our other net income and gains increased by 25.2% from RMB33.0 million in 2023 to RMB41.3 million in 2024, primarily due to (i) the increase in fair value gains on financial assets at FVTPL from nil in 2023 to RMB7.0 million in 2024, primarily in relation to the unlisted investments; and (ii) the increase in interest income of other financial assets at amortized cost from nil in 2023 to RMB4.8 million in 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 30.3% from RMB27.6 million in 2023 to RMB35.9 million in 2024, primarily due to (i) an increase in employee benefits expenses of RMB5.0 million, driven by the expansion of our selling and marketing personnel in 2024; and (ii) an increase in travel expenses of RMB1.1 million and an increase in business development expenses of RMB1.8 million, driven by our business growth.

Administrative Expenses

Our administrative expenses increased by 13.7% from RMB53.8 million in 2023 to RMB61.2 million in 2024, primarily due to (i) an increase in depreciation and amortization of RMB2.6 million; (ii) an increase in employee benefits expenses of RMB2.6 million, as a result of expansion of our administrative team along with our business expansion; and (iii) an increase in rental expenses of RMB2.0 million mainly in relation to the short-term leases for our on-site administrative personnel.

Research and Development Expenses

Our research and development expenses increased by 13.5% from RMB52.9 million in 2023 to RMB60.1 million in 2024, primarily due to (i) an increase in employee benefits expenses of RMB2.4 million, as a result of the expansion of our R&D team driven by our business growth; and (ii) an increase in depreciation and amortization of RMB2.3 million, as a result of the amortization of certain software we purchased in 2024.

Other Expenses

We recognized other expenses of RMB0.3 million in 2023 and RMB10.3 million in 2024. The other expenses incurred in 2024 was primarily related to our donations to a middle school in Hunan province and a university in Qinghai province.

Finance Costs

Our finance costs increased from RMB0.3 million in 2023 to RMB1.4 million in 2024, primarily due to (i) the recognition of interest expenses on lease liabilities arising from new lease contracts entered into in 2024; and (ii) interest expenses incurred on bank and other borrowings.

FINANCIAL INFORMATION

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets decreased by 79.3% from RMB0.8 million in 2023 to RMB0.2 million in 2024, primarily due to a decrease in impairment losses on other receivables of RMB0.6 million as the original value of other receivables decreased significantly.

Impairment Losses on Contract Assets, Net

Our net impairment losses on contract assets remained relatively stable at RMB0.1 million in 2023 and RMB0.2 million in 2024.

Share of Profits of Associates

We recorded share of profits of associates of nil in 2023 and RMB2.0 million in 2024, mainly representing the profits that we recognized by our associate, namely Shanghai Xinli.

Income Tax Credit

We recorded an income tax credit of RMB1.3 million in 2023 and an income tax credit of RMB2.0 million in 2024. The income tax credit in 2024 was primarily (i) attributable to the recognition of deferred income tax credit of RMB2.4 million and (ii) because the pre-tax profit generated in 2024 was fully offset by brought forward tax losses.

Profit for the Year

As a result of the foregoing, our net profit increased from RMB24.6 million in 2023 to RMB73.8 million in 2024.

DISCUSSION OF MAJOR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ITEMS

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
NON-CURRENT ASSETS			
Property, plant and equipment	8,539	13,108	181,683
Right-of-use assets	16,663	10,475	102,534
Goodwill	208,524	253,279	311,010
Other intangible assets	12,129	73,429	71,391
Investment in associates	–	74,700	79,599
Other financial assets at amortized cost	–	311,954	82,653
Financial assets at fair value through profit and loss	–	20,154	140,950
Equity investments designated at fair value through other comprehensive income	9,106	10,000	4,277
Deferred tax assets	14,884	17,262	18,668
Total non-current assets	269,845	784,361	992,765

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	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
CURRENT ASSETS			
Inventories	159,077	101,807	76,769
Trade and bills receivables	81,434	199,153	339,164
Contract assets	9,014	15,187	25,371
Other financial assets at amortized cost	–	298,717	449,890
Prepayments, other receivables and other assets	72,088	25,934	41,060
Financial assets at fair value through profit or loss	10,000	17,040	145,076
Restricted cash	779	30,295	13,559
Cash and cash equivalents	823,064	135,429	408,026
Time Deposits	–	–	280,020
Total current assets	1,155,456	823,562	1,778,935
CURRENT LIABILITIES			
Trade and bills payables	21,237	70,836	192,716
Other payables and accruals	46,505	64,488	131,596
Contract liabilities	102,046	93,958	71,412
Interest-bearing bank and other borrowings	–	48,710	97,059
Lease liabilities	5,194	5,097	3,150
Tax payable	955	875	15
Provision	9,164	11,147	13,566
Total current liabilities	185,101	295,111	509,514
NET CURRENT ASSETS	970,355	528,451	1,269,421
TOTAL ASSETS			
LESS CURRENT LIABILITIES	1,240,200	1,312,812	2,262,186
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	–	–	89,466
Lease liabilities	12,022	5,974	2,746
Deferred tax liabilities	903	880	843
Other payables and accruals	–	–	8,076
Total non-current liabilities	12,925	6,854	101,131
NET ASSETS	1,227,275	1,305,958	2,161,055
EQUITY			
Equity attributable to owners of the parent			
Paid in capital/Share capital	375,479	375,479	429,666
Reserves	843,567	920,188	1,715,304
Non-controlling interests	8,229	10,291	16,085
Total equity	1,227,275	1,305,958	2,161,055

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Property, Plant and Equipment

Our property, plant and equipment consisted of construction in progress, buildings, electronic equipment, leasehold improvements, motor vehicles and furniture and fixtures during the Track Record Period. See note 15 to the Accountants’ Report in Appendix I to this document.

Our property, plant and equipment increased by 53.5% from RMB8.5 million as of December 31, 2023 to RMB13.1 million as of December 31, 2024, primarily due to an increase in construction in progress of RMB5.3 million, as a result of the commencement of the construction of our R&D center in Shanghai.

Our property, plant and equipment increased significantly from RMB13.1 million as of December 31, 2024 to RMB181.7 million as of December 31, 2025, primarily due to (i) an increase in construction in progress of RMB136.7 million as a result of the construction of our R&D center in Shanghai; and (ii) an increase in buildings of RMB34.3 million as a result of our acquisition of our office premises located in Suzhou.

Right-of-Use Assets

Our right-of-use assets during the Track Record Period represented (i) our leasehold properties used primarily as our offices, and (ii) our land use rights. See note 16 to the Accountants’ Report in Appendix I to this document.

Our right-of-use assets decreased by 37.1% from RMB16.7 million as of December 31, 2023 to RMB10.5 million as of December 31, 2024, primarily due to the change of the leased area of our leased properties in response to evolving business needs and to optimize operational efficiency, as well as the depreciation of our right-of-use assets.

Our right-of-use assets increased significantly from RMB10.5 million as of December 31, 2024 to RMB102.5 million as of December 31, 2025, primarily due to the acquisition of land use right for the construction of our R&D center in Shanghai.

Goodwill

Our goodwill arose from our acquisition of various companies. See note 37 to the Accountants’ Report set out in Appendix I to this document.

Our goodwill increased by 21.5% from RMB208.5 million as of December 31, 2023 to RMB253.3 million as of December 31, 2024 as a result of our acquisitions of Hangzhou Guan Tian, Suzhou Vida and Beijing Zhi Yang in 2024.

Our goodwill increased by 22.8% from RMB253.3 million as of December 31, 2024 to RMB311.0 million as of December 31, 2025, primarily due to our acquisition of Beijing Huiliu and the acquisition of the business of Beijing Guoxin Power Source Technology Development Co., Ltd. in 2025. See note 37 to the Accountants’ Report in Appendix I to this document.

Goodwill acquired through business combinations is allocated to two cash-generating units (“CGUs”) for impairment testing, which are intelligent manufacturing software solutions CGU and operations management software solutions CGU.

The recoverable amount of the intelligent manufacturing software solutions CGU has been determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. As of December 31, 2023, 2024 and 2025, the discount rates applied to the cash flow projections are 13.55%, 13.34% and 12.80%; the growth rates used to extrapolate the cash flows beyond the five-year period are 1.48%, 1.48% and 1.48% which were estimated based on Oxford Economics forecast for China’s forward consumer price index (“CPI”), respectively.

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The recoverable amount of the operations management software solutions CGU has been determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. As of December 31, 2023, 2024 and 2025, the discount rates applied to the cash flow projections are 14.67%, 14.70% and 13.50%; the growth rates used to extrapolate the cash flows beyond the five-year period are 1.48%, 1.48% and 1.48% which were estimated based on Oxford Economics’ forecast for China’s forward CPI, respectively.

Assumptions were used in the value in use calculation of the CGUs. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill with an indefinite useful life. The compound revenue growth rate is estimated based on the historical sales data and management’s expectation of market outlook. The gross profit margin rate is estimated by reference to the gross margin rate achieved in prior year, with due consideration given to the expected efficiency improvements and expected market development. The discount rates used are before tax and reflect specific risks relating to the relevant units. The forecasted terminal growth rate is based on management’s expectations and does not exceed the long-term average growth rate for the industry relevant to the CGUs. The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The carrying amount of goodwill allocated to each CGU is set forth below.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Carrying amount of goodwill			
Intelligent manufacturing software solutions CGU	197,721	220,224	220,224
Operation management software solutions CGU	10,803	33,055	90,786
Total	208,524	253,279	311,010

Intelligent Manufacturing Software Solutions CGU

The key assumptions used in the value in use calculation of the intelligent manufacturing software solutions CGU are set forth below.

	As of December 31,		
	2023	2024	2025
	(%)		
Compounded revenue growth rates	19.39	11.82	11.03
Gross profit margin rate	44.63-46.72	45.65-46.72	43.91-45.44
Pre-tax discount rate	13.55	13.34	12.80
Terminal growth rate	1.48	1.48	1.48

The compounded revenue growth rates in 2023, 2024 and 2025 were primarily driven by the expected growth of revenue resulting from our business expansion.

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Operation Management Software Solutions CGU

The key assumptions used in the value in use calculation of the operations management software solutions CGU are set forth below.

	As of December 31,		
	2023	2024	2025
		(%)	
Compounded revenue growth rates	42.67	19.25	12.92
Gross profit margin rate	14.07	14.07	15.00
Pre-tax discount rate	14.67	14.70	13.50
Terminal growth rate	1.48	1.48	1.48

The compounded revenue growth rates in 2023, 2024 and 2025 were primarily driven by the expected growth of revenue resulting from our business expansion.

Other Intangible Assets

Our other intangible assets mainly included software and membership interests. Intangible assets were stated at cost less accumulated amortization. Our other intangible assets increased significantly from RMB12.1 million as of December 31, 2023 to RMB73.4 million as of December 31, 2024, mainly due to the additional software we purchased in 2024 to further expand our product portfolio and enhance our competitiveness. Our other intangible assets remained relatively stable at RMB71.4 million as of December 31, 2025.

Investment in Associates

We started to record investment in associates in 2024, mainly relating to Shanghai Xinli. We recorded investment in associates of RMB74.7 million and RMB79.6 million as of December 31, 2024 and 2025, respectively.

Other Financial Assets at Amortized Cost

The other financial assets mainly represented certificates of deposits held by us, which we started to purchase in 2024.

The non-current portion of our other financial assets decreased from RMB312.0 million as of December 31, 2024 to RMB82.7 million as of December 31, 2025, primarily due to the reclassification of RMB270.0 million from the non-current portion in 2024 to the current portion in 2025.

The current portion of our other financial assets increased from RMB298.7 million as of December 31, 2024 to RMB449.9 million as of December 31, 2025, primarily due to (i) the reclassification of RMB270.0 million as mentioned above and (ii) the purchase of two certificates of deposits of RMB160.0 million in total in 2025, partially offset by the maturity of all current certificates of deposits that were existing in 2024.

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Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	January 31, 2026
	(RMB in thousands)			(unaudited)
Current assets				
Trade and bills receivables	81,434	199,153	339,164	352,216
Inventories	159,077	101,807	76,769	86,417
Cash and cash equivalents	823,064	135,429	408,026	360,253
Prepayments, other receivables and other assets	72,088	25,934	41,060	90,314
Other financial assets at amortized cost	–	298,717	449,890	450,744
Financial assets at fair value through profit or loss	10,000	17,040	145,076	140,249
Contract assets	9,014	15,187	25,371	25,172
Restricted cash	779	30,295	13,559	23,383
Time deposits	–	–	280,020	280,321
Total current assets	1,155,456	823,562	1,778,935	1,809,069
Current liabilities				
Contract liabilities	102,046	93,958	71,412	84,073
Other payables and accruals	46,505	64,488	131,596	76,165
Trade and bills payables	21,237	70,836	192,716	266,070
Interest-bearing bank and other borrowings	–	48,710	97,059	97,078
Provision	9,164	11,147	13,566	13,503
Tax payable	955	875	15	15
Lease liabilities	5,194	5,097	3,150	3,354
Total current liabilities	185,101	295,111	509,514	540,258
Net current assets	970,355	528,451	1,269,421	1,268,811

Our net current assets remained relatively stable at RMB1,269.4 million as of December 31, 2025 and RMB1,268.8 million as of January 31, 2026, primarily due to (i) a decrease in cash and cash equivalents of RMB47.8 million; (ii) an increase in trade and bills payables of RMB73.4 million; and (iii) an increase in contract liabilities of RMB12.7 million, partially offset by (i) an increase in prepayments, other receivables and other assets of RMB49.3 million; and (ii) a decrease in other payables and accruals of RMB55.4 million.

Our net current assets increased from RMB528.5 million as of December 31, 2024 to RMB1,269.4 million as of December 31, 2025, primarily due to (i) an increase in time deposits of RMB280.0 million, (ii) an increase in cash and cash equivalents of RMB272.6 million, (iii) an increase in financial assets at amortized cost of RMB151.2 million, (iv) an increase in trade and bills receivables of RMB140.0 million and (v) an increase in financial assets at fair value through profit or loss of RMB128.0 million, partially offset by an increase in trade and bill payables of RMB121.9 million.

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Our net current assets decreased from RMB970.4 million as of December 31, 2023 to RMB528.5 million as of December 31, 2024, primarily due to (i) a decrease in cash and cash equivalents of RMB687.6 million; (ii) a decrease in inventories of RMB57.3 million; (iii) a decrease in prepayments, other receivables and other assets of RMB46.2 million; (iv) an increase in trade and bills payables of RMB49.6 million; and (v) an increase in interest-bearing bank and other borrowings of RMB48.7 million, partially offset by (i) an increase in trade and bill receivables of RMB117.7 million; and (ii) an increase in other financial assets at amortized cost of RMB298.7 million.

Inventories

Our inventories consisted of (i) contract fulfillment costs, (ii) purchased hardware and components, and (iii) goods, mainly comprising semiconductor equipment for sale during the Track Record Period. The following table sets forth the details of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Contract fulfillment costs	105,227	98,266	73,715
Purchased hardware and components	1,473	3,541	3,054
Goods	52,377	—	—
Total	159,077	101,807	76,769

Our inventories decreased by 36.0% from RMB159.1 million as of December 31, 2023 to RMB101.8 million as of December 31, 2024, primarily due to (i) a decrease in goods of RMB52.4 million, as RMB22.2 million worth of semiconductor equipment was sold in 2024, resulting in a corresponding cost of sales of RMB22.2 million, and the remaining inventory balance of semiconductor equipment of RMB30.2 million was subsequently disposed of together with the disposal of our subsidiary which engaged in selling semiconductor equipment, while the reduction in our inventory balance of semiconductor equipment resulting from the disposal of the subsidiary was not recognized as any cost of sales; and (ii) a decrease in contract fulfillment costs of RMB7.0 million, as a result of the completion of large-scale projects that had not yet been accepted by the end of 2023.

Our inventories decreased by 24.6% from RMB101.8 million as of December 31, 2024 to RMB76.8 million as of December 31, 2025, primarily due to a decrease in contract fulfillment costs of RMB24.6 million, primarily attributable to the completion of several major projects in 2025.

Our inventory turnover days decreased from 288 days in 2023 to 166 days in 2024 and further to 71 days in 2025, primarily due to the significant increase in our costs of sales and decrease in our inventories level driven by the completion of several major projects as mentioned above.

The following table sets forth the number of our inventory (before net of impairment) turnover days for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Inventory (before net of impairment) turnover days ⁽¹⁾	288	166	71

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- (1) Inventory (before net of impairment) turnover days are equal to the average balance of inventory (before net of impairment) at the beginning and the end of the relevant year divided by cost of sales for such year and multiplied by 360 days for the year ended December 31, 2023, 2024 and 2025.

The following table sets forth an aging analysis of our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	142,552	88,616	67,648
One to two years	15,139	10,677	5,122
Two to three years	1,386	1,638	3,446
Over three years	–	876	553
Total	159,077	101,807	76,769

As of January 31, 2026, RMB0.5 million, or approximately 0.6%, of our inventories as of December 31, 2025 had been subsequently consumed or sold.

Some of our inventories were impaired during the Track Record Period. We regularly assessed the net realizable value of our inventories and on-hand orders at each reporting date, based on estimated selling prices and expected costs for completion and disposal. For projects expected to incur losses, we made appropriate provisions for inventory write-downs and related liabilities.

Trade and Bills Receivables

Our trade and bills receivables primarily represented receivables due from our customers of intelligent manufacturing software solutions and operations management software solutions. The following table sets forth the details of our net trade and bills receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	79,563	199,387	345,469
Bills receivables	3,232	1,652	1,477
Impairment	(1,361)	(1,886)	(7,782)
Trade and bill receivables, net	81,434	199,153	339,164

Our net trade and bills receivables increased significantly from RMB81.4 million as of December 31, 2023 to RMB199.2 million as of December 31, 2024, primarily resulting from the acceptance of certain large-scale projects in the fourth quarter of 2024 for which payment had not yet been received. Our trade and bills receivables further increased significantly to RMB339.2 million as of December 31, 2025, primarily (i) due to the acceptance of certain projects in relation to intelligent manufacturing software solutions in 2025 for which payment had not yet been received, attributable to the respective customers’ prolonged settlement cycle; (ii) due to an increase in trade receivables from operating management solutions as we granted certain large customers longer credit term; and (iii) because some projects were completed in the fourth quarter of 2025 and had not reached the payment due date as of December 31, 2025.

Our trading terms with our customers are mainly on credit. The credit periods we granted during the Track Record Period typically ranged from 30 to 180 days.

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The following table sets forth an aging analysis of our net trade receivables based on the revenue recognition date and after the recognition of loss allowance as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	76,500	185,807	291,333
Over one year but within two years	1,541	11,654	43,696
Over two years but within three years	161	40	2,658
Total	78,202	197,501	337,687

The following table sets forth a breakdown of our trade receivables (before net of impairment) by business line as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Intelligent manufacturing software solutions	53,491	129,786	199,370
Operations management software solutions	26,072	69,601	146,099
Total	79,563	199,387	345,469

The following table sets forth a breakdown of our trade receivables (before net of impairment) by type of customers as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
SOEs	53,941	119,610	227,903
Private enterprises	17,676	68,375	106,215
Foreign-owned enterprises	7,946	11,402	11,351
Total	79,563	199,387	345,469

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The following table sets forth the number of (i) our trade and bills receivables (before net of impairment) turnover days and (ii) our trade receivables (before net of impairment) turnover days by business line for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Trade and bills receivables (before net of impairment) turnover days ⁽¹⁾	74	102	135
Trade receivables (before net of impairment) turnover days ⁽¹⁾			
<i>Intelligent manufacturing software solutions</i>	62	88	136
<i>Operations management software solutions</i>	<u>164</u>	<u>170</u>	<u>132</u>

- (1) Trade and bills receivables, or trade receivables, (before net of impairment) turnover days are equal to the average balance of trade and bills receivables, or trade receivables, (before net of impairment) at the beginning and the end of the relevant year divided by revenue for such year and multiplied by 360 days for the year.

Our trade and bills receivables (before net of impairment) turnover days increased from 74 days in 2023 to 102 days in 2024 and further increased to 135 days in 2025, primarily because (i) we granted major customers longer credit terms, as a result of the intensified competition in the industrial software solutions market; (ii) we had a higher balance of trade and bills receivables, resulting from the acceptance of certain Large Value Projects and our increased involvement in providing operations management software solutions, which had a longer payment cycle of typically three months to six months. Operations management software solutions had a longer payment cycle because we mainly provided operations management software solutions to SOEs, and the collection of payment from them usually took longer.

Our senior management regularly reviews our overdue balances. We also designate specialized sales and operation and maintenance personnel to monitor project progress and maintain close contact with our customers. Our sales and marketing personnel actively monitors customers’ payment status and follows up regularly to recover overdue balances, with increased communication efforts directed toward long-outstanding accounts. For customers who continue to withhold payment despite repeated reminders, we may consider suspending further business dealings or pursuing legal action as necessary. We have reasonably estimated the credit impairment loss rate and made corresponding provisions for impairment losses on trade and bills receivables.

As of January 31, 2026, RMB24.6 million, or approximately 7.1%, of our trade receivables (before net of impairment) as of December 31, 2025, had been settled.

Contract Assets

Our contract assets primarily related to retention money withheld by customers. For contracts with warranty, we typically permit customers to retain 5% to 10% of the contract price until the expiration of the complimentary warranty period. The complimentary warranty retention period is typically one year. These amounts are included in contract assets until the end of the warranty retention period as our entitlement to these final payments are conditional on our projects being functioning properly during such period.

Our contracts assets increased by 68.5% from RMB9.0 million as of December 31, 2023 to RMB15.2 million as of December 31, 2024 and further increased by 67.1% to RMB25.4 million as of December 31, 2025, generally in line with the revenue growth from 2023 to 2025.

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As of January 31, 2026, RMB0.2 million, or approximately 0.8%, of our contract assets as of December 31, 2025, had been certified.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consisted of prepayments, deductible input value-added tax, deposits, amount due from non-controlling shareholders of the Group’s subsidiaries, receivables from disposal of financial assets and other receivables and other assets during the Track Record Period. See note 25 to the Accountants’ Report in Appendix I to this document.

Our prepayments, other receivables and other assets decreased by 64.0% from RMB72.1 million as of December 31, 2023 to RMB25.9 million as of December 31, 2024, primarily (i) because the receivables from disposal of financial assets had been fully settled by the relevant party; (ii) due to a decrease in prepayments of RMB12.7 million, mainly attributable to the suspension of semiconductor equipment procurement in 2024; and (iii) due to a decrease in the amount due from non-controlling shareholders of certain subsidiaries of RMB7.4 million, as we disposed of the respective subsidiaries in 2024 and the amount was derecognized accordingly.

Our prepayments, other receivables and other assets increased by 58.3% from RMB25.9 million as of December 31, 2024 to RMB41.1 million as of December 31, 2025, primarily due to (i) an increase in prepayments of RMB13.0 million, mainly attributable to the prepayments for purchase of software, hardware and related implementation services which are used in conjunction with our own solutions and the prepayments for [REDACTED] expenses; and (ii) an increase in the amount due from non-controlling shareholders of a subsidiary of RMB4.9 million in relation to the capital increase of that subsidiary.

As of January 31, 2026, RMB9.2 million, or approximately 22.2%, of our prepayments, other receivables and other assets as of December 31, 2025, had been settled.

Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss primarily consisted of structured deposits, wealth management products and other unlisted investments at fair value. Our financial assets at fair value through profit or loss increased significantly from RMB10.0 million as of December 31, 2023 to RMB37.2 million as of December 31, 2024, primarily due to the increase in new equity investments. Our financial assets at fair value through profit or loss further increased significantly to RMB286.0 million as of December 31, 2025, primarily due to (i) the purchase of structured deposits of RMB110.1 million and the purchase of wealth management products at fair value of RMB35.0 million and (ii) the new equity investment in Shanghai Xindi Digital Technology Co., Ltd. (上海新迪數字技術有限公司) of RMB100.0 million.

We adopt a principal protection strategy for our investments in structured products, and we expect our investment strategy to remain unchanged in the future. Before purchasing any structured products, the treasury team of our finance department seeks approval from our chief financial officer. The treasury team conducts risk assessments for our investments in structured products, and tracks the maturity status of the structured products. As of the Latest Practicable Date, the Board authorized our senior management to approve purchases of highly liquid, low-risk structured products up to RMB750.0 million. The Board also assigns dedicated personnel to monitor the progress and safety of our investments in structured products. Our investments in structured products after the [REDACTED] will be subject to compliance with Chapter 14 of the Listing Rules.

Time Deposits

Our time deposits were nil, nil and RMB280.0 million as of December 31, 2023, 2024 and 2025, respectively. We placed time deposits in 2025 to optimize our funds utilization.

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Trade and Bills Payables

Our trade and bills payables primarily consisted of payables for the procurement of raw materials. The following table sets forth the details of our trade and bills payables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade payables	21,237	24,907	116,578
Bills payables	–	45,929	76,138
Trade and bills payables	21,237	70,836	192,716

Our trade and bills payables increased significantly from RMB21.2 million as of December 31, 2023 to RMB70.8 million as of December 31, 2024, primarily due to an increase in bills payable of RMB45.9 million as we commenced settling purchases with suppliers through the issuance of bank acceptance bills and letters of guarantee.

Our trade and bills payables increased significantly from RMB70.8 million as of December 31, 2024 to RMB192.7 million as of December 31, 2025, primarily (i) due to a surge in procurement volume in 2025 due to business expansion; (ii) due to an increase in settling purchases with suppliers through the issuance of bank acceptance bills; and (iii) because we entered into certain large procurement transactions near the end of 2025 and had not reached the payment due date.

The following table sets forth an aging analysis of trade and bills payables, based on the transaction date, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within one year	19,811	66,207	186,153
Over one year but within two years	1,362	3,320	4,235
Over two years but within three years	64	1,245	1,702
Over three years	–	64	626
Total	21,237	70,836	192,716

Most of our trade and bills payables recognized during the Track Record Period had a credit term of within one year or were repayable on demand within one year.

The following table sets forth our trade payables turnover days and bills payables turnover days for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Trade payables turnover days ⁽¹⁾	36	28	54
Bills payables turnover days ⁽¹⁾	–	27	47
Trade and bills payables turnover days⁽¹⁾	36	55	101

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- (1) Equal to the average balance of trade or bills payables, or trade and bills payables, at the beginning and the end of the relevant year divided by cost of sale for such year and multiplied by 360 days for the year ended December 31, 2023, 2024 and 2025.

Our trade and bills payables turnover days increased from 36 days in 2023 to 55 days in 2024, primarily because we began using bank acceptance bills to settle payments in 2024, which led to an increase in the average balances of trade and bills payables. Our trade and bills payables turnover days further increased to 101 days in 2025, primarily attributable to an increase in the average balances of trade and bills payables in 2025 as discussed above.

As of January 31, 2026, RMB40.9 million, or approximately 35.1% of our trade payables as of December 31, 2025, had been settled.

Other Payables and Accruals

Our other payables and accruals consisted of construction payables, other payables, payables for acquisition of non-controlling interests, payroll and welfare payables, other tax payables and payables for business acquisitions during the Track Record Period. See note 29 to the Accountants’ Report in Appendix I to this document.

Our other payables and accruals increased by 38.7% from RMB46.5 million as of December 31, 2023 to RMB64.5 million as of December 31, 2024, primarily due to the increase in other payables mainly because of (i) our purchase of certain software source code; and (ii) a donation to academic institutions. Our other payables and accruals further increased significantly to RMB139.7 million as of December 31, 2025, primarily due to (i) the recognition of construction payables of RMB30.2 million in relation to a new R&D center; (ii) the purchase of minority shareholders’ equity interest in Suzhou Vida of RMB23.7 million; and (iii) the acquisition of the business of Beijing Guoxin Power Source Technology Development Co., Ltd. with RMB7.8 million in the current portion and RMB8.1 million in the non-current portion of our payables for business acquisitions.

As of January 31, 2026, RMB68.4 million, or approximately 49.0%, of our other payables and accruals as of December 31, 2025, had been settled.

Contract Liabilities

Our contract liabilities decreased by 7.9% from RMB102.0 million as of December 31, 2023 to RMB94.0 million as of December 31, 2024 and further decreased by 24.0% to RMB71.4 million as of December 31, 2025, primarily due to the completion of certain projects with relatively higher contract liabilities in 2024 and 2025, for which the respective contract liabilities were recognized as revenue. See note 30 to the Accountants’ Report in Appendix I to this document.

As of January 31, 2026, RMB0.7 million, or approximately 1.0%, of our contract liabilities as of December 31, 2025, had been recognized as revenue.

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LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

Our primary use of cash is to fund our working capital requirements and other recurring expenses. During the Track Record Period and up to the Latest Practicable Date, we financed our operations primarily through cash from operating activities, bank and other borrowings and equity financing. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB823.1 million, RMB135.4 million and RMB408.0 million, respectively. As of January 31, 2026, we had unutilized bank facilities of RMB402.7 million. We do not anticipate any material changes to the availability of financing to fund our operations in the future.

Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash from our operating activities, bank and other borrowings, the estimated net [REDACTED] from the [REDACTED] and other funds raised from the capital markets from time to time. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operations and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

Taking into consideration of financial resources presently available to us, our Directors are of the view that our available cash and cash equivalents, the current portion of other financial assets at amortized cost, bank loans and credit facilities, and the estimated net [REDACTED] from the [REDACTED], and in the absence of unseen circumstance, will be sufficient to meet our present and anticipated cash requirements for the next 12 months from the date of this document.

Cash Flows

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

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows (used in)/			
from operating activities	(88,263)	41,345	65,199
Net cash flows used in investing			
activities	(60,188)	(759,035)	(716,445)
Net cash flows from financing activities. .	256,069	29,470	923,925
Net increase/(decrease)			
in cash and cash equivalents	107,618	(688,220)	272,679
Cash and cash equivalents at beginning of			
the year	715,285	823,064	135,429
Effect of foreign exchange rate changes,			
net	161	585	(82)
Cash and cash equivalents at end of the			
year	823,064	135,429	408,026

Net Cash Flows (Used in)/from Operating Activities

Net cash (used in)/from operating activities primarily comprised our profit before tax for the year adjusted by: (i) non-cash and non-operating items; and (ii) changes in working capital.

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Net cash flows from operating activities were RMB65.2 million in 2025, primarily due to profit before tax of RMB72.4 million plus the interest received of RMB1.8 million and minus income tax paid of RMB42 thousand, as adjusted for (1) certain non-cash and non-operating items, primarily including (i) interest and investment income of RMB12.9 million, (ii) amortization of intangible assets of RMB8.3 million, (iii) impairment losses on financial assets of RMB6.0 million, and (iv) depreciation of property, plant and equipment of RMB5.2 million; and (2) changes in working capital that negatively affected the cash flow, primarily including (i) an increase in trade and bills receivables of RMB132.7 million and (ii) a decrease in contract liabilities of RMB22.5 million, partially offset by changes in working capital that positively affected the cash flow, primarily including (a) an increase in trade and bills payables of RMB116.5 million and (b) a decrease in inventories of RMB31.2 million.

Net cash flows from operating activities were RMB41.3 million in 2024, primarily due to profit before tax of RMB71.8 million plus the interest received of RMB8.4 million and minus income tax paid of RMB0.4 million, as adjusted for (1) certain non-cash and non-operating items, primarily including (i) interest and investment income of RMB17.1 million, (ii) fair value gains on financial assets at FVTPL of RMB7.0 million, and (iii) depreciation of right-of-use assets of RMB5.1 million; and (2) changes in working capital that negatively affected the cash flow, primarily including (i) an increase in trade and bills receivables of RMB94.1 million and (ii) an increase in restricted cash of RMB29.5 million, partially offset by changes in working capital that positively affected the cash flow, primarily including (a) an increase in trade and bills payables of RMB39.3 million, (b) a decrease in inventories of RMB27.5 million, (c) a decrease in prepayments, other receivables and other assets of RMB19.0 million, and (d) an increase in other payables and accruals of RMB16.4 million.

Net cash flows used in operating activities were RMB88.3 million in 2023, primarily due to profit before tax of RMB23.2 million plus the interest received of RMB11.9 million and minus income tax paid of RMB1.8 million, as adjusted for (1) certain non-cash and non-operating items, primarily including (i) interest and investment income of RMB15.4 million, and (ii) net impairment losses on inventory of RMB8.6 million; and (2) changes in working capital that negatively affected the cash flow, primarily including (i) an increase in inventories of RMB89.0 million, (ii) an increase in trade and bills receivables of RMB47.1 million, and (iii) an increase in prepayments, other receivables and other assets of RMB23.2 million, partially offset by changes in working capital that positively affected the cash flow, primarily including an increase in contract liabilities of RMB18.3 million.

We expect to improve our net operating cash flow position in the long term through (i) sustained revenue growth driven by our expanding customer base and the continuous expansion of our solutions, and (ii) shortening our cash conversion cycle by enhancing collection efforts for trade and bills receivables, accelerating project delivery to reduce inventory levels, and negotiating extended payment terms with our suppliers. During the Track Record Period, our cash conversion cycle was 326 days, 213 days and 105 days in 2023, 2024 and 2025.

Net Cash Flows Used in Investing Activities

Net cash flows used in investing activities were RMB716.4 million in 2025, primarily due to (i) purchases of financial assets at fair value through profit or loss of RMB778.0 million, (ii) purchase of other financial assets at amortized cost of RMB511.4 million, (iii) purchases of time deposits of RMB280.0 million, and (iv) purchases of items of property, plant and equipment of RMB139.8 million, partially offset by (i) proceeds from disposal of other financial assets at amortized cost of RMB597.6 million and (ii) proceeds from maturity of financial assets at fair value through profit or loss of RMB533.0 million.

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Net cash flows used in investing activities were RMB759.0 million in 2024, primarily due to (i) purchases of financial assets at fair value through profit or loss of RMB994.9 million, (ii) purchase of other financial assets at amortized cost of RMB605.8 million, (iii) investments in associates of RMB72.7 million, and (iv) purchase of intangible assets of RMB56.4 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB997.9 million.

Net cash flows used in investing activities were RMB60.2 million in 2023, primarily due to (i) purchases of financial assets at fair value through profit or loss of RMB949.1 million, and (ii) net cash payments with respect to the acquisition of subsidiaries of RMB64.6 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB968.7 million.

Net Cash Flows from Financing Activities

Net cash flows from financing activities were RMB923.9 million in 2025, primarily reflecting the capital injection from shareholders of RMB805.1 million and the new bank borrowings of RMB186.5 million.

Net cash flows from financing activities were RMB29.5 million in 2024, primarily reflecting the new bank borrowings of RMB52.2 million, partially offset by repayment of bank borrowings of RMB20.5 million.

Net cash flows from financing activities were RMB256.1 million in 2023, primarily reflecting the capital injection from shareholders of RMB383.1 million, partially offset by acquisition of non-controlling interest of RMB117.6 million.

Cash Conversion Cycle

During the Track Record Period, our cash conversion cycle, which is calculated as the sum of inventory turnover days and trade and bills receivables turnover days, less trade and bills payables turnover days for the years indicated, was 326 days, 213 days and 105 days in 2023, 2024 and 2025, respectively. We manage and will continue to manage our cash conversion cycle through the following two approaches: (i) shortening our trade and bills receivables turnover days by increasing collection efforts on trade and bills receivables to minimize outstanding amounts, and (ii) extending our trade and bills payables turnover days by increasing the use of bank acceptance bills as a payment method for our suppliers.

CAPITAL EXPENDITURES AND COMMITMENTS

Our capital expenditures during the Track Record Period primarily related to purchases of property, plant, equipment, land use right, and intangible assets. Our capital expenditures were RMB13.2 million, RMB65.4 million and RMB243.5 million, respectively, in 2023, 2024 and 2025, respectively. We funded our capital expenditure requirements during the Track Record Period mainly from our financing activities. We plan to fund our planned capital expenditures by using cash flow generated from our operations and financing activities, as well as the net [REDACTED] received from the [REDACTED]. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditure according to our future cash flows, our results of operations and financial condition, our business plans, market conditions and various other factors we believe to be appropriate. See “Future Plans and Use of [REDACTED]—Use of [REDACTED].”

Our contractual commitment amounted to nil, RMB5.3 million and RMB169.2 million as of December 31, 2023, 2024 and 2025, respectively.

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INDEBTEDNESS

Our indebtedness during the Track Record Period consisted of interest-bearing bank and other borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as of December 31, 2023, 2024 and 2025, and January 31, 2026, being the latest practicable date for the purpose of this statement of indebtedness in this document.

	As of December 31,			As of January 31, 2026
	2023	2024	2025	
	(RMB in thousands)			(unaudited)
Current				
Interest-bearing bank and other				
borrowings	–	48,710	97,059	97,078
Lease liabilities	5,194	5,097	3,150	3,354
Non-current				
Interest-bearing bank and other				
borrowings	–	–	89,466	106,250
Lease liabilities	12,022	5,974	2,746	2,885
Total	17,216	59,781	192,421	209,567

Interest-bearing Bank and Other Borrowings

Our interest-bearing bank and other borrowings were primarily used to finance our working capital requirements and capital expenditures. We had interest-bearing bank and other borrowings of nil, RMB48.7 million, RMB186.5 million and RMB203.1 million as of December 31, 2023, 2024 and 2025, and January 31, 2026, respectively. The following table sets forth the breakdown of our bank and other borrowings as of the dates indicated.

	As of December 31,			As of January 31, 2026
	2023	2024	2025	
	(RMB in thousands)			(unaudited)
Current				
Bank loans – guaranteed ⁽¹⁾	–	–	10,000	10,019
Bank loans – unsecured and				
unguaranteed	–	28,610	87,059	87,059
Other borrowings	–	20,100	–	–
Non-current				
Bank loans – secured ⁽²⁾	–	–	89,466	106,250
Total	–	48,710	186,525	203,328

(1) Certain of our bank loans are guaranteed by our guarantees for our subsidiaries.

(2) Certain of our bank loans are secured by mortgage over our land use rights.

Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our other borrowings was an unsecured loan with an annual interest rate of 3.1% and a conversion feature and was borrowed from Shanghai Science and Technology Venture (Group) Co., Ltd. and had been fully repaid by us in July 2025. Our Directors confirmed that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional

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borrowings or issue debt or equity securities in the future. Our Directors further confirmed that we had no defaults in bank and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirmed that during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, withdrawal of facilities or requests for early repayment. See note 31 to the Accountants’ Report in Appendix I to this document.

Lease Liabilities

Our lease liabilities represent our obligation to make lease payments arising from our leases of premises. Our lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the term of the lease. We recorded lease liabilities of RMB17.2 million, RMB11.1 million, RMB5.9 million and RMB6.2 million as of December 31, 2023, 2024 and 2025, and January 31, 2026, respectively, primarily attributable to the reduction in our leased area in 2024 and the termination of certain office leases following our acquisition of office premises in 2025.

Statement of Indebtedness

Saved as disclosed above, we did not have any charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of January 31, 2026, the most recent practicable date for determining our indebtedness. Our Directors confirm that there has not been any material change in our indebtedness since January 31, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against any member of our Group.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

[REDACTED]

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KEY FINANCIAL RATIOS

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

	As of/for the year ended December 31,		
	2023	2024	2025
		(%)	
Revenue growth rate ⁽¹⁾	58.4	74.2	46.4
Gross profit margin ⁽²⁾	44.0	39.6	35.6
Net profit margin ⁽³⁾	8.6	14.8	9.9
Return on equity ⁽⁴⁾	2.3	5.8	4.2
Return on total assets ⁽⁵⁾	1.9	4.9	3.3

- (1) The calculation of revenue growth rate is based on revenue for the year divided by revenue for the previous year minus one and multiplied by 100.0%.
- (2) The calculation of gross profit margin is based on gross profit for the year divided by revenue for the respective year and multiplied by 100.0%.
- (3) The calculation of net profit margin is based on net profit for the year divided by revenue for the respective year and multiplied by 100.0%.
- (4) The calculation of return on equity is based on net profit for the year divided by average total equity as of the beginning and end of the year and multiplied by 100.0%.
- (5) The calculation of return on total assets is based on net profit for the year divided by average total assets as of the beginning and end of the year and multiplied by 100.0%.

Revenue Growth Rate, Gross Profit Margin and Net Profit Margin

See “—Year to Year Comparison of Results of Operations” for the factors affecting our revenue growth, gross profit margin and net profit margin during the Track Record Period.

Return on Equity and Return on Total Assets

We had return on equity of 2.3% in 2023 and 5.8% in 2024, primarily due to an increase in our net profit. We recorded return on equity of 4.2% in 2025, primarily due to (i) our net profit remaining relatively stable in 2024 and 2025, and (ii) an increase in our average total equity in 2025.

We had return on total assets of 1.9% in 2023 and 4.9% in 2024, primarily due to an increase in our net profit. We recorded return on total assets of 3.3% in 2025, primarily due to an increase in our average total assets.

RELATED PARTY TRANSACTIONS

We may enter into transactions with our related parties from time to time. See note 43 to the Accountants’ Report in Appendix I to this document for details about our related party transactions during the Track Record Period. Our Directors believe that each of the related party transactions was conducted in the ordinary course of business on an arm’s length basis. Our Directors are of the view that related party transactions during the Track Record Period did not distort our track record results or make our historical results not reflective of our future performance.

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QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISKS

Our principal financial instruments, other than derivatives, comprise bank loans and overdrafts, finance leases, other interest-bearing loans, and cash and short term deposits. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from our operations. The main risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. Details of the risks to which we are exposed are set out in note 46 to the Accountants’ Report in Appendix I to this document.

Foreign Currency Risk

We have transactional currency exposures for the year ended December 31, 2023, 2024 and 2025. Such exposures mainly arise from balances dominated in SGD, USD, HKD, JPY and MYR held by us. The risk exposure amount corresponding to foreign currency risk during the Track Record Period is not significant.

Credit Risk

We trade only with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. See note 46 of the Accountants’ Report in Appendix I to this document for the tables showing the credit quality and the maximum exposure to credit risk based on our credit policy.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operation and mitigate the effects of fluctuations in cash flows. See note 46 of the Accountants’ Report in Appendix I to this document for the maturity profile of our financial liabilities as of December 31, 2023, 2024 and 2025, based on the contractual undiscounted payments.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios to support our business and maximize Shareholders’ value.

We manage our capital structure and make adjustments to us in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to Shareholders, return capital to Shareholders or [REDACTED] new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies, or processes for managing capital during the Track Record Period and up to the Latest Practicable Date.

We monitor capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes provision, lease liabilities, tax payable, trade payables, and certain other payables and accruals, less cash and cash equivalents.

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DIVIDENDS

No dividend has been declared or paid by us during the Track Record Period and up to the Latest Practicable Date. After [REDACTED] of the [REDACTED], we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

We are a joint stock company incorporated under PRC laws. According to the PRC Company Law, a PRC-incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, determined under PRC GAAP, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Such company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Advisors, no dividend shall be declared or payable, unless we have profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, if any, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our Company did not have any distributable reserve.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors confirmed that, as of the Latest Practicable Date, there were no circumstances which, had we been required to comply with Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules, would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, subsequent to the Track Record Period and up to the Latest Practicable Date, there had been no material adverse change in our financial or trading position, and there had been no event which would materially affect the information in the Accountants’ Report in Appendix I to this document.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See “Unaudited [REDACTED] Financial Information” in Appendix II to this document for details of our unaudited [REDACTED] adjusted consolidated net tangible assets.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business—Our Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that the net [REDACTED] of the [REDACTED], after deducting the estimated [REDACTED] commissions and other fees and expenses payable by us in connection with the [REDACTED], will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative range of the [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per H Share), and that the [REDACTED] is not exercised.

We currently intend to use the net [REDACTED] from the [REDACTED] for the purposes and in the amounts as set out below:

- approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED] million, will be used to enhance our R&D and innovation capabilities, including,
 - approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED] million, will be used for the establishment of our R&D center on the parcel of land that we had rights to use in Minhang District, Shanghai. The [REDACTED] will be used primarily for construction of the facility and procurement of R&D equipment, with the objective of upgrading and enhancing our overall R&D environment. Our new R&D center will be equipped with computing infrastructure and tools necessary for product iteration and solution prototyping. The new R&D center is designed to support the development of semiconductor industrial control hardware and the upgrade of our core software products and solutions, leveraging its proximity to the China (Shanghai) Pilot Free Trade Zone. This initiative is expected to strengthen our technological capabilities and reinforce our position in the development of technologies;
 - approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for the upgrade of our core software products and solutions. Specifically, we plan to further iterate and upgrade our flagship PlantU series intelligent manufacturing software solutions by enriching and enhancing product functionalities, including the MES, EAP, YMS, SPC and RTD product lines, and application scenarios, including electrification, electronics, automotive, display panels, photovoltaic, chemicals, new energy batteries, high-end equipment, metal products and biopharmaceuticals industries, and staying closely aligned with evolving customer demands and technological advancements. These efforts aim to deepen our product matrix and elevate the informatization, automation and intelligentization of our product portfolio;
 - approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for the enhancement of our product ecosystem and the development of cross-industry intelligent industrial software solutions. We intend to broaden our product matrix and deepen the platform-based upgrade of our industrial software offerings by expanding into areas such as operations management and research and design software through developing ERP systems tailored for advanced manufacturing industries and accelerating a portfolio of research and design software. We aim to establish a one-stop platform for domestically developed intelligent industrial software solutions through a combination of in-house R&D and strategic talent recruitment to drive innovation; and

FUTURE PLANS AND USE OF [REDACTED]

We intend to recruit an aggregate of 92 R&D personnel at various levels over the next three years. Our plan for the recruitment of R&D personnel is set out below:

- **R&D Vice President:** We intend to recruit one R&D Vice President by 2028, with roles focused on (i) strategic planning of our product offerings and (ii) coordinating cross-department resources to align our R&D with our business objectives. The ideal candidate is expected to have over 15 years of experience in R&D of intelligent industrial software solutions and extensive experience in R&D management and product strategy.
 - **R&D Director:** We intend to recruit four, three and three R&D Directors in 2026, 2027, and 2028, respectively, with roles focused on (i) overseeing the R&D of a specific product line; (ii) formulating development plans; and (iii) leading multiple teams in delivering core technology modules. The ideal candidate is expected to have expertise in a specific domain with ten to 15 years of experience in R&D of intelligent industrial software solutions and proven team leadership experience.
 - **R&D Supervisor:** We intend to recruit nine, 11 and 12 R&D Supervisors in 2026, 2027 and 2028, respectively, with roles focused on (i) leading a specific team to complete the design, development, and testing of designated products and (ii) resolving technical challenges. The ideal candidate shall be proficient in C++, Python, or Java, familiar with intelligent industrial software standards and architecture, and have five to ten years of experience in R&D of intelligent industrial software solutions.
 - **R&D Specialist:** We intend to recruit 14, 17 and 18 R&D Specialists in 2026, 2027 and 2028, respectively, with roles focused on (i) implementing assigned functions, algorithms, coding, and unit testing and (ii) fixing defects and ensuring code quality. The ideal candidate is expected to have a degree in computer science or software engineering and experience in C++, Python, or Java, with less than five years of experience in R&D of intelligent industrial software solutions.
- approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for AI-related R&D initiatives. We plan to continuously optimize and upgrade critical components of our AI capabilities, including “AI YMS,” “AI RPA,” “AI FDC” and “AI APS.” These efforts are aimed at accelerating the digital and intelligent transformation of manufacturing and building a fully automated intelligent factory capable of autonomous decision-making;
- approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED] million, will be used for potential strategic investments and acquisition in the next three years to achieve our long-term growth strategies.

We plan to allocate the [REDACTED] with discipline and strategic intent, focusing on investments and acquisitions that reinforce our competitive strengths and expand our product ecosystem. We evaluate potential targets across multiple dimensions, including technological capabilities, business alignment, financial performance, talent, sales network and team culture. Among these dimensions, we place special focus on the synergies arising from the acquisitions of potential targets and the overall alignment with our business development strategy, including (i) product and technology synergy that supports upgrades to existing product offerings, expands our product matrix, and enables delivery of full lifecycle solutions, (ii) market and customer alignment that

FUTURE PLANS AND USE OF [REDACTED]

facilitates expansion into operation management softwares and adjacent non-semiconductor sectors, and (iii) management and talent synergy that strengthens our competitiveness through the acquisition of experienced management teams and professionals of the potential targets. We aim to identify companies that complement our existing offerings and enable us to enhance our product matrix and solution coverage, while deepening our presence across end-user industries. Our strategic focus includes acquiring companies across four key areas: (i) intelligent manufacturing software solutions, (ii) research and design software, (iii) operations management software solutions, and (iv) semiconductor industrial control hardware.

According to CIC, our investment criteria are generally in line with common industry practices and the market offers a sufficient pool of over 1,000 suitable targets to support our expansion strategy. We expect to implement our investment and acquisition plans in the next three years. As of the Latest Practicable Date, we had not proposed investing in any specific acquisition target nor had we identified any specific targets for the use of [REDACTED] from the [REDACTED]. As a result of such plans, in the short term, we may have net cash outflow in investing activities and increased goodwill. In the long term, we believe such impact will be absorbed by our growth, as such plans will allow us to strengthen our technical and R&D capabilities and realize synergies from business integration and cooperation, so as to drive revenue growth and margin expansion;

- approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for enhancing our delivery capabilities and commercialization efforts. Specifically, we plan to establish new delivery centers in Mainland China and overseas, with the dual objective of optimizing and expanding our current delivery center network and enhancing the capabilities of our application teams. In particular, within the next three years starting from 2026, we plan to establish two new delivery centers in Mainland China. This includes increasing the size of our application workforce by recruiting an aggregate of 371 application personnel at various levels over the next three years and raising budget allocations for travel and office leasing.

Our plan for the recruitment of application personnel is set out below:

- **Application Vice President:** We intend to recruit one Application Vice President by 2027, with roles focused on (i) formulating the delivery strategy of our product offerings, (ii) building our delivery system and coordinating internal resources, and (iii) assessing the final outcomes of project implementation. The ideal candidate is expected to have over 15 years of experience in the delivery and management of intelligent industrial software solutions and proficiency in intelligent manufacturing business processes.
- **Application Director:** We intend to recruit seven, ten and nine Application Directors in 2026, 2027 and 2028, respectively, with roles focused on (i) managing intelligent industrial software project portfolios for regional or major clients, (ii) leading project teams throughout the process from blueprint planning to project acceptance, and (iii) controlling project costs and risks. The ideal candidate is expected to have ten to 15 years of experience in the delivery and management of intelligent industrial software solutions, with strong command of project management methodologies and deep industry knowledge.
- **Application Supervisor:** We intend to recruit 35, 37 and 44 Application Supervisors in 2026, 2027 and 2028, respectively, with roles focused on (i) leading the implementation of specific intelligent industrial software solutions and (ii) conducting on-site research, solution design, system configuration, user training, and problem resolution. The ideal candidate is

FUTURE PLANS AND USE OF [REDACTED]

expected to have five to ten years of experience in the delivery and management of intelligent industrial software solutions, with expertise in at least one mainstream industrial software system and its related business domain.

- **Application Specialist:** We intend to recruit 66, 76 and 86 Application Specialists in 2026, 2027 and 2028, respectively, with roles focused on (i) executing assigned tasks, including data collection and cleansing, basic functionality testing, and preparation of operation manuals, and (ii) providing on-site operational support. The ideal candidate is expected to have less than five years of experience in the delivery and management of intelligent industrial software solutions, with an academic background in engineering or computer science and proficiency in software operation.

The new delivery centers are expected to address our current limitations in service responsiveness, high cross-regional delivery costs and insufficient application personnel, which have become more pronounced as our intelligent manufacturing software solutions business continues to grow. These initiatives are intended to support the steady growth of our intelligent industrial software solutions business, shorten delivery cycles, reduce operating costs and strengthen our core competitiveness. We also plan to enhance our global regional sales center network by establishing sales centers in Mainland China within the next three years starting from 2026 and evaluating the possibility of establishing overseas sales centers in the future based on our strategic needs. This initiative includes expanding our sales and marketing team by recruiting an aggregate of 28 sales and marketing personnel at various levels over the next three years, and enhancing our customer engagement.

Our plan for the recruitment of sales and marketing personnel is set out below:

- **Sales and Marketing Vice President:** We intend to recruit one Sales and Marketing Vice President by 2027, with roles focused on the overall marketing strategy and long-term brand building and management. The ideal candidate is expected to have over 15 years of experience in the sales and marketing of intelligent industrial software solutions, with a deep understanding of the industry as well as broad commercial and financial knowledge.
- **Sales and Marketing Director:** We intend to recruit four, four and five Sales and Marketing Directors in 2026, 2027 and 2028, respectively, with roles focused on (i) executing designated sales and marketing strategies and (ii) managing regional teams within assigned territories. The ideal candidate is expected to have ten to 15 years of experience in the sales and marketing of intelligent industrial software solutions, with the ability to translate macro strategies into specific industry marketing campaigns and proficiency in data-driven marketing strategies.
- **Sales and Marketing Supervisor:** We intend to recruit three, three and four Sales and Marketing Supervisors in 2026, 2027 and 2028, respectively, with roles focused on leading regional teams to accomplish marketing tasks and execute marketing initiatives. The ideal candidate is expected to have five to ten years of experience in the sales and marketing of intelligent industrial software solutions, with experience in team leadership or project management being preferred.

FUTURE PLANS AND USE OF [REDACTED]

- **Sales and Marketing Specialist:** We intend to recruit one, two and one Sales and Marketing Specialists in 2026, 2027 and 2028, respectively, with roles focused on implementing and executing fundamental marketing tasks. The ideal candidate is expected to have less than five years of experience in the sales and marketing of intelligent industrial software solutions, with strong external communication skills.

As our business continues to expand, establishing new regional sales centers is essential to support our long-term growth strategy, strengthen our brand influence, and provide timely technical communication, delivery and follow-up services to our regional customers. These efforts are aimed at strengthening our presence, improving customer responsiveness and supporting the continued growth of our global business operations; and

- approximately [REDACTED]% of the net [REDACTED] from the [REDACTED], or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

The above [REDACTED] of the net [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed below or above the mid-point of the indicative [REDACTED] range. Any additional net [REDACTED] received from the exercise of the [REDACTED] will also be allocated to the above purposes on a pro rata basis. In the event that the [REDACTED] is exercised in full, we will receive net [REDACTED] of HK\$[REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of our indicative [REDACTED] range).

To the extent that the net [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will deposit the unused net [REDACTED] into short-term interest-bearing accounts with licensed banks and/or other authorized financial institutions (as defined under the SFO or the applicable laws and regulations in other jurisdictions).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

[To insert the firm’s letterhead].

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SEMI-TECH GROUP CO., LTD., AND HAITONG INTERNATIONAL CAPITAL LIMITED.

Introduction

We report on the historical financial information of Semi-Tech Group Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [●] to [●], which comprises the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages [●] to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the initial [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the [REDACTED] of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [●] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants

Hong Kong

[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

I. HISTORICAL FINANCIAL INFORMATION

PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the years ended 31 December 2023, 2024 and 2025, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
REVENUE	5	286,772	499,692	731,496
Cost of sales		(160,685)	(301,885)	(471,265)
Gross profit		126,087	197,807	260,231
Other income, gains and losses, net	6	32,986	41,311	36,062
Selling and marketing expenses		(27,564)	(35,927)	(51,217)
Administrative expenses		(53,804)	(61,178)	(87,343)
Research and development expenses		(52,944)	(60,105)	(81,670)
Other expenses	8	(327)	(10,333)	(281)
Finance costs	9	(292)	(1,415)	(2,246)
Impairment losses on financial assets, net		(849)	(176)	(5,987)
Impairment losses on contract assets, net		(64)	(193)	(79)
Share of profits of associates		–	2,032	4,899
PROFIT BEFORE TAX	7	23,229	71,823	72,369
Income tax credit	12	1,336	2,009	398
PROFIT FOR THE YEAR		24,565	73,832	72,767
OTHER COMPREHENSIVE INCOME/(LOSS)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of foreign operations		24	(346)	1,547
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		24	(346)	1,547

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ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Equity investments designated at fair value through other comprehensive income:				
Changes in fair value		—	154	(5,723)
Income tax effect		—	(23)	858
		—	131	(4,865)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		—	131	(4,865)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		24	(215)	(3,318)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		24,589	73,617	69,449
Profit attributable to:				
Owners of the parent.		25,499	71,937	69,588
Non-controlling interests		(934)	1,895	3,179
		24,565	73,832	72,767
Total comprehensive income attributable to:				
Owners of the parent.		25,523	71,722	66,270
Non-controlling interests		(934)	1,895	3,179
		24,589	73,617	69,449
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic (RMB)	14	0.07	0.19	0.18
Diluted (RMB)		0.07	0.19	0.18

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	15	8,539	13,108	181,683
Right-of-use assets	16	16,663	10,475	102,534
Goodwill	17	208,524	253,279	311,010
Other intangible assets	18	12,129	73,429	71,391
Investment in associates	19	–	74,700	79,599
Other financial assets at amortised cost	20	–	311,954	82,653
Financial assets at fair value through profit and loss	26	–	20,154	140,950
Equity investments designated at fair value through other comprehensive income	21	9,106	10,000	4,277
Deferred tax assets	33	14,884	17,262	18,668
Total non-current assets		269,845	784,361	992,765
CURRENT ASSETS				
Inventories	22	159,077	101,807	76,769
Trade and bills receivables	23	81,434	199,153	339,164
Contract assets	24	9,014	15,187	25,371
Other financial assets at amortised cost	20	–	298,717	449,890
Time deposits	27	–	–	280,020
Prepayments, other receivables and other assets	25	72,088	25,934	41,060
Financial assets at fair value through profit or loss	26	10,000	17,040	145,076
Restricted cash	27	779	30,295	13,559
Cash and cash equivalents	27	823,064	135,429	408,026
Total current assets		1,155,456	823,562	1,778,935
CURRENT LIABILITIES				
Trade and bills payables	28	21,237	70,836	192,716
Other payables and accruals	29	46,505	64,488	131,596
Contract liabilities	30	102,046	93,958	71,412
Interest-bearing bank and other borrowings	31	–	48,710	97,059
Lease liabilities	16	5,194	5,097	3,150
Tax payable		955	875	15
Provision	32	9,164	11,147	13,566
Total current liabilities		185,101	295,111	509,514
NET CURRENT ASSETS		970,355	528,451	1,269,421
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,240,200	1,312,812	2,262,186

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ACCOUNTANTS’ REPORT

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Other payables and accruals	29	—	—	8,076
Interest-bearing bank and other borrowings	31	—	—	89,466
Lease liabilities	16	12,022	5,974	2,746
Deferred tax liabilities	33	903	880	843
Total non-current liabilities		12,925	6,854	101,131
Net assets		1,227,275	1,305,958	2,161,055
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/share capital	34	375,479	375,479	429,666
Reserves	36	843,567	920,188	1,715,304
		1,219,046	1,295,667	2,144,970
Non-controlling interests		8,229	10,291	16,085
Total equity		1,227,275	1,305,958	2,161,055

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Attributable to owners of the parent									
	Paid-in capital/Share capital (note 34)	Capital reserve (note 36)	Share- based payment reserve (note 35)	Other reserve	Exchange fluctuation reserve	Accumulated loss	Total	Non- controlling interests	Total equity
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	12,155	919,053	72,466	46,449	598	(170,525)	880,196	46,032	926,228
Profit/(loss) for the year	—	—	—	—	—	25,499	25,499	(934)	24,565
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	—	—	—	—	24	—	24	—	24
Total comprehensive income for the year	—	—	—	—	24	25,499	25,523	(934)	24,589
Capital injection from shareholders . 34	4,222	372,918	—	—	—	—	377,140	7,350	384,490
Capital conversion from capital reserve	359,102	(359,102)	—	—	—	—	—	—	—
Conversion to a joint stock company	—	(36,236)	—	—	—	36,236	—	—	—
Share-based payment expenses 35	—	—	1,450	—	—	—	1,450	—	1,450
Acquisition of non-controlling interests	—	—	—	(65,263)	—	—	(65,263)	(44,219)	(109,482)
At 31 December 2023	375,479	896,633*	73,916*	(18,814)*	622*	(108,790)*	1,219,046	8,229	1,227,275

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Attributable to owners of the parent										
			Share-based payment reserve (note 35)	Other reserve	Fair value reserve of equity investments designated at fair value through other comprehensive income	Exchange fluctuation reserve	Accumulated loss	Total	Non- controlling interests	Total equity
Notes	Share capital (note 34)	Capital reserve (note 36)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	375,479	896,633	73,916	(18,814)	—	622	(108,790)	1,219,046	8,229	1,227,275
Profit for the year	—	—	—	—	—	—	71,937	71,937	1,895	73,832
Other comprehensive income/(loss) for the year:										
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax . .	—	—	—	—	131	—	—	131	—	131
Exchange differences on translation of foreign operations . .	—	—	—	—	—	(346)	—	(346)	—	(346)
Total comprehensive income for the year .	—	—	—	—	131	(346)	71,937	71,722	1,895	73,617
Acquisition of subsidiaries	37	—	—	—	—	—	—	—	6,141	6,141
Disposal of subsidiaries	38	—	—	—	—	—	—	—	(5,974)	(5,974)
Share-based payment expenses	35	—	4,899	—	—	—	—	4,899	—	4,899
At 31 December 2024 .	375,479	896,633*	78,815*	(18,814)*	131*	276*	(36,853)*	1,295,667	10,291	1,305,958

* These reserve accounts comprise the consolidated reserves of RMB843,567,000 and RMB920,188,000 and RMB1,715,304,000 as at 31 December 2023, 2024 and 2025, respectively.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	7	23,229	71,823	72,369
Adjustments for:				
Finance costs	9	292	1,415	2,246
Share of profits and losses of associates		–	(2,032)	(4,899)
Interest and investment income	6	(15,405)	(17,114)	(12,856)
Depreciation of property, plant and equipment. . .	15	3,145	4,643	5,200
Depreciation of right-of-use assets	16	3,657	5,094	4,835
Amortisation of intangible assets	18	986	4,551	8,277
Loss on disposal of subsidiaries	6	–	98	–
Gain on lease modification/termination.	6	(3)	(171)	(60)
Loss on disposal of property, plant and equipment	6	10	1	1
Gain on disposal of financial assets at fair value through profit or loss (“FVTPL”)	6	(2,512)	–	–
Fair value gains on financial assets at FVTPL . . .	6	–	(7,040)	(3,831)
Share-based payment expenses	35	1,450	4,899	3,577
Impairment losses on contract assets, net	24	64	193	79
Impairment losses on inventory, net		8,596	231	1,175
Impairment losses on financial assets, net.	7	849	176	5,987
(Increase)/decrease in inventories.		(89,018)	27,485	31,224
Increase in trade and bills receivables		(47,135)	(94,065)	(132,699)
Increase in contract assets.		(8,045)	(5,942)	(10,263)
(Increase)/decrease in prepayments, other receivables and other assets		(23,200)	18,990	(3,598)
Increase in trade and bills payables		10,631	39,324	116,479
Increase/(Decrease) in contract liabilities		18,312	(8,088)	(22,546)
Increase/(Decrease) in other payables and accruals.		10,193	16,407	(16,438)
Decrease/(increase) in restricted cash		1,909	(29,517)	16,736
Increase in provision		3,667	1,983	2,419
Cash generated (used in)/from operations		(98,328)	33,344	63,414
Interest received		11,865	8,356	1,827
Income tax paid		(1,800)	(355)	(42)
Net cash flows (used in)/from operating activities		(88,263)	41,345	65,199
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income on financial assets at FVTPL .	6	3,540	3,925	407
Investment income from other financial assets at amortised cost		–	–	2,454
Purchase of items of property, plant and equipment		(6,730)	(9,011)	(139,807)
Purchase of land use right	16	–	–	(99,010)
Purchase of intangible assets.		(6,480)	(56,418)	(4,719)
Proceeds from disposal of items of property, plant and equipment		1	200	–
Purchases of other financial assets at amortised cost		–	(605,828)	(511,355)

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ACCOUNTANTS’ REPORT

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Proceeds from disposal of other financial assets at amortised cost		–	–	597,631
Purchases of equity investments designated at fair value through other comprehensive income		(9,106)	(10,000)	–
Purchases of financial assets at fair value through profit or loss		(949,100)	(994,946)	(778,000)
Proceeds from maturity of financial assets at fair value through profit or loss		968,708	997,863	533,000
Purchases of time deposits		–	–	(280,000)
Investments in associates	19	–	(72,668)	–
Disposal of subsidiaries	38	–	5,921	–
Net cash payments with respect to the acquisition of subsidiaries	37	(64,563)	(18,073)	(20,472)
Net cash payments with respect to the acquisition of business	37	–	–	(16,574)
Repayment of loans to a related party		3,542	–	–
Net cash flows used in investing activities		(60,188)	(759,035)	(716,445)
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital injection from shareholders		383,149	–	805,140
Share [REDACTED] expenses		[REDACTED]	–	–
Prepayments of [REDACTED] expenses		–	–	[REDACTED]
Contributions from non-controlling interests		–	4,900	2,000
New bank borrowings	31	–	52,210	186,525
Repayment of bank borrowings	31	–	(20,500)	(58,510)
Lease payments	16	(3,459)	(5,481)	(5,096)
Acquisition of non-controlling interests		(117,612)	–	–
Interests paid		–	(1,659)	(2,839)
Net cash flows from financing activities		256,069	29,470	923,925
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		107,618	(688,220)	272,679
Cash and cash equivalents at the beginning of the year		715,285	823,064	135,429
Effect of foreign exchange rate changes, net		161	585	(82)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	27	823,064	135,429	408,026
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	27	818,810	122,512	362,394
Non-pledged time deposits with original maturity of less than three months when acquired		4,254	12,917	45,632
Cash and cash equivalents as stated in the consolidated statement of financial position and in the consolidated statement cash flows	27	823,064	135,429	408,026

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	15	3,688	9,591	145,252
Right-of-use assets	16	12,774	6,281	100,878
Other intangible assets	18	6,291	42,816	42,998
Investments in subsidiaries	41	623,336	869,504	1,032,015
Investments in associates	19	—	74,700	79,599
Equity investments designated at fair value through other comprehensive income	21	9,106	10,000	4,277
Other financial assets at amortised cost	20	—	301,454	31,294
Financial assets at fair value through profit and loss	26	—	20,154	40,950
Deferred tax assets	33	4,710	4,239	1,440
Total non-current assets		659,905	1,338,739	1,478,703
CURRENT ASSETS				
Inventories	22	53,096	25,511	17,154
Trade and bills receivables	23	37,616	76,695	197,912
Contract assets	24	4,926	8,383	15,081
Prepayments, other receivables and other assets	25	107,977	70,581	179,889
Financial assets at fair value through profit or loss	26	10,000	17,040	95,024
Other financial assets at amortised cost	20	—	257,300	439,081
Time deposits	27	—	—	280,020
Restricted cash	27	605	10,687	1,438
Cash and cash equivalents	27	733,614	69,688	336,503
Total current assets		947,834	535,885	1,562,102
CURRENT LIABILITIES				
Trade and bills payables	28	64,904	94,174	245,638
Other payables and accruals	29	174,024	363,174	485,559
Interest-bearing bank and other borrowings	31	—	46,542	28,441
Contract liabilities	30	44,314	26,021	20,047
Lease liabilities	16	3,497	2,103	2,132
Provision	32	4,519	3,575	5,037
Total current liabilities		291,258	535,589	786,854
NET CURRENT ASSETS		656,576	296	775,248
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,316,481	1,339,035	2,253,951

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		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Interest-bearing bank and other				
borrowings	31	—	—	89,466
Lease liabilities	16	9,682	4,706	2,189
Total non-current liabilities		9,682	4,706	91,655
Net assets		1,306,799	1,334,329	2,162,296
EQUITY				
Share capital	34	375,479	375,479	429,666
Reserves	36	931,320	958,850	1,732,630
Total equity		1,306,799	1,334,329	2,162,296

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ACCOUNTANTS’ REPORT

II. NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Semi-Tech Group Co., Ltd. (the “Company”) is a limited liability company registered in the People’s Republic of China (the “PRC”). The registered address of the Company is No. 7001, Zhongchun Road, Minhang District, Shanghai, the People’s Republic of China.

The Company and its subsidiaries (collectively, the “Group”) mainly provide intelligent industry manufacturing and operations management software solutions.

On 16 March 2023, the Company was converted to a joint stock limited liability company, and a total of 12,154,831 ordinary shares with a par value of RMB1.00 each were issued and subscribed by all the then Shareholders in proportion to their respective equity interests in the Company before the conversion.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. The particulars of which are as follows:

English name	Chinese name	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities	Notes
				Direct	Indirect		
Semi-Tech Technology Co., Ltd.*	賽美特科技有限公司	PRC/Mainland China 18 December 2020	RMB200,000,000	100%	–	Provision of industry intelligence solutions	(a)
Guyao Software Technology (Suzhou) Co., Ltd.*	固耀軟件科技(蘇州)有限公司	PRC/Mainland China 1 November 2010	RMB1,288,928	–	100%	Provision of industry intelligence solutions	(l)
Semi Integration (S) Pte. Ltd.	–	Singapore 14 September 1999	Singapore dollar (“SGD”) 6,336,227	–	100%	Provision of industry intelligence solutions	(b), (o)
Semi Integration (M) SDN. BHD.	–	Malaysia 5 April 2005	Malaysian Ringgit (“MYR”) 255,000	–	100%	Provision of industry intelligence solutions	(c), (o)
Changsha Semi-Tech Technology Co., Ltd.***.	長沙賽美特科技有限公司	PRC/Mainland China 10 September 2024	RMB10,000,000	–	100%	Provision of industry intelligence solutions	(l)
Hainan Semi-Tech Technology Co., Ltd.**	海南賽美特科技有限公司	PRC/Mainland China 5 July 2022	RMB5,000,000	–	100%	Provision of industry intelligence solutions	(l)
Zhejiang Semi-Tech Software Technology Co., Ltd.*	浙江賽美特軟件科技有限公司	PRC/Mainland China 22 December 2022	RMB80,000,000	–	100%	Provision of industry intelligence solutions	(l)
Beijing Semi-Tech Cloud Software Technology Co., Ltd.*	北京賽美特雲軟件技術有限公司	PRC/Mainland China 7 March 2022	RMB2,000,000	–	100%	Provision of industry intelligence solutions	(l)
Chongqing Semi-Tech Information Technology Co., Ltd.***.	重慶賽美特信息技術有限公司	PRC/Mainland China 24 June 2022	RMB5,000,000	–	100%	Provision of industry intelligence solutions	(l)
Hefei Semi-Tech Software Co., Ltd.*	合肥賽美特軟件有限公司	PRC/Mainland China 29 December 2022	RMB1,000,000	–	100%	Provision of industry intelligence solutions	(l)
Dalian Semi-Tech Technology Co., Ltd.***.	大連賽美特科技有限公司	PRC/Mainland China 25 April 2024	RMB10,000,000	–	100%	Provision of industry intelligence solutions	(l)
Suzhou Vida Data Technologies Co., Ltd.*	蘇州威達數據科技有限公司	PRC/Mainland China 31 October 2019	RMB5,000,000	–	100%	Provision of industry intelligence solutions	(g)
Wei Dao Data Technology (Xiamen) Co., Ltd.*	威導數據科技(廈門)有限公司	PRC/Mainland China 13 April 2021	RMB5,000,000	–	51%	Provision of industry intelligence solutions	(l)
Chengdu Semi-Tech Information Technology Co., Ltd.*	成都賽美特信息科技有限公司	PRC/Mainland China 6 April 2022	RMB130,000,000	100%	–	Provision of industry intelligence solutions	(d)

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English name	Chinese name	Place and date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities	Notes
				Direct	Indirect		
Shanghai Semi-Tech Information Technology Co., Ltd.*	上海賽美特信息科技有限公司	PRC/Mainland China 17 February 2022	RMB50,000,000	100%	–	Provision of industry intelligence solutions	(i)
Shanghai Foreverwin Electronic Information Technology Co., Ltd.*	上海吳聲電子信息技術有限公司	PRC/Mainland China 6 March 2006	RMB100,000,000	100%	–	Provision of industry intelligence solutions	(e)
Shanghai Bohui Information Technology Co., Ltd.***	上海渤慧信息科技有限公司	PRC/Mainland China 10 December 2021	RMB20,000,000	–	100%	Provision of industry intelligence solutions	(l)
Suzhou Shuling Information Technology Co., Ltd.***	蘇州數領信息技術有限公司	PRC/Mainland China 24 February 2022	RMB5,714,286	–	100%	Provision of industry intelligence solutions	(l)
Wei Cheng Information Technology (Shenzhen) Co., Ltd. (“Shenzhen Weicheng”)*****	威程信息科技(深圳)有限公司	PRC/Mainland China 1 September 2021	RMB4,383,674	–	34.08%	Provision of industry intelligence solutions	(l)
Suzhou Saiaote Technology Co., Ltd.***	蘇州賽澳特科技有限公司	PRC/Mainland China 30 March 2023	RMB5,000,000	–	51%	Provision of industry intelligence solutions	(l)
Shenzhen Semi-Tech Information Technology Co., Ltd.*	深圳市賽美特信息技術有限公司	PRC/Mainland China 3 June 2015	RMB50,000,000	100%	–	Provision of industry intelligence solutions	(f)
Beijing Zhiyang Tongda Technology Co., Ltd.*	北京智揚通達科技有限公司	PRC/Mainland China 16 January 2014	RMB100,000,000	100%	–	Provision of industry intelligence solutions	(h)
Shanghai Saixinli Semiconductor Technology Co., Ltd.***	上海賽芯立半導體科技有限公司	PRC/Mainland China 3 April 2023	RMB10,000,000	51%	–	Provision of industry intelligence solutions	(j)
Hangzhou Yin Hu Guan Tian Smart Technology Co., Ltd.*	杭州銀湖冠天智能科技有限公司	PRC/Mainland China 25 April 2019	RMB12,640,000	50.1%	–	Provision of industry intelligence solutions	(k)
SEMI-TECH LIMITED (Hong Kong)	–	Hong Kong 14 March 2024	Hong Kong Dollar (“HKD”) 10,000	–	100%	Provision of industry intelligence solutions	(n), (o)
SEMI INTEGRATION (Japan)	–	Japan 28 May 2024	Japanese Yen (“JPY”) 10,000,000	–	100%	Provision of industry intelligence solutions	(l)
Beijing Huiliu Technology Co., Ltd.*	北京慧流科技有限公司	PRC/Mainland China 24 January 2018	RMB6,076,503	51%	–	Provision of industry intelligence solutions	(m)
Shanghai Saixindi Enterprise Management Partnership (Limited Partnership)*	上海賽新迪企業管理合夥企業(有限合夥)	PRC/Mainland China 11 June 2025	RMB201,000,000	100%*****	–	Provision of business management	(l)
Anhui Semi-Tech Information Technology Co., Ltd.*	安徽賽美特信息科技有限公司	PRC/Mainland China 15 August 2025	RMB80,000,000	–	100%	Provision of industry intelligence solutions	(l)

*: The English names of these subsidiaries registered in the PRC represent the best efforts made by the management of the Company to directly translate the Chinese names of these companies as no English names have been registered.

**: Hainan Semi-Tech Technology Co., Ltd. was deregistered in June 2023.

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***: Suzhou Saiate Technology Co., Ltd. (“Suzhou Saiate”) and Shanghai Saixinli Semiconductor Technology Co., Ltd. (“Shanghai Saixinli”) were disposed of in July 2024.

****: Shanghai Bohui Information Technology Co., Ltd. (“Shanghai Bohui”) and Suzhou Shuling Information Technology Co., Ltd. (“Suzhou Shuling”) were deregistered in January 2025. Dalian Semi-Tech Technology Co., Ltd. was deregistered in 16 July 2025. Changsha Semi-Tech Technology Co., Ltd. was deregistered in 26 August 2025. Chongqing Semi-Tech Information Technology Co., Ltd. was deregistered in 14 November 2025.

*****: Due to the joint action agreement signed with Shanghai Weijucheng Enterprise Management Partnership (Limited Partnership), the group exercises control and therefore includes the entity within the consolidated financial statements.

*****: The percentage of equity attributable to the Company in Shanghai Saixindi Enterprise Management Partnership (Limited Partnership) is based on the paid-in capital ratio.

Notes:

- (a) The statutory financial statements of Semi-Tech Technology Co., Ltd. for the years ended 31 December 2023 prepared in accordance with PRC Generally Accepted Accounting Principles (“PRC GAAP”) and regulations have been audited by Guizhou Zhirong Dianshi Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

The statutory financial statements of Semi-Tech Technology Co., Ltd. for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (b) The statutory financial statements of Semi Integration (S) Pte. Ltd. for the years ended 31 December 2023 and 2024 prepared in accordance with IFRS Accounting Standards have been audited by Capstone CA LLP, a certified public accounting firm registered in Singapore.

- (c) The statutory financial statements of Semi Integration (M) SDN. BHD. for the years ended 31 December 2023 and 2024 prepared in accordance with IFRS Accounting Standards have been audited by Messrs W.K.Lee & Co. Chartered Accountants, a certified public accounting firm registered in Malaysia.

- (d) The statutory financial statements of Chengdu Semi-Tech Information Technology Co., Ltd. (“Chengdu Semi-Tech”) for the year ended 31 December 2023 and 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (e) The statutory financial statements of Shanghai Foreverwin Electronic Information Technology Co., Ltd. (“Shanghai Foreverwin”) for the year ended 31 December 2023 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Zhicheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

The statutory financial statements of Shanghai Foreverwin for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (f) The statutory financial statements of Shenzhen Semi-Tech Information Technology Co., Ltd. (“Shenzhen Semi-Tech”) for the years ended 31 December 2023 prepared in accordance with PRC GAAP and regulations have been audited by Dongshen Dingli International Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

The statutory financial statements of Shenzhen Semi-Tech for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (g) The statutory financial statements of Suzhou Vida Data Technologies Co., Ltd. (“Suzhou Vida”) for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Yinghe Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (h) The statutory financial statements of Beijing Zhiyang Tongda Technology Co., Ltd. (“Beijing Zhi Yang”) for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Yiheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (i) The statutory financial statements of Shanghai Semi-Tech Information Technology Co., Ltd. for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

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No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (j) The statutory financial statements of Shanghai Saixinli Semiconductor Technology Co., Ltd. for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Xinyong Zhonghe Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.
- (k) The statutory financial statements of Hangzhou Yin Hu Guan Tian Smart Technology Co., Ltd. (“Hangzhou Guan Tian”) for the year ended 31 December 2024 prepared in accordance with PRC GAAP and regulations have been audited by Shanghai Xuancheng Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.

No audited financial statements have been prepared and issued for the subsidiary for the year ended 31 December 2025.

- (l) No audited financial statements have been prepared and issued for these entities for the years ended 31 December 2023, 2024 and 2025, as these subsidiaries were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.
- (m) The statutory financial statements of Beijing Huiliu Technology Co., Ltd. (“Beijing Huiliu”) for the year ended 31 December 2025 prepared in accordance with PRC GAAP and regulations have been audited by Beijing Gongda Certified Public Accountants (General Partnership), a certified public accounting firm registered in the PRC.
- (n) The statutory financial statements of SEMI-TECH LIMITED (Hong Kong) for the year ended 31 December 2024 prepared in accordance with HKFRS Accounting Standards have been audited by CHU SAU WAI, a certified public accountant (Pactising) registered in Hong Kong.
- (o) The audit of the financial statements of these entities for the year ended 31 December 2025 has not yet completed.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Issued but not yet effective HKFRS Accounting Standards

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual/reporting periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. Except for HKFRS 18, the Group considers that these standards will not have a significant impact on the Group’s financial performance and financial position.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. HKFRS 18 is not expected to have any significant impact on the Group’s financial position and performance and the Group will continue to analyse the new requirements and assess the impact of HKFRS 18 on the presentation and disclosure of the Group’s financial information.

2.3 Material accounting policies

Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group’s investments in associates are stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group’s share of the post-acquisition results and other comprehensive income of associates is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group’s investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group’s investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group’s previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures certain financial assets at fair value through profit or loss and equity investments designated at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories, contract assets and deferred tax assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);

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- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Categories	Estimated useful lives	Annual rates
Furniture and fixtures	3-5 years	19.00% to 31.67%
Buildings	20 years	4.75%
Electronic equipment	3-8 years	11.88% to 33.33%
Motor vehicles	4-5 years	19.00% to 23.75%
Leasehold improvements	Over the shorter of the lease terms and 3-5 years	Over the shorter of the lease terms and 20.00% to 33.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

Membership interests

Purchased membership interests are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful life of 20 years.

Research and development expenses

All research expenses are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

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Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Land use right.	50 years
Buildings.	1.25 to 4.75 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office properties and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within

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a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group consider that there has been a significant increase in credit risk when contractual payments are significantly past due. The Group consider a financial asset to be in default, when internal or external information indicates that the Group is unlikely to reserve the outstanding contractual amounts in full before taking into account any credit enhancement held by the Group.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience for most of its trade receivables and assessed probability of default for trade receivables with other reasonable and supportable information, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as, financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade payables, financial liabilities included in other payables and accruals and interest-bearing bank and other borrowings.

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Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables)

After initial recognition, trade and other payables, are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain license products and hardware products. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

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Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

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The Group’s revenue is primarily derived from operations management software solutions, intelligent manufacturing software solutions, and others.

- Intelligent manufacturing software solutions

Revenue from intelligent manufacturing software solutions consists of the integrated services that including software system Sales, technical services and maintenance services.

- Operations management software solutions

Revenue from operations management software solutions refers to the provision of solutions services that help customers streamline their core business processes-including finance, human resources, manufacturing, supply chain, sales, and procurement.

- Others

Revenue from others consists of the procurement, refurbishment, and resale of semiconductor equipment (including lithography machines, and etching machines). The performance obligation is satisfied when the customers accept the products and the revenue is recognised at a point in time.

For intelligent manufacturing software solutions and operations management software solutions, the Group provides multiple deliverables to customers, including the design of solutions, delivery of products and software. They are accounted for as a single performance obligation because the Group provides integrated products and solutions.

The revenue of integrated products and solutions is recognised at a point in time when the customers accept the products and solutions after the installation is complete or when the customers obtain the control of the products and solutions if no installation is required.

The revenue of technical personnel support services and maintenance services is recognised over time, because the customers simultaneously receive and consume the services provided by the Group over the period. The performance obligation is satisfied over time with reference to the customers’ usage of services to the satisfaction of the performance obligation of the projects.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

For intelligent manufacturing software solutions and operations management software solutions, the Group provides multiple deliverables to customers, including the design of solutions, delivery of products and software, and installation of products and software. They are accounted for as a single performance obligation because the Group provides integrated products and solutions.

Contract liabilities

A contract liability is recognised when a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract fulfillment costs

Other than the costs which are capitalised as property, plant and equipment, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) The costs are expected to be recovered.

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The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Group operates share award and option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined with reference to recent transaction prices of the Company’s shares, together with a hybrid approach to allocate equity value to different classes of equity, further details of which are given in note 35 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in share-based payment expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not considered when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These group entities are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group has no further obligations beyond the contributions made.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in the Historical Financial Information. The Group will adjust the amounts recognised in the Historical Financial Information to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in the Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

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Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

These financial statements are presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details are contained in note 33.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2023, 2024 and 2025 were RMB208,524,000, RMB253,279,000 and RMB311,010,000, respectively. Further details are given in note 17 to the Historical Financial Information.

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Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the healthcare sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of probability of default and the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future.

The information about the ECLs on the Group’s trade receivables and contract assets is disclosed in notes 23 and 24 to the Historical Financial Information, respectively.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are set out in notes 15, 16 and 18 to the Historical Financial Information, respectively.

Fair value of unlisted equity investments

Certain unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 45 to the Historical Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 2 and Level 3. The fair values of such unlisted equity investment at 31 December 2023, 2024 and 31 December 2025 were RMB19,106,000, RMB47,194,000 and RMB145,227,000. Further details are included in note 21 and 26 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) the intelligent manufacturing software solutions segment provides integrated services to customers including software system sales, technical services and maintenance services;
- (b) the operations management software solutions segment provides solutions services to customers to streamline their core business processes-including finance, human resources, manufacturing, supply chain, sales, and procurement; and
- (c) the “Others” segment engages in the business related to the procurement, refurbishment, and resale of semiconductor equipment (including lithography machines, and etching machines).

Management monitors the results of the Group’s operating segments separately for the purpose of facilitating decision-making process of resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is their gross profit/loss amount.

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Year ended 31 December 2023

	Intelligent manufacturing software solutions	Operations management software solutions	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue (note 5)				
Sales to external customers	254,017	29,215	3,540	286,772
Segment results (equivalent to gross profit)	<u>115,056</u>	<u>9,010</u>	<u>2,021</u>	<u>126,087</u>

Year ended 31 December 2024

	Intelligent manufacturing software solutions	Operations management software solutions	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue (note 5)				
Sales to external customers	372,919	101,134	25,639	499,692
Segment results (equivalent to gross profit)	<u>166,131</u>	<u>28,228</u>	<u>3,448</u>	<u>197,807</u>

Year ended 31 December 2025

	Intelligent manufacturing software solutions	Operations management software solutions	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue (note 5)				
Sales to external customers	437,012	294,484	–	731,496
Segment results (equivalent to gross profit)	<u>189,558</u>	<u>70,673</u>	<u>–</u>	<u>260,231</u>

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mainland China	265,161	474,729	719,329
Other countries/regions	21,611	24,963	12,167
Total revenue	<u>286,772</u>	<u>499,692</u>	<u>731,496</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Mainland China	245,281	399,066	722,416
Other countries/regions	574	25,925	23,801
Total non-current assets	<u>245,855</u>	<u>424,991</u>	<u>746,217</u>

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

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ACCOUNTANTS’ REPORT

Information about major customers

During the Relevant Periods, revenue from transactions with single external customers (including entities under common control with those customers) accumulating to 10% or more of the Group’s revenues are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Customer A	*	53,904	*
Customer B	33,025	*	*
Customer C	*	*	73,718
Total	<u>33,025</u>	<u>53,904</u>	<u>73,718</u>

* The revenues from transactions with the customer were less than 10% of the Group’s revenues in the indicated year.

5. REVENUE

(a) Disaggregated information of revenue from contracts with customers

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
<i>Type of goods or services</i>			
Intelligent manufacturing software solutions	254,017	372,919	437,012
Operations management software solutions	29,215	101,134	294,484
Others	3,540	25,639	—
Total	<u>286,772</u>	<u>499,692</u>	<u>731,496</u>
<i>Geographical markets</i>			
Mainland China	265,161	474,729	719,329
Other countries/regions	21,611	24,963	12,167
Total	<u>286,772</u>	<u>499,692</u>	<u>731,496</u>
<i>Timing of revenue recognition</i>			
Transferred at a point in time	252,319	410,819	478,943
Transferred over time	34,453	88,873	252,553
Total	<u>286,772</u>	<u>499,692</u>	<u>731,496</u>

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of the respective period:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Intelligent manufacturing software solutions	58,878	85,184	80,383
Others	—	6,300	—
Total	<u>58,878</u>	<u>91,484</u>	<u>80,383</u>

(b) Performance obligations

Information about the Group’s performance obligations is summarised below:

Intelligent manufacturing software solutions and operations management software solutions

The performance obligation is satisfied when the customers accept or obtain the control of the products and solutions when the services are conducted over time. The payment is generally due within 30 to 180 days upon acceptance from or contact passed to the customers, and within 30 to 180 days upon rendering of services, except for new customers, when payment in advance is normally required.

Others

The performance obligation is satisfied when the customers accept the products and payment is generally due within 7 to 300 days upon acceptance from the customers.

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The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts expected to be recognised as revenue: . . .			
Within 1 year	91,484	83,518	59,559
After 1 year	10,562	10,440	11,853
Total	<u>102,046</u>	<u>93,958</u>	<u>71,412</u>

The majority of the amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The Group do not have variable consideration which is constrained.

6. OTHER INCOME, GAINS AND LOSSES, NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<u>Other income</u>			
Interest income	11,865	8,356	1,827
Investment income from financial assets at fair value through profit or loss	3,540	3,925	407
Investment income of other financial assets at amortised cost	—	4,833	10,602
Investment income of time deposits	—	—	20
Government grants*	9,335	9,608	13,616
Value-added tax refund	5,778	6,706	5,977
Exchange differences, net	(282)	215	(1,071)
Others	299	556	794
Total other income	<u>30,535</u>	<u>34,199</u>	<u>32,172</u>
<u>Gains and losses</u>			
Loss on disposal of a subsidiary	—	(98)	—
Loss on disposal of items of property, plant and equipment	(10)	(1)	(1)
Gain on lease modification/termination, net	3	171	60
Fair value gains on financial assets at FVTPL	—	7,040	3,831
Gain on disposal of financial assets at FVTPL	2,512	—	—
Others	(54)	—	—
Total gains and losses	<u>2,451</u>	<u>7,112</u>	<u>3,890</u>
Total other income, gains and losses, net	<u>32,986</u>	<u>41,311</u>	<u>36,062</u>

* Various government grants were mainly attributable to the Group’s development of industries and research projects. There were no unfulfilled conditions relating to these grants.

7. PROFIT BEFORE TAX

The Group’s profit before tax from continuing operations is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold and services provided		160,685	301,885	471,265
Depreciation of property, plant and equipment	15	3,145	4,643	5,200
Depreciation of right-of-use assets	16	3,657	5,094	4,835
Amortisation of other intangible assets (i)	18	986	4,551	8,277
Lease payments not included in the measurement of lease liabilities	16	6,222	7,718	8,894
Auditor’s remuneration		49	103	297
[REDACTED] expense		—	—	[REDACTED]
Employee benefit expense (excluding directors’, supervisors’ and chief executive’s remuneration):				

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	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Wages, salaries and allowances, social securities and benefits		183,570	222,829	257,824
Pension scheme contributions (defined contribution scheme) (ii)		7,609	11,005	13,727
Share-based payment expenses	35	1,450	4,839	3,551
Total employee benefit expense (i)		192,629	238,673	275,102
Impairment losses on trade receivables, net	23	555	525	5,896
Impairment losses on contract assets, net	24	64	193	79
Impairment losses/(reversal) on other receivables, net	25	294	(349)	91
Interest income	6	15,405	17,114	12,856

(i) These items are included in “Cost of sales”, “Selling and marketing expenses”, “Administrative expenses” and “Research and development expenses” in the consolidated statements of profit or loss and other comprehensive income.

(ii) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. OTHER EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Donations	250	9,650	–
Others	77	683	281
Total	327	10,333	281

9. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on lease liabilities	292	479	283
Interest on bank and other borrowings	–	936	1,728
Other finance costs	–	–	235
Total	292	1,415	2,246

10. DIRECTORS’, SUPERVISORS’ AND CHIEF EXECUTIVE’S REMUNERATION

The remuneration of directors*, supervisors** and chief executives for the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fees	24	300	270
Salaries, allowances and benefits in kind	1,806	1,653	1,697
Share-based payment expenses	–	60	26
Discretionary performance related bonuses	52	–	69
Pension scheme contributions	74	86	55
Total	1,956	2,099	2,117

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During the Relevant Periods certain directors were granted share options of the Company in respect of their services to the Group, under the share award and option schemes of the Group, further details of which are set out in note 35 to the Historical Financial Information. The fair value of such share options, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors’*, supervisors’** and chief executive’s remuneration disclosures.

(a) Independent directors*

The fees paid to independent directors* during the Relevant Periods were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Mr. Shen Hui	8	100	33
Mr. Pang Fengzheng	8	100	100
Mr. Ye Hangjun	8	100	100
Ms. Zhang Zhidi	—	—	37
Total	<u>24</u>	<u>300</u>	<u>270</u>

There were no other emoluments payable to the independent directors* during the Relevant Periods.

(b) Directors*, supervisors** and the chief executive

	Salaries, allowances and benefits in kind	Share-based payment expenses	Discretionary performance related bonuses	Pension scheme contributions	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December					
2023					
Directors*:					
Ms. Zhang Ying	414	—	—	12	426
Mr. Li Guangzhu	291	—	—	11	302
Mr. Min Dong Sik	572	—	—	7	579
Mr. Jiang Dacai	—	—	—	—	—
Mr. Zhang Chao	—	—	—	—	—
Subtotal	<u>1,277</u>	<u>—</u>	<u>—</u>	<u>30</u>	<u>1,307</u>
Supervisors**:					
Ms. Yin Lingyan	166	—	28	15	209
Ms. Xie Shu	222	—	24	11	257
Ms. Ma Jingxian	—	—	—	—	—
Ms. Zhao Kun	—	—	—	—	—
Subtotal	<u>388</u>	<u>—</u>	<u>52</u>	<u>26</u>	<u>466</u>
Chief executive:					
Mr. Li Gangjiang	141	—	—	18	159
Total	<u>1,806</u>	<u>—</u>	<u>52</u>	<u>74</u>	<u>1,932</u>
Year ended 31 December					
2024					
Directors*:					
Ms. Zhang Ying	363	—	—	12	375
Mr. Li Guangzhu	286	—	—	11	297
Mr. Min Dong Sik	134	—	—	4	138
Ms. Chen Liqian	256	60	—	9	325
Mr. Jiang Dacai	—	—	—	—	—
Ms. Ni Qiong	14	—	—	11	25
Subtotal	<u>1,053</u>	<u>60</u>	<u>—</u>	<u>47</u>	<u>1,160</u>
Supervisors**:					
Ms. Yin Lingyan	168	—	—	14	182
Ms. Xie Shu	230	—	—	11	241
Ms. Ma Jingxian	—	—	—	—	—
Subtotal	<u>398</u>	<u>—</u>	<u>—</u>	<u>25</u>	<u>423</u>

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	Salaries, allowances and benefits in kind	Share-based payment expenses	Discretionary performance related bonuses	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Chief executive:					
Mr. Li Gangjiang	202	—	—	14	216
Total	1,653	60	—	86	1,799
Year ended 31 December					
2025					
Directors*:					
Ms. Zhang Ying	375	—	—	12	387
Mr. Li Guangzhu	463	—	—	12	475
Ms. Chen Liqian	164	26	—	4	194
Ms. Zhang Xin	238	—	69	4	311
Mr. Jiang Dacai	—	—	—	—	—
Ms. Ni Qiong	12	—	—	9	21
Mr. Yu Hui	—	—	—	—	—
Mr. Liu Hongnan	—	—	—	—	—
Subtotal	1,252	26	69	41	1,388
Chief executive:					
Mr. Li Gangjiang	445	—	—	14	459
Total	1,697	26	69	55	1,847

*: According to the shareholders’ meeting held on 1 September, 2025, Mr. Li Gangjiang, Ms. Zhang Xin, Ms. Zhang Ying and Mr. Li Guangzhu were appointed as executive directors of the Company; Ms. Ni Qiong and Mr. Yu Hui were appointed as non-executive directors of the Company; Mr. Ye Hangjun, Mr. Pang Fengzheng and Ms. Zhang Zhidi were appointed as independent non-executive directors of the Company.

** On May 6, 2025, the Third Extraordinary General Meeting of Semi-Tech Technology Co., Ltd. resolved to abolish the Board of Supervisors, in accordance with the Company Law and the Company’s Articles of Association.

Year ended 31 December 2023:

Mr. Ye Hangjun was appointed as an independent director of the Company in November 2023.

Mr. Pang Fengzheng was appointed as an independent director of the Company in November 2023.

Mr. Shen Hui was appointed as an independent director of the Company in November 2023, and resigned in July 2025.

Mr. Zhang Chao was appointed as a director of the Company in March 2023, and resigned in November 2023.

Ms. Ma Jingxian was appointed as a supervisor of the Company in March 2023.

Ms. Zhao Kun was appointed as a supervisor of the Company in June 2022, and resigned in March 2023.

Year ended 31 December 2024:

Ms. Ni Qiong was appointed as a director of the Company in April 2024, and resigned in Nov 2025.

Ms. Chen Liqian was appointed as a director of the Company in April 2024, and resigned in April 2025.

Mr. Min Dong Sik was appointed as a director of the Company in October 2021, and resigned in March 2024.

Year ended 31 December 2025:

Ms. Zhang Zhidi was appointed as an independent director of the Company in Aug 2025.

Ms. Zhang Xin was appointed as a director of the Company in May 2025.

Mr. Jiang Dacai was appointed as a director of the Company in December 2021, and resigned in June 2025.

Mr. Yu Hui was appointed as a director of the Company in Aug 2025.

Mr. Liu Hongnan was appointed as a director of the Company in Nov 2025.

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11. FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration for 31 December 2023, 2024 and 2025 of the five highest paid employees who are neither a director, supervisor nor chief executive of the Group are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	3,607	3,708	3,986
Share-based payment expenses	176	169	92
Discretionary performance related bonuses	286	199	294
Pension scheme contributions	38	71	–
Total	<u>4,107</u>	<u>4,147</u>	<u>4,372</u>

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December		
	2023	2024	2025
Nil to HK\$1,000,000	5	4	3
HK\$1,000,001 to HK\$1,500,000	–	1	2
Total	<u>5</u>	<u>5</u>	<u>5</u>

During the Relevant Periods, certain non-director, non-supervisor and non-chief executive were granted share options and share awards of the Company in respect of their services to the Group, under the share award and option schemes of the Group, further details of which are set out in note 35 to the Historical Financial Information. The fair value of such share options and share awards, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above five highest paid employees’ remuneration disclosures.

12. INCOME TAX CREDIT

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Mainland China

Pursuant to the Corporate Income Tax Law of the People’s Republic of China and the respective regulations, the corporate income tax rate is 25% for entities operating in Mainland China. The Company was subject to a preferential tax rate of 15% in 2023, 2024 and 2025. Certain subsidiaries of the Group are regarded as High and New Technology Enterprise and they are subject to a preferential corporate income tax rate of 15% for three years commencing from the years when these companies were approved as High New Tech Enterprise. In addition, some subsidiaries of the Group entitle to the preferential policy of Small and Micro-sized enterprises, for which the applicable income tax rate is 5%. For the Group’s subsidiaries that are regarded as qualified enterprises, they entitle to a preferential treatment of two-year exemption and three-year half reduction on corporate income tax.

Other jurisdictions

The Group’s subsidiaries operation in Hong Kong, Singapore and Malaysia are subject to the respective income rates of 16.5%, 17% and 24%.

The income tax credit of the Group is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Charge for the year	914	363	322
Overprovision in prior year	(41)	–	–
Deferred (note 33)	<u>(2,209)</u>	<u>(2,372)</u>	<u>(720)</u>
Total tax credit	<u>(1,336)</u>	<u>(2,009)</u>	<u>(398)</u>

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A reconciliation of the tax expense applicable to profit before tax at the applicable tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax credit at the effective tax rates are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	23,229	71,823	72,369
Tax at the applicable tax rates	3,484	10,773	10,855
Adjustments in respect of current tax of previous periods	(41)	–	–
Effect of different tax rate of subsidiaries	5,913	3,457	(41)
Effect on opening deferred tax of increase in rates	(72)	228	445
Profits and losses attributable to associates	–	(305)	(735)
Tax Incentives	(3,817)	(7,878)	(2)
Advanced deductible allowance on eligible research and development expenses	(7,352)	(9,620)	(10,418)
Expenses not deductible for tax	291	2,600	2,051
Share-based payments	203	809	528
Tax losses utilised from previous periods	(881)	(4,525)	(5,799)
Deductible temporary differences and deductible tax losses not recognised	936	2,452	2,718
Tax credit at the Group’s effective rate	(1,336)	(2,009)	(398)

13. DIVIDENDS

No dividend has been paid or declared by the Company during the Relevant Periods.

14. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods.

The Company was converted into a joint stock limited liability company and issued 12,154,831 shares with the par value of RMB1 each on 16 March 2023. For the purpose of calculating basic earnings per share amounts, the weighted average number of ordinary shares deemed to be outstanding before the Company’s conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred on 1 January 2023, at the conversion ratio established in the conversion on 16 March 2023.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<u>Earnings</u>			
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation:	25,499	71,937	69,588
<u>Shares</u>			
Weighted average number of ordinary shares outstanding during the year used in the basic profit per share calculation ('000)	361,967	375,479	379,543

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15. PROPERTY, PLANT AND EQUIPMENT

The Group

As at 31 December 2023

31 December 2023	Furniture and fixtures	Electronic equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023					
Cost	893	4,302	1,643	2,412	9,250
Accumulated depreciation and impairment	(699)	(887)	(987)	(997)	(3,570)
Carrying amount	194	3,415	656	1,415	5,680
As at 1 January 2023.	194	3,415	656	1,415	5,680
Additions	24	2,783	826	2,408	6,041
Disposals.	(35)	(1)	—	—	(36)
Depreciation provided	(79)	(1,886)	(400)	(780)	(3,145)
Exchange realignment	—	(1)	—	—	(1)
As at 31 December 2023.	104	4,310	1,082	3,043	8,539
As at 31 December 2023					
Cost	861	7,085	2,469	4,820	15,235
Accumulated depreciation and impairment	(757)	(2,775)	(1,387)	(1,777)	(6,696)
Carrying amount	104	4,310	1,082	3,043	8,539

As at 31 December 2024

31 December 2024	Furniture and fixtures	Electronic equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024						
Cost	861	7,085	2,469	4,820	—	15,235
Accumulated depreciation and impairment	(757)	(2,775)	(1,387)	(1,777)	—	(6,696)
Carrying amount	104	4,310	1,082	3,043	—	8,539
As at 1 January 2024.	104	4,310	1,082	3,043	—	8,539
Additions	155	2,462	—	272	5,282	8,171
Acquisition of subsidiaries (note 37)	—	515	195	490	—	1,200
Disposals.	—	(44)	(117)	—	—	(161)
Depreciation provided	(101)	(2,911)	(311)	(1,320)	—	(4,643)
Exchange realignment	—	2	—	—	—	2
As at 31 December 2024.	158	4,334	849	2,485	5,282	13,108
As at 31 December 2024						
Cost	1,010	9,512	2,342	5,582	5,282	23,728
Accumulated depreciation and impairment	(852)	(5,178)	(1,493)	(3,097)	—	(10,620)
Carrying amount	158	4,334	849	2,485	5,282	13,108

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As at 31 December 2025

31 December 2025	Furniture and fixtures	Buildings	Electronic equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025							
Cost	1,010	–	9,512	2,342	5,582	5,282	23,728
Accumulated depreciation and impairment	(852)	–	(5,178)	(1,493)	(3,097)	–	(10,620)
Carrying amount	<u>158</u>	<u>–</u>	<u>4,334</u>	<u>849</u>	<u>2,485</u>	<u>5,282</u>	<u>13,108</u>
As at 1 January 2025 . . .	158	–	4,334	849	2,485	5,282	13,108
Additions	121	35,115	1,294	–	–	136,674	173,204
Acquisition of subsidiaries (note 37)	–	–	568	–	–	–	568
Disposals	–	–	(1)	–	–	–	(1)
Depreciation provided . . .	(95)	(834)	(2,728)	(259)	(1,284)	–	(5,200)
Exchange realignment . . .	1	–	3	–	–	–	4
As at 31 December 2025 . .	<u>185</u>	<u>34,281</u>	<u>3,470</u>	<u>590</u>	<u>1,201</u>	<u>141,956</u>	<u>181,683</u>
As at 31 December 2025							
Cost	1,146	35,115	11,381	2,342	5,582	141,956	197,522
Accumulated depreciation and impairment	(961)	(834)	(7,911)	(1,752)	(4,381)	–	(15,839)
Carrying amount	<u>185</u>	<u>34,281</u>	<u>3,470</u>	<u>590</u>	<u>1,201</u>	<u>141,956</u>	<u>181,683</u>

The Company

As at 31 December 2023

31 December 2023	Electronic equipment	Motor vehicles	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023				
Cost	888	1,444	925	3,257
Accumulated depreciation and impairment	(223)	(861)	(532)	(1,616)
Carrying amount	<u>665</u>	<u>583</u>	<u>393</u>	<u>1,641</u>
As at 1 January 2023	665	583	393	1,641
Additions	688	566	1,877	3,131
Disposals	(1)	(175)	–	(176)
Depreciation provided	(383)	(329)	(196)	(908)
As at 31 December 2023	<u>969</u>	<u>645</u>	<u>2,074</u>	<u>3,688</u>
As at 31 December 2023				
Cost	1,574	1,758	2,802	6,134
Accumulated depreciation and impairment	(605)	(1,113)	(728)	(2,446)
Carrying amount	<u>969</u>	<u>645</u>	<u>2,074</u>	<u>3,688</u>

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ACCOUNTANTS’ REPORT

As at 31 December 2024

31 December 2024	Furniture and Fixtures	Electronic Equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024						
Cost	—	1,574	1,758	2,802	—	6,134
Accumulated depreciation and impairment	—	(605)	(1,113)	(728)	—	(2,446)
Carrying amount	—	969	645	2,074	—	3,688
As at 1 January 2024.	—	969	645	2,074	—	3,688
Additions	108	1,742	—	458	5,282	7,590
Depreciation provided	(21)	(741)	(160)	(765)	—	(1,687)
As at 31 December 2024.	87	1,970	485	1,767	5,282	9,591
As at 31 December 2024						
Cost	108	3,316	1,758	3,260	5,282	13,724
Accumulated depreciation and impairment	(21)	(1,346)	(1,273)	(1,493)	—	(4,133)
Carrying amount	87	1,970	485	1,767	5,282	9,591

As at 31 December 2025

31 December 2025	Furniture and Fixtures	Electronic Equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025						
Cost	108	3,316	1,758	3,260	5,282	13,724
Accumulated depreciation and impairment	(21)	(1,346)	(1,273)	(1,493)	—	(4,133)
Carrying amount	87	1,970	485	1,767	5,282	9,591
As at 1 January 2025.	87	1,970	485	1,767	5,282	9,591
Additions	—	790	—	—	136,674	137,464
Depreciation provided	(34)	(1,015)	(134)	(620)	—	(1,803)
As at 31 December 2025.	53	1,745	351	1,147	141,956	145,252
As at 31 December 2025						
Cost	108	4,106	1,758	3,260	141,956	151,188
Accumulated depreciation and impairment	(55)	(2,361)	(1,407)	(2,113)	—	(5,936)
Carrying amount	53	1,745	351	1,147	141,956	145,252

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16. LEASES

The Group as a lessee

The Group has lease contracts mainly for a land use right and various buildings. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

The Group	Land use right	Buildings	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	–	3,993	3,993
Additions	–	16,374	16,374
Depreciation charge	–	(3,657)	(3,657)
Lease modification/termination	–	(59)	(59)
Exchange differences	–	12	12
As at 31 December 2023 and 1 January 2024 .	–	16,663	16,663
Additions	–	2,307	2,307
Acquisition of subsidiaries (<i>note 37</i>)	–	653	653
Depreciation charge	–	(5,094)	(5,094)
Lease modification/termination	–	(4,079)	(4,079)
Exchange differences	–	25	25
As at 31 December 2024 and 1 January 2025 .	–	10,475	10,475
Additions	99,010	1,432	100,442
Depreciation charge	(1,815)	(4,835)	(6,650)
Lease modification/termination	–	(1,705)	(1,705)
Exchange differences	–	(28)	(28)
As at 31 December 2025	97,195	5,339	102,534

The Company	Land use right	Buildings	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	–	903	903
Additions	–	13,379	13,379
Depreciation charge	–	(1,508)	(1,508)
As at 31 December 2023 and 1 January 2024 .	–	12,774	12,774
Depreciation charge	–	(2,509)	(2,509)
Lease modification/termination	–	(3,984)	(3,984)
As at 31 December 2024 and 1 January 2025 .	–	6,281	6,281
Additions	99,010	–	99,010
Depreciation charge	(1,815)	(2,132)	(3,947)
Lease modification/termination	–	(466)	(466)
As at 31 December 2025	97,195	3,683	100,878

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(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year.	4,060	17,216	11,071
New leases.	16,374	2,307	1,432
Acquisition of subsidiaries (note 37).	—	771	—
Lease modification/termination.	(61)	(4,250)	(1,766)
Accretion of interest recognised during the year.	292	479	283
Payments.	(3,459)	(5,481)	(5,096)
Exchange realignment.	10	29	(28)
Carrying amount at the end of the year.	17,216	11,071	5,896
Analysed into:			
Current portion repayable:			
within one year.	5,194	5,097	3,150
Non-current portion repayable:			
in the second year.	5,138	3,303	2,691
in the third to fifth years, inclusive.	6,884	2,671	55
Subtotal.	12,022	5,974	2,746
Total.	17,216	11,071	5,896

The maturity analysis of lease liabilities is disclosed in note 46 to the Historical Financial Information.

The Company	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at the beginning of the year.	968	13,179	6,809
New leases.	13,379	—	—
Lease modification/ termination.	—	(4,187)	(466)
Accretion of interest recognised during the year.	137	303	190
Payments.	(1,305)	(2,486)	(2,212)
Carrying amount at the end of the year.	13,179	6,809	4,321
Analysed into:			
Current portion repayable:			
within one year.	3,497	2,103	2,132
Non-current portion repayable:			
in the second year.	3,578	2,320	2,189
in the third year to fifth years, inclusive.	6,104	2,386	—
Subtotal.	9,682	4,706	2,189
Total.	13,179	6,809	4,321

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities.	292	479	283
Depreciation charge of right-of-use assets.	3,657	5,094	4,835
Expense relating to short-term leases.	6,222	7,718	8,894
Gain on lease modification/ termination, net.	(3)	(171)	(60)
Amount recognised in profit or loss.	10,168	13,120	13,952

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The Company	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	136	303	190
Depreciation charge of right-of-use assets	1,507	2,510	2,132
Expense relating to short-term leases	1,413	2,192	1,811
Gain on lease modification/termination, net	—	(203)	—
Amount recognised in profit or loss	<u>3,056</u>	<u>4,802</u>	<u>4,133</u>

The total cash outflow for leases is disclosed in note 39(b) to the Historical Financial Information.

17. GOODWILL

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year:			
Cost	208,524	208,524	253,279
Accumulated impairment	—	—	—
Net carrying amount	<u>208,524</u>	<u>208,524</u>	<u>253,279</u>
Cost at the beginning of the year, net of accumulated impairment	208,524	208,524	253,279
Acquisition of subsidiaries (note 37)	—	44,755	57,731
Cost and net carrying amount at the end of the year .	<u>208,524</u>	<u>253,279</u>	<u>311,010</u>
At the end of the year:			
Cost	208,524	253,279	311,010
Accumulated impairment	—	—	—
Net carrying amount	<u>208,524</u>	<u>253,279</u>	<u>311,010</u>

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units (“CGU”) as below for impairment testing:

(1) *Intelligent manufacturing software solutions cash-generating unit*

The recoverable amount of the above cash-generating units has been determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2023, 2024 and 2025, the discount rates applied to the cash flow projections are 13.55%, 13.34% and 12.80%; the growth rates used to extrapolate the cash flows beyond the five-year period are 1.48%, 1.48% and 1.48% which are estimated based on Oxford Economics’ forecast for China’s forward CPI, respectively.

(2) *Operations management software solutions cash-generating unit*

The recoverable amount of the above cash-generating units has been determined based on value in use calculations using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2023, 2024 and 2025, the discount rates applied to the cash flow projections are 14.67%, 14.70% and 13.50%; the growth rates used to extrapolate the cash flows beyond the five-year period are 1.48%, 1.48% and 1.48% which are estimated based on Oxford Economics’ forecast for China’s forward CPI, respectively.

Assumptions were used in the value in use calculation of the cash-generating units. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill with an indefinite useful life:

Compounded revenue growth rate — The compound revenue growth rate is estimated based on the historical sales data and management’s expectation of market outlook.

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Gross profit margin — The gross profit margin is estimated based on the historical performance.

Pre-tax discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

Terminal growth rate — The forecasted terminal growth rate is based on management’s expectations and does not exceed the long-term average growth rate for the industry relevant to the cash-generating units.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

The carrying amount of goodwill allocated to each cash-generating unit is:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Carrying amount of goodwill			
Intelligent manufacturing software solutions cash-generating unit	197,721	220,224	220,224
Operations management software solutions cash-generating unit	10,803	33,055	90,786
Total	<u>208,524</u>	<u>253,279</u>	<u>311,010</u>

Intelligent manufacturing software solutions cash-generating unit

The key assumptions are summarised below:

	As at 31 December		
	2023	2024	2025
	%	%	%
Compounded revenue growth rates . . .	19.39	11.82	11.03
Gross profit margin	44.63-46.72	45.65-46.72	43.91-45.44
Pre-tax discount rate	13.55	13.34	12.80
Terminal growth rate	1.48	1.48	1.48

The compounded revenue growth rates in 2023, 2024 and 2025 were primarily driven by the expected growth of revenue resulting from the Company’s business expansion.

The recoverable amount and carrying amount of the CGU at 31 December 2023, 2024 and 2025 are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Recoverable amount of the CGU	332,700	408,200	450,300
Less: Carrying amount of the CGU . .	<u>219,688</u>	<u>321,838</u>	<u>350,543</u>
Recoverable amount of the CGU exceeding its carrying amount	<u>113,012</u>	<u>86,362</u>	<u>99,757</u>

Operations management software solutions cash-generating unit

The key assumptions are summarised below:

	As at 31 December		
	2023	2024	2025
	%	%	%
Compounded revenue growth rates . . .	42.67	19.25	12.92
Gross profit margin	14.07	14.07	15.00
Pre-tax discount rate	14.67	14.70	13.50
Terminal growth rate	1.48	1.48	1.48

The compounded revenue growth rates in 2023, 2024 and 2025 were primarily driven by the expected growth of revenue resulting from the Company’s business expansion.

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The recoverable amount and carrying amount of the CGU at 31 December 2023, 2024 and 2025 are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Recoverable amount of the CGU	38,330	54,540	199,450
Less: Carrying amount of the CGU . .	18,151	40,400	126,116
Recoverable amount of the CGU exceeding its carrying amount	20,179	14,140	73,334

Sensitivity to changes in assumptions

The following table sets forth the impact of reasonable possible changes in each of the key assumptions, with all other variables held constant, of goodwill impairment testing of each CGU at the dates indicated.

Intelligent manufacturing software solutions cash-generating unit

Possible changes of key assumptions	Recoverable amount of the CGU exceeding its carrying amount decrease to		
	at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue growth rate decrease by 1%	98,112	69,162	77,557
Pre-tax discount rate increase by 1%	73,812	40,562	51,257
Terminal growth rate decrease by 0.5%	100,112	71,462	82,057

Operations management software solutions cash-generating unit

Possible changes of key assumptions	Recoverable amount of the CGU exceeding its carrying amount decrease to		
	at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue growth rate decrease by 1%	17,389	10,370	60,544
Pre-tax discount rate increase by 1%	13,179	4,800	46,794
Terminal growth rate decrease by 0.5%	17,839	11,070	51,764

Considering the amounts of headroom, i.e., the excesses of the recoverable amounts of the CGU over the carrying amounts, and the results of the above sensitivity analysis, management is of the view that reasonable possible changes in any of the above key assumptions would not cause impairment to the Group's goodwill as at the end of each of the Relevant Periods.

18. OTHER INTANGIBLE ASSETS

At 31 December 2023

The Group

	Software	Membership interests	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023			
Cost	7,971	—	7,971
Accumulated amortisation	(1,336)	—	(1,336)
Net carrying amount	6,635	—	6,635
At 1 January 2023, net of			
Accumulated amortisation	6,635	—	6,635
Additions	—	6,480	6,480
Amortisation provided during the year	(797)	(189)	(986)
At 31 December 2023, net of			
Accumulated amortisation	5,838	6,291	12,129

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	Software	Membership interests	Total
	RMB'000	RMB'000	RMB'000
At 31 December 2023			
Cost	7,971	6,480	14,451
Accumulated amortisation	(2,133)	(189)	(2,322)
Net carrying amount	<u>5,838</u>	<u>6,291</u>	<u>12,129</u>

At 31 December 2024

The Group

	Software	Membership interests	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2024			
Cost	7,971	6,480	14,451
Accumulated amortisation	(2,133)	(189)	(2,322)
Net carrying amount	<u>5,838</u>	<u>6,291</u>	<u>12,129</u>
At 1 January 2024, net of			
Accumulated amortisation	5,838	6,291	12,129
Additions	65,308	–	65,308
Acquisition of subsidiaries (<i>note 37</i>)	543	–	543
Amortisation provided during the year	(4,227)	(324)	(4,551)
At 31 December 2024, net of			
Accumulated amortisation	<u>67,462</u>	<u>5,967</u>	<u>73,429</u>
At 31 December 2024			
Cost	73,822	6,480	80,302
Accumulated amortisation	(6,360)	(513)	(6,873)
Net carrying amount	<u>67,462</u>	<u>5,967</u>	<u>73,429</u>

At 31 December 2025

The Group

	Software	Membership interests	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2025			
Cost	73,822	6,480	80,302
Accumulated amortisation	(6,360)	(513)	(6,873)
Net carrying amount	<u>67,462</u>	<u>5,967</u>	<u>73,429</u>
At 1 January 2025, net of			
Accumulated amortisation	67,462	5,967	73,429
Additions	4,719	–	4,719
Acquisition of subsidiaries (<i>note 37</i>)	821	–	821
Amortisation provided during the year	(7,953)	(324)	(8,277)
Exchange realignment	699	–	699
At 31 December 2025, net of			
Accumulated amortisation	<u>65,748</u>	<u>5,643</u>	<u>71,391</u>
At 31 December 2025			
Cost	80,061	6,480	86,541
Accumulated amortisation	(14,313)	(837)	(15,150)
Net carrying amount	<u>65,748</u>	<u>5,643</u>	<u>71,391</u>

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At 31 December 2023

The Company

	Membership interests
	RMB'000
At 1 January 2023	
Cost	–
Accumulated amortisation	–
Net carrying amount	–
At 1 January 2023, net of	
Accumulated amortisation	–
Additions	6,480
Amortisation provided during the year	(189)
At 31 December 2023, net of	
Accumulated amortisation	6,291
At 31 December 2023	
Cost	6,480
Accumulated amortisation	(189)
Net carrying amount	6,291

At 31 December 2024

The Company

	Software	Membership interests	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2024			
Cost	–	6,480	6,480
Accumulated amortisation	–	(189)	(189)
Net carrying amount	–	6,291	6,291
At 1 January 2024, net of			
Accumulated amortisation	–	6,291	6,291
Additions	38,201	–	38,201
Amortisation provided during the year	(1,352)	(324)	(1,676)
At 31 December 2024, net of			
Accumulated amortisation	36,849	5,967	42,816
At 31 December 2024			
Cost	38,201	6,480	44,681
Accumulated amortisation	(1,352)	(513)	(1,865)
Net carrying amount	36,849	5,967	42,816

At 31 December 2025

The Company

	Software	Membership interests	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2025			
Cost	38,201	6,480	44,681
Accumulated amortisation	(1,352)	(513)	(1,865)
Net carrying amount	36,849	5,967	42,816
At 1 January 2025, net of			
Net carrying amount	36,849	5,967	42,816
Additions	4,719	–	4,719
Amortisation provided during the year	(4,213)	(324)	(4,537)
At 31 December 2025, net of			
Accumulated amortisation	37,355	5,643	42,998
At 31 December 2025			
Cost	42,920	6,480	49,400
Accumulated amortisation	(5,565)	(837)	(6,402)
Net carrying amount	37,355	5,643	42,998

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19. INVESTMENTS IN ASSOCIATES

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Share of net assets	—	34,630	39,529
Goodwill on acquisition	—	40,070	40,070
Total	—	74,700	79,599

Particulars of the associates are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group (%)	Principal activity
Shanghai Weimairui Technology Co., Ltd.	Ordinary shares	PRC/Mainland China	20.00	Technology
Shanghai Xinli Electronic Technology Co., Ltd.	Ordinary shares	PRC/Mainland China	22.22	Technology

The Group’s shareholdings in the associates all comprise equity shares directly held by the Company.

The following table illustrates the summarised financial information in respect of Shanghai Weimairui Technology Co., Ltd and Shanghai Xinli Electronic Technology Co., Ltd. adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

Shanghai Weimairui Technology Co., Ltd.	31 December 2024 RMB'000	31 December 2025 RMB'000
Current assets	90,092	77,892
Non-current assets, excluding goodwill	—	2,410
Current liabilities	(60,826)	(51,069)
Net assets	29,266	29,233
Net assets, excluding goodwill	29,266	29,233
Reconciliation to the Group’s interest in the associate: Proportion of the Group’s ownership.	20%	20%
Group’s share of net assets of the associate, excluding goodwill . .	5,853	5,847
Carrying amount of the investment.	5,853	5,847
	Year ended 31 December 2024 RMB'000	Year ended 31 December 2025 RMB'000
Revenue	68,558	160,045
Profit for the year	(734)	(33)
Total comprehensive income for the year	(734)	(33)
	31 December 2024 RMB'000	31 December 2025 RMB'000
Current assets	445,736	467,856
Non-current assets, excluding goodwill	14,032	16,682
Current liabilities	(328,405)	(271,911)
Non-current liabilities	(1,859)	(61,046)
Net assets	129,504	151,581
Net assets, excluding goodwill	129,504	151,581
Reconciliation to the Group’s interest in the associate:	22.22%	22.22%
Proportion of the Group’s ownership.	28,777	33,682
Group’s share of net assets of the associate, excluding goodwill. .	40,070	40,070
Goodwill on acquisition (less cumulative impairment).	68,847	73,752
Carrying amount of the investment.		

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	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	RMB'000
Revenue	220,146	325,840
Profit for the year	9,807	22,076
Total comprehensive income for the year	9,807	22,076

20. OTHER FINANCIAL ASSETS AT AMORTISED COST

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Debt investments at amortised cost			
Certificates of deposits (current)	—	298,717	449,890
Certificates of deposits (non-current)	—	311,954	82,653
Total	—	610,671	532,543

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Debt investments at amortised cost			
Certificates of deposits (current)	—	257,300	439,081
Certificates of deposits (non-current)	—	301,454	31,294
Total	—	558,754	470,375

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unlisted equity investments, at fair value:			
Zhuhai Yulin Integrated Circuit Technology			
Partnership (limited partnership)	—	10,000	4,277
Hangzhou Guan Tian*	9,106	—	—
Total	9,106	10,000	4,277

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

* In December 2023, the Group invested RMB9,106,000 in Hangzhou Guan Tian which was accounted for as equity investment designated at fair value through other comprehensive income. In February 2024, the Group invested an additional RMB6,000,000 in Hangzhou Guan Tian and the Group' equity investment in Hangzhou Guan Tian increased to 50.10% and accordingly Hangzhou Guan Tian became a non-wholly-owned subsidiary of the Group.

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22. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchased hardware and components	1,473	3,541	3,054
Goods	52,377	—	—
Contract fulfillment costs	105,227	98,266	73,715
Total	<u>159,077</u>	<u>101,807</u>	<u>76,769</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Purchased hardware and components	392	163	163
Contract fulfillment costs	52,704	25,348	16,991
Total	<u>53,096</u>	<u>25,511</u>	<u>17,154</u>

23. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	79,563	199,387	345,469
Impairment	(1,361)	(1,886)	(7,782)
Subtotal	<u>78,202</u>	<u>197,501</u>	<u>337,687</u>
Bills receivable	3,232	1,652	1,477
Net carrying amount	<u>81,434</u>	<u>199,153</u>	<u>339,164</u>

The Group’s trading terms with its customers are mainly on credit. The credit periods mostly range from 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The Group’s bills receivable were all aged within six months and were neither past due nor impaired.

An ageing analysis of the Group’s trade receivables as at the end of each of the Relevant Periods based on the recognition date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	76,500	185,807	291,333
1 to 2 years	1,541	11,654	43,696
2 to 3 years	161	40	2,658
Total	<u>78,202</u>	<u>197,501</u>	<u>337,687</u>

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The movements in provision for impairment of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	806	1,361	1,886
Impairment losses, net	555	525	5,896
At the end of the year	<u>1,361</u>	<u>1,886</u>	<u>7,782</u>

The increases in the loss allowance at the end of each of the Relevant Periods, is as a result of an increase in the gross carrying amount.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity. In addition, when there exists an indicator of significant increase in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

During the Relevant Periods, the individually assessed trade receivable was related to a customer with a legal dispute with the Group and a full impairment was made against the related trade receivable balance.

Set out below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix:

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	%	RMB'000
Individually assessed:			
2 to 3 years	408	100	408
Collectively assessed:			
Within 1 year	77,104	0.78	603
1 to 2 years	1,730	10.92	189
2 to 3 years	321	50.16	161
Subtotal	<u>79,155</u>	<u>1.20</u>	<u>953</u>
Total	<u>79,563</u>	<u>1.71</u>	<u>1,361</u>

As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	%	RMB'000
Individually assessed:			
Over 3 years	408	100	408
Collectively assessed:			
Within 1 year	186,173	0.20	366
1 to 2 years	12,723	8.40	1,069
2 to 3 years	83	51.81	43
Subtotal	<u>198,979</u>	<u>0.74</u>	<u>1,478</u>
Total	<u>199,387</u>	<u>0.95</u>	<u>1,886</u>

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As at 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	%	RMB'000
Individually assessed:			
Over 3 years	408	100	408
Collectively assessed:			
Within 1 year	292,281	0.32	948
1 to 2 years	48,019	9.00	4,323
2 to 3 years	4,748	44.02	2,090
Over 3 years	13	100	13
Subtotal	345,061	2.14	7,374
Total	345,469	2.25	7,782

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	37,264	77,059	199,851
Impairment	(158)	(364)	(2,112)
Subtotal	37,106	76,695	197,739
Bills receivable	510	–	173
Total	37,616	76,695	197,912

An ageing analysis of the Company’s trade receivables as at the end of each of the Relevant Periods, based on the recognition date and net of loss allowance, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	36,559	74,290	189,872
1 to 2 years	340	2,198	7,867
2 to 3 years	207	–	–
Over 3 years	–	207	–
Total	37,106	76,695	197,739

Set out below is the information about the credit risk exposure on the Company’s trade receivables using a provision matrix:

As at 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	%	RMB'000
Collectively assessed:			
Within 1 year	36,675	0.32	116
1 to 2 years	382	10.99	42
2 to 3 years	207	–	–
Total	37,264	0.42	158

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As at 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	%	RMB'000
Collectively assessed:			
Within 1 year	74,452	0.22	162
1 to 2 years	2,400	8.42	202
Above 3 years	207	—	—
Total	<u>77,059</u>	<u>0.47</u>	<u>364</u>

As at 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000	%	RMB'000
Collectively assessed:			
Within 1 year	191,361	0.78	1,489
1 to 2 years	8,490	7.34	623
Total	<u>199,851</u>	<u>1.06</u>	<u>2,112</u>

24. CONTRACT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract assets arising from:			
Operations management software solutions	—	360	837
Intelligent manufacturing software solutions	9,086	15,092	24,878
Total	9,086	15,452	25,715
Impairment	(72)	(265)	(344)
Net carrying amount	<u>9,014</u>	<u>15,187</u>	<u>25,371</u>

Contract assets are initially recognised for retention monies arising from the sale of intelligent manufacturing software solutions and operations management software solutions. Upon completion of warranty condition, the amounts recognised as contract assets are reclassified to trade receivables. The increases in contract assets during the Relevant Periods were primarily attributable to the ongoing sales of intelligent manufacturing software solutions and operations management software solutions.

The Group’s trading terms and credit policy with customers are disclosed in note 23 to the Historical Financial Information.

The expected timing of recovery or settlement for contract assets as at the end of the reporting period is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	9,014	13,497	14,887
After 1 year	—	1,690	10,484
Total contract assets	<u>9,014</u>	<u>15,187</u>	<u>25,371</u>

The movements in the loss allowance for impairment of contract assets are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	8	72	265
Impairment losses, net	64	193	79
At the end of the year	<u>72</u>	<u>265</u>	<u>344</u>

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An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group’s contract assets using a provision matrix:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Expected credit loss rate	0.79%	1.71%	1.34%
Gross carrying amount	9,086	15,452	25,715
Expected credit losses	72	265	344

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contract assets arising from:			
Intelligent manufacturing software solutions	4,965	8,457	15,286
Total	4,965	8,457	15,286
Impairment	(39)	(74)	(205)
Net carrying amount	4,926	8,383	15,081

The expected timing of recovery or settlement for contract assets as at the end of reporting period is as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	4,926	8,383	7,019
After 1 year	–	–	8,062
Total contract assets	4,926	8,383	15,081

The movements in the loss allowance for impairment of contract assets are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	–	39	74
Impairment losses, net	39	35	131
At the end of the year	39	74	205

Set out below is the information about the credit risk exposure on the Company’s contract assets using a provision matrix:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Expected credit loss rate	0.79%	0.88%	1.34%
Gross carrying amount	4,965	8,457	15,286
Expected credit losses	39	74	205

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25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	16,612	3,865	16,894
Deductible input value-added tax	16,815	9,848	9,869
Amount due from non-controlling shareholders of the Group's subsidiaries	7,350	—	4,900
Receivables from disposal of financial assets	22,355	—	—
Deposits	6,810	4,837	7,080
Other receivables and other assets	2,615	7,504	2,528
	<u>72,557</u>	<u>26,054</u>	<u>41,271</u>
Impairment allowance	(469)	(120)	(211)
Total	<u>72,088</u>	<u>25,934</u>	<u>41,060</u>

The movements in provision for impairment of other receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	175	469	120
Impairment losses/(reversal), net	294	(349)	91
At the end of the year	<u>469</u>	<u>120</u>	<u>211</u>

Other than those impaired, the financial assets included in the above balances related to receivables for which there was no recent history of default. During the Relevant Periods, the expected credit loss rate for other receivables was assessed by the Group to be minimal. Where applicable, an impairment analysis is performed at each reporting date by applying a loss rate approach with reference to the historical loss record of the Group.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	1,783	997	7,253
Deductible input value-added tax	4,339	4,965	7,275
Amount due from subsidiaries (note 43)	73,529	60,324	163,633
Receivables from disposal of financial assets	22,355	—	—
Other receivables	6,299	4,342	1,750
	<u>108,305</u>	<u>70,628</u>	<u>179,911</u>
Impairment allowance	(328)	(47)	(22)
Total	<u>107,977</u>	<u>70,581</u>	<u>179,889</u>

The movements in provision for impairment of other receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	21	328	47
Impairment losses/(reversal), net	307	(281)	(25)
At the end of the year	<u>328</u>	<u>47</u>	<u>22</u>

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26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Wealth management products, at fair value	—	—	35,001
Structured Deposits	—	—	110,075
Wuxi Huaixin Intelligent Technology Co., Ltd. . .	10,000	17,040	—
Subtotal	10,000	17,040	145,076
Non-current:			
Unlisted investments, at fair value			
Wuxi Huaixin Intelligent Technology Co., Ltd. . .	—	—	19,440
Chengdu High-tech Core Kinetic Energy Huajing Equity Investment Fund Partnership (limited partnership)	—	10,154	10,587
Houxue Qixingminghe Equity Investment Fund (Hefei) Partnership (limited partnership)	—	10,000	10,923
Shanghai Xindi Digital Technology Co., Ltd. . .	—	—	100,000
Subtotal	—	20,154	140,950
Total	10,000	37,194	286,026

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Wealth management products, at fair value	—	—	35,001
Structured Deposits	—	—	60,023
Wuxi Huaixin Intelligent Technology Co., Ltd. . .	10,000	17,040	—
Subtotal	10,000	17,040	95,024
Non-current:			
Unlisted investments, at fair value			
Wuxi Huaixin Intelligent Technology Co., Ltd. . .	—	—	19,440
Chengdu High-tech Core Kinetic Energy Huajing Equity Investment Fund Partnership (limited partnership)	—	10,154	10,587
Houxue Qixingminghe Equity Investment Fund (Hefei) Partnership (limited partnership)	—	10,000	10,923
Subtotal	—	20,154	40,950
Total	10,000	37,194	135,974

The financial products listed above are structured deposits and wealth management products issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The equity investments above were classified as financial assets at fair value through profit or loss.

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27. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	818,810	122,512	362,394
Time deposits (≤3 months)	4,254	12,917	45,632
Time deposits (>3 months & ≤12 months)	–	–	280,020
Restricted cash	779	30,295	13,559
Total	823,843	165,724	701,605
Cash and bank balances and time deposits denominated in:			
– RMB	802,042	138,154	676,893
– United States dollars (“USD”)	14,647	20,116	15,164
– MYR	5,770	6,171	5,021
– Japanese Yen (“JPY”)	–	431	216
– SGD	1,384	852	1,052
– Hong Kong dollars (“HKD”)	–	–	3,259
	823,843	165,724	701,605

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	733,614	69,688	306,503
Time deposits (≤3 months)	–	–	30,000
Time deposits (>3 months & ≤12 months)	–	–	280,020
Restricted cash	605	10,687	1,438
Total	734,219	80,375	617,961
Cash and bank balances and time deposits denominated in:			
– RMB	734,219	80,375	617,961

The restricted cash is mainly the security deposits for bills payable and guarantees.

The RMB is not freely converted into other currencies. However, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited in creditworthy banks with no recent history of default.

28. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the date of service received/good purchased, are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	19,811	66,207	186,153
1 to 2 years	1,362	3,320	4,235
2 to 3 years	64	1,245	1,702
Over 3 years	–	64	626
Total	21,237	70,836	192,716

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	55,804	60,040	205,249
1 to 2 years	8,085	25,034	38,716
2 to 3 years	1,015	8,085	1,673
Over 3 years	—	1,015	—
Total	<u>64,904</u>	<u>94,174</u>	<u>245,638</u>

29. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Payroll and welfare payables	28,608	18,753	21,873
Payables for acquisition of non-controlling interests	—	—	23,664
Other taxes payable	14,876	15,203	13,536
Payables for business acquisitions	—	—	7,781
Construction payables	—	—	30,229
Other payables	3,021	30,532	34,513
Subtotal	<u>46,505</u>	<u>64,488</u>	<u>131,596</u>
Non-current:			
Payables for business acquisitions	—	—	8,076
Total	<u>46,505</u>	<u>64,488</u>	<u>139,672</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current:			
Payroll and welfare payables	5,678	3,539	5,802
Other taxes payable	5,797	2,818	1,818
Amounts due to subsidiaries (note 43)	160,857	282,671	420,151
Other payables	1,692	74,146	57,788
Total	<u>174,024</u>	<u>363,174</u>	<u>485,559</u>

30. CONTRACT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Operations management software solutions	—	—	15,221
Intelligent manufacturing software solutions	95,746	93,958	56,191
Others	6,300	—	—
Total	<u>102,046</u>	<u>93,958</u>	<u>71,412</u>

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Operations management software solutions	–	–	47
Intelligent manufacturing software solutions	44,314	26,021	20,000
Total	44,314	26,021	20,047

The decrease in contract liabilities in the year ended 2023, 2024 and 2025 was mainly due to the decrease in short-term advances received from customers in relation to the provision of intelligent manufacturing software solutions services at the end of the year.

31. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	2023			2024			2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current									
Bank loans – guaranteed	/	/	/	/	/	/	2.20	2026	10,000
Bank loans – unguaranteed and unsecured	/	/	/	1.30-2.50	2025	28,610	1.40-3.00	2026	87,059
Other borrowings	/	/	/	3.10	2025	20,100	/	/	/
						48,710			97,059
Non-current									
Bank loans – secured	/	/	/	/	/	/	2.65-2.75	2028-2034	89,466
			/			48,710			186,525

The Group’s other borrowings was an unsecured loan with an annual interest rate of 3.1% and a conversion feature. It was borrowed from Shanghai Science and Technology Venture (Group) Co., Ltd. and had been fully repaid by the Group in July 2025. The conversion feature allowed the lender to convert the loan principal amount into a portion of the Company’s equity interests under certain circumstances.

The carrying amounts of the Group’s assets at the end of each of the Relevant Periods which are securities in relation to certain of the Group’s borrowings are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Land use rights	–	–	97,195

All of the Group’s bank and other borrowings are at fixed rates, except for the secured bank loan, which bears a floating interest rate.

The Group’s bank and other borrowings are denominated in RMB.

The Company

	2023			2024			2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current									
Bank loans – unguaranteed and unsecured	/	/	/	2.50	2025	26,442	1.80-2.00	2026	28,441
Other borrowings	/	/	/	3.10	2025	20,100	/	/	/
						46,542			28,441
Non-current									
Bank loans – secured	/	/	/	/	/	/	2.65-2.75	2028-2034	89,466
			/			46,542			117,907

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The carrying amounts of the Company’s assets at the end of each of the Relevant Periods which are securities in relation to certain of the Company’s borrowings are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Land use rights	—	—	97,195
	—	—	—

32. PROVISION

The Group

	Onerous contracts	Warranties	Total
	RMB’000	RMB’000	RMB’000
At 1 January 2023	797	4,700	5,497
Additional provision	1,724	6,919	8,643
Amounts utilised during the year	(276)	(4,700)	(4,976)
At 31 December 2023 and 1 January 2024	2,245	6,919	9,164
Additional provision	—	11,147	11,147
Amounts utilised during the year	(2,245)	(6,919)	(9,164)
At 31 December 2024 and 1 January 2025	—	11,147	11,147
Additional provision	—	10,969	10,969
Amounts utilised during the year	—	(8,550)	(8,550)
At 31 December 2025	—	13,566	13,566

The provision balances as at the end of each of the Relevant Periods are current liabilities.

The Group provides warranties to its customers on certain of its license products and hardware products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

The Company

	Onerous contracts	Warranties	Total
	RMB’000	RMB’000	RMB’000
At 1 January 2023	—	2,629	2,629
Additional provision	1,491	1,403	2,894
Amounts utilised during the year	—	(1,004)	(1,004)
At 31 December 2023 and 1 January 2024	1,491	3,028	4,519
Additional provision	—	1,286	1,286
Amounts utilised during the year	(1,491)	(739)	(2,230)
At 31 December 2024 and 1 January 2025	—	3,575	3,575
Additional provision	—	2,474	2,474
Amounts utilised during the year	—	(1,012)	(1,012)
At 31 December 2025	—	5,037	5,037

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33. DEFERRED TAX

The deferred tax assets and liabilities recognised by the Group, and the movements there on, during the Relevant Periods are as follows:

The Group

31 December 2023

Deferred tax liabilities

	Right-of-use assets	Fair value adjustments arising from acquisition of subsidiaries	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	364	1,034	1,398
Deferred tax charged/(credited) to profit or loss during the year	1,965	(131)	1,834
At 31 December 2023	<u>2,329</u>	<u>903</u>	<u>3,232</u>

Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Provision	Impairment losses on assets	Unrealised gains	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	367	11,258	643	903	–	13,171
Deferred tax credited/(charged) to profit or loss during the year	2,034	(501)	582	1,192	735	4,042
At 31 December 2023	<u>2,401</u>	<u>10,757</u>	<u>1,225</u>	<u>2,095</u>	<u>735</u>	<u>17,213</u>

31 December 2024

Deferred tax liabilities

	Right-of-use assets	Fair value adjustments of financial instruments	Fair value adjustments arising from acquisition of subsidiaries	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	2,329	–	903	3,232
Deferred tax (credited)/charged to profit or loss during the year	(817)	1,056	(129)	110
Deferred tax charged to equity during the year	–	23	–	23
Acquisition of subsidiaries	–	–	106	106
At 31 December 2024	<u>1,512</u>	<u>1,079</u>	<u>880</u>	<u>3,471</u>

Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Provision	Impairment losses on assets	Unrealised gains	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	2,401	10,757	1,225	2,095	735	17,213
Deferred tax (charged)/credited to profit or loss during the year	(841)	2,314	1,208	(1,397)	1,356	2,640
At 31 December 2024	<u>1,560</u>	<u>13,071</u>	<u>2,433</u>	<u>698</u>	<u>2,091</u>	<u>19,853</u>

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At 31 December 2025

Deferred tax liabilities

	Right-of-use assets	Fair value adjustments of financial instruments	Fair value adjustments arising from acquisition of subsidiaries	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	1,512	1,079	880	3,471
Deferred tax (credited)/charged to profit or loss during the year	(693)	563	(175)	(305)
Acquisition of subsidiaries	—	—	135	135
At 31 December 2025	<u>819</u>	<u>1,642</u>	<u>840</u>	<u>3,301</u>

Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Provision	Impairment losses on assets	Fair value adjustments of financial instruments	Unrealised gains	Intangible assets amortisation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	1,560	13,071	2,433	698	—	2,091	—	19,853
Deferred tax (charged)/credited to profit or loss during the year	(658)	55	(303)	1,071	—	(1,014)	1,264	415
Deferred tax charged to equity during the year	—	—	—	—	858	—	—	858
At 31 December 2025	<u>902</u>	<u>13,126</u>	<u>2,130</u>	<u>1,769</u>	<u>858</u>	<u>1,077</u>	<u>1,264</u>	<u>21,126</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	14,884	17,262	18,668
Net deferred tax liabilities recognised in the consolidated statements of financial position	(903)	(880)	(843)
Net deferred tax assets	<u>13,981</u>	<u>16,382</u>	<u>17,825</u>

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	36,694	37,735	45,249
Deductible temporary differences	2,571	3,586	3,982
Total	<u>39,265</u>	<u>41,321</u>	<u>49,231</u>

The above tax losses can be used to offset the future taxable profits of the loss-making companies for up to five or ten years. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

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31 December 2023

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	113
Deferred tax charged/(credited) to profit or loss during the year	1,803
At 31 December 2023	1,916

Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Provision	Impairment losses on assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	121	1,682	329	24	2,156
Deferred tax credited to profit or loss during the year	1,856	1,957	349	308	4,470
At 31 December 2023	1,977	3,639	678	332	6,626

31 December 2024

Deferred tax liabilities

	Right-of-use assets	Change in fair value of financial instruments	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,916	—	1,916
Deferred tax (credited)/charged to profit or loss during the year	(974)	1,056	82
Deferred tax charged to equity during the year	—	23	23
At 31 December 2024	942	1,079	2,021

Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Provision	Impairment losses on assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,977	3,639	678	332	6,626
Deferred tax (charged)/credited to profit or loss during the year	(956)	(70)	833	(173)	(366)
At 31 December 2024	1,021	3,569	1,511	159	6,260

At 31 December 2025

Deferred tax liabilities

	Right-of-use assets	Change in fair value of financial instruments	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2025	942	1,079	2,021
Deferred tax (credited)/charged to profit or loss during the year	(390)	563	173
At 31 December 2025	552	1,642	2,194

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Deferred tax assets

	Lease liabilities	Losses available for offsetting against future taxable profits	Provision	Impairment losses on assets	Change in fair value of financial instruments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 . . .	1,021	3,569	1,511	159	–	6,260
Deferred tax (charged)/credited to profit or loss during the year	(373)	(2,877)	(431)	197	–	(3,484)
Deferred tax credited to equity during the year	–	–	–	–	858	858
At 31 December 2025 .	<u>648</u>	<u>692</u>	<u>1,080</u>	<u>356</u>	<u>858</u>	<u>3,634</u>

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the Company’s statements of financial position	4,710	4,239	1,440
Net deferred tax liabilities recognised in the Company’s statements of financial position	–	–	–
Net deferred tax assets	<u>4,710</u>	<u>4,239</u>	<u>1,440</u>

34. SHARE CAPITAL

Shares	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Issued and fully paid:			
Ordinary shares*	<u>375,479</u>	<u>375,479</u>	<u>429,666</u>

* Ordinary shares at par value of 1 RMB each.

A summary of movements in the Company’s paid-in capital/share capital is as follows:

	Number of shares in issue	Amount
		RMB'000
At 1 January 2023	–	12,155
Conversion into a joint stock company (note a)	12,154,831	–
Capital contribution from shareholders (note b)	4,222,316	4,222
Capital conversion from capital reserve (note c)	<u>359,102,265</u>	<u>359,102</u>
At 31 December 2023 and 2024		
Capital contribution from shareholders (note a)	<u>54,187,043</u>	<u>54,187</u>
At 31 December 2025	<u>429,666,455</u>	<u>429,666</u>

Notes:

- In May 2023 and December 2023, the Company received capital contributions of RMB472,000 and RMB3,750,000 in cash. In November 2025 and December 2025, the Company received capital contributions of RMB32,693,000 and RMB21,494,000 in cash.
- The Company was converted into a joint stock limited liability company and issued 12,154,831 shares with par value of RMB1 each on 16 March 2023.
- During 2023, the capital reserve formed by the premium of the issuer’s previous capital injection was converted into share capital, resulting in a total increase of 359,102,265 shares.

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35. SHARE-BASED PAYMENTS

i. Equity-settled share-based payment

(1) Share award scheme

The Company launched three batches share awards to reward eligible participants who contributed to the success of the Group’s operations. The eligible participants for participation in the share award scheme (the “Selected Participants”) is selected and the number of shares to be awarded under the scheme is determined by the shareholders of the Company. According to the share award scheme, the shares are vested as granted without any conditions. The subscription prices were set differently among different batches and for different participants. There are no cash settlement alternatives for any batches of share award scheme.

The following table discloses the movements of the Group’s award shares of the three batches:

Batches	Date of grant	Fair value of each award share price as at the date of grant	Subscription price	Number of award shares			
				As at 1 January 2023	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025
		RMB	RMB				
1 . . .	April and July 2021	37.98	0.38-35.71	2,154,654	2,154,654	2,154,654	2,154,654
2 . . .	November and December 2021	74.73	41.05	2,619	2,619	2,619	2,619
3 . . .	November 2022	124.78	0-121.80	168,104	168,104	168,104	168,104

The fair value of the granted shares is determined with a hybrid approach to allocate equity value to different classes of equity reference to recent transaction prices of the Company’s shares, together.

The following table lists the inputs to the model used to determine the fair value of granted shares:

Dividend yield (%)	—
Expected volatility (%)	42.96-43.31
Risk-free interest rate (%)	2.24-2.34
Expected life of shares (year)	3.167-4.167
Weighted average share price (per share)	124.78

(2) Option incentive plan

The Company initiated 2022 option incentive plan and 2024 option incentive plan during the Relevant Periods. The two plans reserved 248,058 and 7,666,000 shares, respectively, of the Company’s shares for issuance of stock options.

During the year ended 31 December 2022 and 2024, share options of 248,058 and 7,666,000 were granted to the employees. The stock options are governed by a shareholder’s agreement, which entitles holders to exercise against the Company at a fixed contractual price on specified future dates. According to the shareholder’s agreement, the stock options granted to the grantees may be exercised only upon satisfaction of the agreed conditions, unless forfeited or amended.

The fair value of the share options granted during the years ended 31 December 2022 and 2024 were RMB5,117,000 (RMB17.17-24.79 each) and RMB21,880,000 (RMB2.01-3.67 each), respectively.

The terms of the 2022 and 2024 option incentive plans are summarized as:

	2022 option incentive plan	2024 option incentive plan
Grant date	15 December 2022	1 May 2024
Exercise price*	9.11	16
Service condition	50%: vested and nonforfeitable on the earlier of occurrence of 12 month later since grant and after the [REDACTED]; 50%: vested and nonforfeitable on the earlier of occurrence of 24 month later since grant and 12 months after the [REDACTED]	25%: vested and nonforfeitable on the earlier of occurrence of 12 month later since grant and after the [REDACTED]; 25%: vested and nonforfeitable on the earlier of occurrence of 24 month later since grant and 12 months after the [REDACTED] 25%: vested and nonforfeitable on the earlier of occurrence of 36 month later since grant and 24 months after the [REDACTED] 25%: vested and nonforfeitable on the earlier of occurrence of 48 month later since grant and 36 months after the [REDACTED]

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	2022 option incentive plan	2024 option incentive plan
Performance condition 1	NA	On the vesting date as stipulated per the service condition, The percentage of options would be vested based on the result of the performance assessment what is the company’s operating revenue for the previous fiscal year must increase by more than 10% compared to the previous fiscal year during each exercise period: Meet the standard: 100% Not up to standard: nil
Performance condition 2	On the vesting date as stipulated per the service condition, The percentage of options would be vested based on the result of the performance evaluation: Tier A: 100% Tier B: 75% Tier C: 50% Tier D: nil	

* As a result of the capitalisation of capital reserve, the number of shares under the option granted under 2022 option incentive plan has been adjusted from 248,058 to 7,202,887 shares and the exercise price has been adjusted from RMB264.4 to RMB9.11.

The following table discloses the movements of the Group’s granted stock options:

	As at 31 December					
	2023		2024		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
At 1 January	264.40	248,058	9.11	7,185,232	12.66	14,628,843
Granted during the year	–	–	16.00	7,666,000	–	–
Capital conversion from capital reserve	/	6,954,829	/	/	/	/
Forfeited during the year	9.11	(17,655)	12.66	(222,390)	12.66	(1,144,277)
At the end of the year	9.11	<u>7,185,232</u>	12.66	<u>14,628,843</u>	12.66	<u>13,484,566</u>

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2022

Number of options	Exercise price per share	Exercise period
124,029	264.40	2026-6-30
124,029	264.40	2027-6-30
<u>248,058</u>		

2024

Number of options	Exercise price per share	Exercise period
1,916,500	16.00	2027-6-30
1,916,500	16.00	2028-6-30
1,916,500	16.00	2029-6-30
1,916,500	16.00	2030-6-30
<u>7,666,000</u>		

The Group recognised share-based payment expense of RMB1,450,000, RMB4,899,000 and RMB3,577,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

The fair value of the granted shares is determined with a hybrid approach to allocate equity value to different classes of equity reference to recent transaction prices of the Company’s shares, together.

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The fair value of equity-settled share options granted during the Relevant Periods, was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to determine the fair value of granted shares:

The following table lists the inputs to the model used to determine the fair value of granted shares:

	As at 31 December	As at 31 December
	2022	2024
Dividend yield (%)	—	—
Expected volatility (%)	42.16-43.91	42.31-42.99
Risk-free interest rate (%)	2.52-2.64	2.26-2.44
Expected life of option (year)	4.00-5.00	2.67-5.67
Weighted average share price (per share)	124.76	11.34

At the end of the Relevant periods, the Company had 13,484,566 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 13,484,566 additional ordinary shares of the Company and additional share capital of 13,484,566 (before issue expenses).

At the date of approval of the Histories Financial Information, the Company had 13,484,566 share options outstanding under the Scheme, which represented approximately 3.04% of the Company’s shares in issue as at that date.

36. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity on pages 7 to 9 of this accountants’ report.

Capital reserve

The capital reserve mainly represents the amount paid by shareholders for capital injection in excess of the nominal value of the share issued and the amount due to conversion to a joint stock company, eliminating the portion which was converted into share capital.

Share-based payment reserve

The share-based payments reserve is attributable to the fair value of share awards and/or option granted to the Group’s employees, as further explained in the accounting policy for share-based payments in attributable to the fair value note 2.3 to the Historical Financial Information.

Other reserves

Other reserves primarily arise from equity transactions between the Group and non-controlling shareholders of the Group’s subsidiaries.

The Company

The amounts of the Company’s reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Retained profits/ (accumulated losses)	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2023	872,021	72,467	(38,961)	905,527
Profit for the year	—	—	10,527	10,527
Total comprehensive income for the year	—	—	10,527	10,527
Capital injection from shareholders. . .	372,918	—	—	372,918
Capital conversion from capital reserve.	(359,102)	—	—	(359,102)
Conversion to a joint stock company. . .	(36,236)	—	36,236	—
Share-based payment expenses	—	1,450	—	1,450
At 31 December 2023	849,601	73,917	7,802	931,320

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	Capital reserve	Share-based payment reserve	Fair value reserve of equity investments designated at fair value through other comprehensive income	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	849,601	73,917	—	7,802	931,320
Profit for the year	—	—	—	22,500	22,500
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	131	—	131
Total comprehensive income for the year	—	—	131	22,500	22,631
Share-based payment expenses	—	4,899	—	—	4,899
At 31 December 2024	849,601	78,816	131	30,302	958,850

	Capital reserve	Share-based payment reserve	Fair value reserve of equity investments designated at fair value through other comprehensive income	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	849,601	78,816	131	30,302	958,850
Profit for the year	—	—	—	32,468	32,468
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	—	—	(4,865)	—	(4,865)
Total comprehensive income for the year	—	—	(4,865)	32,468	27,603
Capital injection from shareholders	742,600	—	—	—	742,600
Share-based payment expenses	—	3,577	—	—	3,577
At 31 December 2025	1,592,201	82,393	(4,734)	62,770	1,732,630

37. BUSINESS COMBINATION

Acquisitions in 2024

In October 2023, the Company entered into an equity transfer agreement, pursuant to which the Company agreed to acquire 58.87% equity interest in Hangzhou Guan Tian at a consideration of RMB15,106,000. The purchase consideration for the acquisition was in the form of cash with RMB9,106,000 paid in 2023 and the remaining was paid in March 2024. The acquisition was completed on 28 February 2024.

In October 2023, the Company entered into an equity transfer agreement, pursuant to which the Company agreed to acquire 100% equity interest in Beijing Zhi Yang at a consideration of RMB12,000,000. The acquisition was made as part of the Group’s strategy to expand the market in operations management field. The purchase consideration for the acquisition was in the form of cash with RMB6,000,000 paid on 28 February 2024 and the remaining was paid in July 2024. The acquisition was completed on 28 February 2024.

In March 2024, Semi-Tech Technology Co., Ltd. entered into an equity transfer agreement, pursuant to which it agreed to acquire 51% equity interest in Suzhou Vida at a consideration of RMB15,300,000. The acquisition was made as part of the Group’s strategy to expand the market in intelligent manufacturing software solutions field. The purchase consideration for the acquisition was in the form of cash paid by 15 April 2024. The acquisition was completed on 30 April 2024.

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The fair values of the identifiable assets and liabilities of Hangzhou Guan Tian, Beijing Zhi Yang and Suzhou Vida as at the date of acquisition were as follows:

	Fair value recognised on acquisition			
	Hangzhou Guan Tian	Beijing Zhi Yang	Suzhou Vida	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	303	–	897	1,200
Other intangible assets	326	51	166	543
Right-of-use assets	88	5	560	653
Inventories	2,538	4,560	9,174	16,272
Contract assets	–	–	424	424
Trade and bills receivables	594	21,193	1,334	23,121
Prepayments, other receivables and other assets	970	893	434	2,297
Financial assets at fair value through profit or loss	–	–	509	509
Cash and cash equivalents	8,094	1,149	5,984	15,227
Trade and bills payables	(101)	(6,472)	(5,549)	(12,122)
Other payables and accruals	(3,174)	(13,862)	(8,507)	(25,543)
Interest-bearing bank borrowings	–	(17,724)	–	(17,724)
Lease liabilities	(219)	–	(552)	(771)
Tax payable	(15)	(45)	(234)	(294)
Total identifiable net assets at fair value	9,404	(10,252)	4,640	3,792
Non-controlling interests	3,867	–	2,274	6,141
Goodwill on acquisition	9,569	22,252	12,934	44,755
Satisfied by cash	15,106	12,000	15,300	42,406

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

	Hangzhou Guan Tian	Beijing Zhi Yang	Suzhou Vida	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Cash consideration	15,106	12,000	15,300	42,406
Less:				
Cash to be paid in 2023	(9,106)	–	–	(9,106)
Cash and bank balances acquired . .	(8,094)	(1,149)	(5,984)	(15,227)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(2,094)	10,851	9,316	18,073
Total net cash outflow	(2,094)	10,851	9,316	18,073

Since the acquisition, the aforementioned subsidiaries contributed RMB112,340,000 to the Group’s revenue and a net gain of RMB10,678,000 to the Group’s profit or loss for the year ended 31 December 2024. Had the combination taken place at 1 January 2024, the revenue and profit of the Group would have been RMB510,849,000 and RMB71,914,000 respectively.

Acquisitions in 2025

- (a) In April 2025, the Company entered into an equity transfer agreement pursuant to which it agreed to acquire a 51% equity interest in Beijing Huiliu for a total consideration of RMB30,000,000. The acquisition was made as part of the Group’s strategy to expand the market in operations management software solutions field. The consideration was settled in cash, consisting of RMB25,000,000 for the equity acquisition and RMB5,000,000 as an additional capital contribution to Beijing Huiliu. As of 30 June 2025, the full amount of RMB30,000,000 had been fully settled. The acquisition was completed on 9 May 2025.

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The fair values of the identifiable assets and liabilities of Beijing Huiliu as at the date of acquisition were as follows:

	Fair value recognized on acquisition
	Beijing Huiliu
	RMB'000
Property, plant and equipment	568
Other intangible assets	821
Inventories	7,361
Trade and bills receivables	12,364
Prepayments, other receivables and other assets	7,394
Cash and cash equivalents	4,528
Trade and bills payables	(5,401)
Other payables and accruals	(13,199)
Interest-bearing borrowings	(9,800)
Tax payable	(456)
Total identifiable net assets at fair value	4,180
Non-controlling interests	2,048
Goodwill on acquisition	27,868
Satisfied by cash	30,000

An analysis of the cash flows in respect of the acquisition of the subsidiary is as follows:

	Beijing Huiliu
	RMB'000
Cash consideration	30,000
Less:	
Additional capital contribution	(5,000)
Cash and bank balances acquired	(4,528)
Total net cash outflow	20,472

Since the acquisition, the aforementioned subsidiary contributed RMB46,359,000 to the Group’s revenue and a net gain of RMB10,361,000 to the Group’s profit or loss for the period ended 31 December 2025. Had the combination taken place at 1 January 2025, the revenue and profit of the Group would have been RMB740,946,000 and RMB71,260,000 respectively.

- (b) In July 2025, Beijing Zhiyang entered into a business acquisition agreement pursuant to which it agreed to acquire the business of Beijing Guoxin Power Source Technology Development Co., Ltd. (“Beijing Guoxin”) for a total consideration of RMB32,033,000 (tax-exclusive).

The fair values of the identifiable assets of a contractual rights in Beijing Guoxin as at the date of acquisition were as follows:

	Fair value recognized on acquisition
	Beijing Guoxin
	RMB'000
Prepayments, other receivables and other assets	2,170
Total identifiable net assets at fair value	2,170
Goodwill on acquisition	29,863
Satisfied by cash	16,410
Unpaid amount	15,623
Total	32,033

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38. DISPOSAL OF SUBSIDIARIES

- (a) In June 2023, the Group deregistered a subsidiary, namely Hainan Semi-Tech Technology Co., Ltd. without cash flow and gain or loss on disposal.
- In January 2025, the Group deregistered two subsidiaries, namely Shanghai Bohui and Suzhou Shuling without cash flow and gain or loss on disposal.
- In July 2025, the Group deregistered a subsidiary, namely Dalian Semi-Tech Technology Co., Ltd. without cash flow and gain or loss on disposal.
- In August 2025, the Group deregistered a subsidiary, namely Changsha Semi-Tech Technology Co., Ltd. without cash flow and gain or loss on disposal.
- In November 2025, the Group deregistered a subsidiary, namely Chongqing Semi-Tech Information Technology Co., Ltd. without cash flow and gain or loss on disposal.
- (b) In June 2024, the Group entered into an agreement to dispose of a subsidiary, namely Suzhou Saiaote for a cash consideration of RMB1.

		As at 30 June
	Notes	2024
		RMB'000
Net assets disposed of:		
Inventories		3,322
Trade receivables		169
Prepayments, other receivables and other assets		2,457
Cash and cash equivalents		6
Other payables and accruals		(4,157)
Subtotal		1,797
Non-controlling interests		(881)
Loss on disposal of a subsidiary	6	(916)
Satisfied by:		
Cash		—

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of such subsidiary is as follows:

	RMB'000
Cash consideration received	—
Less: Cash and cash equivalents disposed of	(6)
Net inflow of cash and cash equivalents in respect of the disposal of the subsidiary	(6)

* The consideration for the disposal of RMB1 settled in 2024.

- (c) In June 2024, the Group entered into an agreement to dispose of a subsidiary, namely Shanghai Saixinli for a cash consideration of RMB6,120,000.

		As at 30 June
	Notes	2024
		RMB'000
Net assets disposed of:		
Inventories		36,911
Trade receivables		2,730
Prepayments, other receivables and other assets		5,561
Cash and cash equivalents		193
Deferred tax assets		28
Trade payables		(1,847)
Other payables and accruals		(33,179)
Subtotal		10,397
Non-controlling interests		(5,095)
Gain on disposal of a subsidiary	6	818
Satisfied by:		
Cash		6,120

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An analysis of the net inflow of cash and cash equivalents in respect of the disposal of such subsidiary is as follows:

	<i>RMB'000</i>
Cash consideration received	6,120
Less: Cash and cash equivalents disposed of	(193)
Net inflow of cash and cash equivalents in respect of the disposal of the subsidiary	<u>5,927</u>

* The consideration for the disposal of RMB6,120,000 settled in 2024.

39. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Lease liabilities
	<i>RMB'000</i>
At 1 January 2023	4,060
New leases	16,374
Changes from financing cash flows	(3,459)
Exchange realignment	10
Interest expense	292
Lease modification/termination	(61)
At 31 December 2023	<u>17,216</u>

	Interest-bearing bank and other borrowings	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	—	17,216
New leases	—	2,307
Changes from financing cash flows	30,644	(5,481)
Exchange realignment	—	29
Interest expense	342	479
Acquisition of subsidiaries	17,724	771
Lease modification/termination	—	(4,250)
At 31 December 2024	<u>48,710</u>	<u>11,071</u>

	Interest-bearing bank and other borrowings	Lease liabilities
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025	48,710	11,071
New leases	—	1,432
Changes from financing cash flows	125,176	(5,096)
Exchange realignment	—	(28)
Interest expense	1,728	283
Interest capitalization	1,111	—
Acquisition of subsidiaries	9,800	—
Lease modification/termination	—	(1,766)
At 31 December 2025	<u>186,525</u>	<u>5,896</u>

(b) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities	6,222	7,718	8,894
Within financing activities	3,459	5,481	5,096
Total	<u>9,681</u>	<u>13,199</u>	<u>13,990</u>

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ACCOUNTANTS’ REPORT

40. PLEDGE OF ASSETS

Details of the Group’s assets pledged for the Group’s bank loans are included in notes 31, respectively, to the historical financial information.

41. INVESTMENT IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Investments, at cost.	623,336	869,504	1,032,015

The Company’s trade receivables, other receivables balances due from the subsidiaries and trade payable, other payables balances due to the subsidiaries are disclosed in note 43 to the financial statements.

The Company’s subsidiaries as at the date of this report are disclosed in note 1 to the financial statements.

42. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Buildings.	–	5,259	169,211

43. RELATED PARTY TRANSACTIONS

(1) Name and relationship of related parties

Name	Relationship
Shanghai WeiMaiRui Technology Co., Ltd. (上海邁睿睿科技 有限公司)	Associate
Shanghai Xinli Electronic Technology Co., Ltd. (上海芯立電子 科技有限公司)	Associate
Shanghai Saixinli Semiconductor Technology Co., Ltd. (上海賽 芯立半導體科技有限公司)	Subsidiary of Shanghai Xinli Electronic Technology Co., Ltd.
Wuhan Kewei Information Technology Co., Ltd. (武漢可為信息 科技有限公司)	Fellow Subsidiaries (Controlled by Mr. Li Gangjiang)
Guangdong Mediacom Technology Co., Ltd. (廣東美凱技術有限 公司)	Fellow Subsidiaries (Controlled by Mr. Li Gangjiang)
Beijing Xinda Kechuang Technology Co., Ltd. (北京鑫達科創科 技有限公司)	Fellow Subsidiaries (Controlled by Mr. Li Gangjiang)
MIN DONG SIK (閔東植)	Key management personnel
AI Stream Technology (HK) Co., Ltd. (慧流科技(香港)有限公 司)	Controlled by key management personnel
Shanghai Weijucheng Enterprise Management Partnership Enterprise (Limited Partnership) (上海威聚程企業管理合夥企 業(有限合夥))	Controlled by key management personnel

(2) Related party transactions

The following transactions were carried out with related parties during the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Associates:			
Sales of products	–	8,895	16,703
Purchases of products	–	–	24,336
Fellow Subsidiaries:			

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	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Provision of services	221	–	–
Purchases of products	–	285	1,224
Key Management Personnel: Rental of vehicles.	195	195	114

All these transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

(3) Other transactions with related parties

In April 2022, the Group made a 3.58% interest-bearing loan advance of RMB3,345,400 to Wuhan Kewei Information Technology Co., Ltd. for the purpose of the daily operation. During the year ended 31 December 2023, the principal and interest of the loan of RMB3,541,800 has been fully settled.

The Group’s bank loans of RMB3,300,000 are secured by time deposits of RMB5,000,000 from AI Stream Technology (HK) Co., Ltd. As at 31 December 2025, the bank loan has been settled.

(4) Outstanding balances with related parties

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due from related parties:			
Trade in nature:			
Associates	–	10,453	6,936
Fellow subsidiaries.	74	74	–
Key management personnel.	–	100	–
Non-trade in nature:			
Controlled by key management personnel.	–	–	2,000
Due to related parties:			
Trade in nature:			
Associates	–	–	27,500
Fellow subsidiaries.	–	21	196
Key management personnel.	96	–	–

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due from related parties:			
Trade in nature:			
Subsidiaries	22,329	56,518	61,463
Associates	–	10,453	–
Fellow subsidiaries.	74	74	–
Key management personnel.	–	100	–
Non-trade in nature:			
Subsidiaries	73,529	60,324	163,633
Due to related parties:			
Trade in nature:			
Subsidiaries	47,565	69,069	130,733
Associates	–	–	27,500
Fellow subsidiaries.	–	21	–
Key management personnel.	96	–	–
Non-trade in nature:			
Subsidiaries	160,857	282,671	420,151

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(5) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	1,806	1,653	1,697
Share-based payment expenses	–	60	26
Performance related bonuses	52	–	69
Pension scheme contributions	74	86	55
Total	<u>1,932</u>	<u>1,799</u>	<u>1,847</u>

Further details of directors’ and the chief executive’s emoluments are included in note 10 to the historical financial information.

44. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit and loss:			
Financial assets at fair value through profit and loss	10,000	37,194	286,026
Financial assets at fair value through other comprehensive income:			
Equity investments designated at fair value through other comprehensive income	9,106	10,000	4,277
Bills receivables	3,232	1,652	1,477
Financial assets at amortised cost:			
Trade receivables	78,202	197,501	337,687
Financial assets included in prepayments, other receivables and other assets	38,661	12,221	13,429
Other financial assets at amortised cost	–	610,671	532,543
Cash and cash equivalents	823,064	135,429	408,026
Time deposits	–	–	280,020
Restricted cash	779	30,295	13,559
Financial liabilities at amortised cost:			
Trade and bills payables	21,237	70,836	192,716
Financial liabilities included in other payables and accruals	2,925	30,532	104,263
Interest-bearing bank and other borrowings	–	48,710	186,525
Lease liabilities	17,216	11,071	5,896

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group’s financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts			Fair values		
	As at 31 December			As at 31 December		
	2023	2024	2025	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets						
Financial assets at fair value through profit or loss	10,000	37,194	286,026	10,000	37,194	286,026
Financial assets designated at fair value through other comprehensive income	9,106	10,000	4,277	9,106	10,000	4,277
Total	<u>19,106</u>	<u>47,194</u>	<u>290,303</u>	<u>19,106</u>	<u>47,194</u>	<u>290,303</u>

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Financial assets not presented at fair value in the statement of financial position mainly represent “cash and cash equivalents”, “restricted cash”, “trade receivables”, “prepayments, other receivables and other assets” and “other financial assets at amortised cost” measured at amortised cost. Liabilities not presented at fair value in the statement of financial position mainly represent “trade and bills payables”, “other payables and accruals” and “interest-bearing bank and other borrowings” measured at amortised cost.

Other than the above, the difference between the carrying amounts and fair values of those financial assets and liabilities not presented at their fair value in the statement of financial position as at 31 December 2023, 2024 and 2025 was insignificant. Fair value is measured using a discounted cash flow model.

For unlisted equity investments, the Group adopts significant judgements and applies counterparties’ quotations and valuation techniques to determine the fair value. The valuation techniques employed are based on market-based approaches. The fair value measurement of these financial instruments may involve unobservable inputs such as liquidity discount, volatility and market multiples. However, the fair value of unlisted equity investments is not significantly sensitive to a reasonable change in these unobservable inputs. The Group has established relevant internal control procedures to monitor its exposure to such financial instruments.

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets and liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets				
Financial assets at fair value through profit or loss	—	10,000	—	10,000
Financial assets designated at fair value through other comprehensive income	—	9,106	—	9,106
Bills receivables	—	3,232	—	3,232
Total	—	22,338	—	22,338

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	—	20,154	17,040	37,194
Financial assets designated at fair value through other comprehensive income	—	10,000	—	10,000
Bills receivables	—	1,653	—	1,653
Total	—	31,807	17,040	48,847

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	145,076	110,923	30,027	286,026
Financial assets designated at fair value through other comprehensive income	—	—	4,277	4,277
Bills receivables	—	1,477	—	1,477
Total	145,076	112,400	34,304	291,780

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The movements in fair value measurements within Level 3 during the year are as follows:

	2024
	<i>RMB'000</i>
Unlisted equity investments at fair value through profit and loss	
At 1 January	–
Transfer	10,000
Changes in fair value.	7,040
At 31 December	<u>17,040</u>
	2025
	<i>RMB'000</i>
Unlisted equity investments at fair value through profit and loss	
At 1 January	17,040
Transfer	20,154
Changes in fair value.	(2,890)
At 31 December	<u>34,404</u>

Assets for which fair values are disclosed:

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other financial assets at amortised cost, non-current portion	–	311,954	–	311,954
	=	=	=	=

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other financial assets at amortised cost, non-current portion	–	82,653	–	82,653
	=	=	=	=

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest-bearing bank and other borrowings . .	–	89,466	–	89,466
	=	=	=	=

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, lease liabilities , and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

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The main risks arising from the Group’s financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Foreign currency risk

The Group has transactional currency exposures during the years ended 31 December 2023, 2024 and 2025. Such exposures mainly arise from SGD, USD, HKD, JPY and MYR held by the Group. The risk exposure amount corresponding to foreign currency risk is not significant.

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Restricted cash	779	—	—	—	779
Cash and cash equivalents . .	823,064	—	—	—	823,064
Trade and bills receivables . .	—	—	408	82,387	82,795
Financial assets included in prepayments, other receivables and other assets					
– Normal	39,130	—	—	—	39,130
Contract assets	—	—	—	9,086	9,086
Total	862,973	—	408	91,473	954,854

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Restricted cash	30,295	—	—	—	30,295
Cash and cash equivalents . .	135,429	—	—	—	135,429
Trade and bills receivables . .	—	—	408	200,631	201,039
Other financial assets at amortised cost (current portion)	298,717	—	—	—	298,717
Other financial assets at amortised cost	311,954	—	—	—	311,954
Financial assets included in prepayments, other receivables and other assets					
– Normal	12,341	—	—	—	12,341
Contract assets	—	—	—	15,452	15,452
Total	788,736	—	408	216,083	1,005,227

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As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Restricted cash	13,559	–	–	–	13,559
Cash and cash equivalents . .	408,026	–	–	–	408,026
Trade and bills receivables . .	–	–	408	346,538	346,946
Other financial assets at amortised cost (current portion)	449,890	–	–	–	449,890
Other financial assets at amortised cost.	82,653	–	–	–	82,653
Financial assets included in prepayments, other receivables and other assets					
- Normal	13,640	–	–	–	13,640
Contract assets.	–	–	–	25,715	25,715
Total	967,768	–	408	372,253	1,340,429

- (i) For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 23 and 24 to the Historical Financial Information, respectively.
- (ii) The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

(c) Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operation and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group’s financial liabilities at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023			
	Within 1 year	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	21,237	–	–	21,237
Financial liabilities included in other payables and accruals	2,925	–	–	2,925
Lease liabilities	5,703	5,462	7,088	18,253
Total	29,865	5,462	7,088	42,415

	As at 31 December 2024			
	Within 1 year	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	70,836	–	–	70,836
Financial liabilities included in other payables and accruals	30,532	–	–	30,532
Interest-bearing bank and other borrowings (current portion)	49,404	–	–	49,404
Lease liabilities	5,391	3,442	2,706	11,539
Total	156,163	3,442	2,706	162,311

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As at 31 December 2025					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	192,716	–	–	–	192,716
Financial liabilities included in other payables and accruals . . .	96,600	8,195	–	–	104,795
Interest-bearing bank and other borrowings (current portion) . .	97,429	–	–	–	97,429
Interest-bearing bank and other borrowings (non-current portion)	2,371	2,371	10,573	94,309	109,624
Lease liabilities	3,299	2,732	55	–	6,086
Total	<u>392,415</u>	<u>13,298</u>	<u>10,628</u>	<u>94,309</u>	<u>510,650</u>

(d) Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or [REDACTED]. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. Net debt includes provision, lease liabilities, tax payable, trade payables, and certain other payables and accruals, less cash and cash equivalents.

As at 31 December			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Provision	9,164	11,147	13,566
Interest-bearing bank and other borrowings	–	48,710	186,525
Lease liabilities	17,216	11,071	5,896
Tax payable	955	875	15
Trade and bills payables	21,237	70,836	192,716
Other payables and accruals	46,505	64,488	139,672
Less: cash and cash equivalents	<u>(823,064)</u>	<u>(135,429)</u>	<u>(408,026)</u>
Net debt	<u>(727,987)</u>	<u>71,698</u>	<u>130,364</u>
Total equity	<u>1,227,275</u>	<u>1,305,958</u>	<u>2,161,055</u>
Capital and net debt	<u>499,288</u>	<u>1,377,656</u>	<u>2,291,419</u>
Gearing ratio	N/A	5%	6%

47. EVENTS AFTER THE RELEVANT PERIODS

No significant events have occurred in respect of any period subsequent to 31 December 2025.

48. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect. No issues on PRC or Hong Kong taxation other than income tax, capital appreciation and profit tax, business tax/appreciation tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Share.

TAXATION IN THE PRC

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “IIT Law”), which was latest amended on 31 August 2018 and its implementation rules, for individual income including interest, dividend and bonus, individual income tax with applicable proportional tax rate of 20% shall be paid. Unless otherwise provided by the competent financial and taxation authorities under the State Council, all the interest, dividend and bonus are deemed as derived from the PRC whether the payment place is in the PRC. Pursuant to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得稅若干政策問題的通知》) promulgated on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Enterprise Investors

In accordance with the EIT Law (《企業所得稅法》) and its implementation rules, a uniform enterprise income tax rate of 25% is imposed on all resident enterprises in China, including foreign-invested enterprises; a non-resident enterprise is generally subject to enterprise income tax at a rate of 10% on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued by the SAT on 6 November 2008, further clarifies that a PRC-resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends distributed to overseas non-resident enterprise shareholders of H Shares in 2008 and any subsequent year. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B Shares (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the SAT on 24 July 2009, further provides that any PRC-resident enterprise whose shares are listed on overseas stock exchanges must withhold

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and remit enterprise income tax at a rate of 10% on dividends distributed to overseas non-resident enterprise shareholders of H Shares in 2008 and any subsequent year. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed on 21 August 2006, the PRC government may levy taxes on the dividends paid by a Chinese company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書), which came in to effect on 6 December 2019, adds a criteria for the qualification of entitlement to enjoy treaty benefits. Although there may be other provisions under the Arrangement, the treaty benefits under the criteria shall not be granted in the circumstance where the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, after taking into account all relevant facts and conditions, are reasonably deemed to be obtaining such benefits, except when the grant of such benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the statutory requirements of PRC tax law documents, such as the Notice of the SAT on the Issues Concerning the Enforcement of the Dividend Clauses of Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

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

Taxation on Share Transfer

Individual Investor

According to the IIT Law and its implementation rules, gains realized on the sale of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular on Continuing to Temporarily Exempt Individual Income Tax on Income from the Transfer of Shares by Individuals (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT in March 1998, from 1 January 1997, income of individuals from transfer of the shares of listed enterprises shall continue to be exempted from individual income tax. On 31 December 2009, the MOF, the SAT and CSRC jointly issued the Circular on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), this circular provides that any individual's income from the transfer of listed shares on the Shanghai Stock Exchange and the Shenzhen Stock

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Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Restricted Shares of Listed Company (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) jointly issued by the abovementioned three departments on 10 November 2010).

As of the Latest Practicable Date, no aforesaid provisions had expressly provided that whether individual income tax shall be levied from non-PRC resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges. To the knowledge of the Company, in practice, the PRC tax authorities have not levied income tax from non-PRC resident individuals on gains from the transfer of PRC resident enterprises listed on overseas stock exchange. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

Enterprise Investors

In accordance with the EIT Law and its implementation rules, a non-resident enterprise is generally subject to enterprise income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》) issued by the SCNPC on 10 June 2021 and implemented on 1 July 2022, the PRC stamp duty applies to entities and individuals that conclude taxable documents and conduct securities transactions within the PRC and the entities and individuals that conclude taxable documents outside the PRC which are used within the PRC. Therefore, the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies does not apply to the acquisition and disposal of H shares outside the PRC by non-PRC investors.

Estate Duty

The PRC currently does not impose any estate duty.

HONG KONG TAXATION

Taxation on Dividends

No tax is payable in Hong Kong in respect of dividends paid by our Company.

Profits Tax

Hong Kong profits tax will not be payable by any Shareholders (other than Shareholders carrying on a trade, profession or business in Hong Kong and holding the Shares for trading purposes) on any capital gains made on the sale or other disposal of the Shares. Shareholders should take advice from their own professional advisers as to their particular tax position.

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Stamp Duty

Hong Kong stamp duty will be charged on the sale and purchase of Shares at the current rate of 0.2% of the consideration for, or (if greater) the value of, the Shares being sold or purchased, whether or not the sale or purchase is on or off the Stock Exchange. The Shareholder selling the Shares and the purchaser will each be liable for one-half of the amount of Hong Kong stamp duty payable upon such transfer. In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of Shares.

Estate Duty

Hong Kong estate duty was abolished effective from 11 February 2006. No Hong Kong estate duty is payable by Shareholders in relation to the Shares owned by them upon death.

Major Taxes on the Company in the PRC

Enterprise Income Tax

According to the EIT Law, which was promulgated on 16 March 2007 and amended from time to time, together with its implementation rules, enterprises are classified into resident enterprises and non-resident enterprises. Enterprises, which are incorporated in the PRC or incorporated pursuant to the foreign laws with their “de facto management bodies” located in the PRC, are deemed as “resident enterprise” and subject to an enterprise income tax rate of 25% on their global income. Non-resident enterprises are subject to (i) an enterprise income tax rate of 25% on their income generated by their establishments or places of business in the PRC and their income derived outside the PRC which are effectively connected with their establishments or places of business in the PRC; and (ii) an enterprise income tax rate of 10% on their income derived from the PRC but not connected with their establishments or places of business located in the PRC. Non-resident enterprises without establishment or place of business in the PRC are subject to an enterprise income tax of 10% on their income derived from the PRC.

Value-Added Tax

According to the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated on 13 December 1993 and latest amended on 19 November 2017, together with its implementation rules, entities and individuals engaged in selling goods or labor services of processing, repair or maintenance, selling services, intangible assets or immovables within the PRC or importing goods to the PRC are subject to the payment of value-added tax. Pursuant to the Notice of the Ministry of Finance of the PRC and State Taxation Administration of the PRC on Adjusting Value-Added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) effective on 1 May 2018, a taxpayer who is previously subject to 17% on value-added tax-taxable sales activities shall have the applicable tax rate adjusted to 16%. According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》), which came into effect on 1 April 2019, for value-added tax-taxable sales or imported goods of a value-added tax general taxpayer where the value-added tax rate of 16% applies currently, it shall be adjusted to 13%.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the PRC Foreign Currency Administration Rules (《中華人民共和國外匯管理條例》) promulgated on 29 January 1996 and amended from time to time, the RMB is generally freely convertible for current account items, including the distribution of dividends, trade and service related foreign exchange transactions, but not for capital account items, such as direct investment, loan, repatriation of investment and investment in securities outside the PRC, unless the prior approval of the SAFE or its designated banks is obtained.

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According to the SAFE Notice on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated on 9 June 2016, the settlement of foreign exchange receipts under the capital account (including but not limited to foreign currency capital and foreign debts) may convert from foreign currency into RMB on self-discretionary basis. The ratio of the discretionary exchange rate of foreign exchange receipts under domestic capital account is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

According to the SAFE Circular on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on 23 October 2019, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to law on the condition that the current Special Administrative Measures for Access of Foreign Investment (Negative List) are not violated and the relevant domestic investment projects are genuine and in compliance with laws.

On 26 December 2014, the SAFE issued the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》). Pursuant to the notice, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the document and other disclosure documents. A domestic company (except for bank financial institutions) shall present its certificate of overseas listing to open a “special account for overseas listing of domestic company” at a local bank for its initial public offering (or follow-on offering) and repurchase business to handle the exchange, remittance, and transfer of funds for the business concerned.

APPENDIX IV

SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

SUMMARY OF PRINCIPAL PRC LEGAL AND REGULATORY PROVISION

This Appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary is with no intention to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of the Company, see “Regulatory Overview.”

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “**Constitution**”) and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023修正)》) (the “**Legislation Law**”), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, the State Audit Administration, organs endowed with administrative functions directly under the State Council and the organizations prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules. The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilization development, grassroots governance, and historical and cultural protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people’s governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

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The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people’s governments of the provinces or autonomous regions is greater than that of the rules enacted by the people’s governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations or separate regulations which have been approved by its Standing Committee but which contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people’s congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the NPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, the Supreme People’s Court of the PRC (the “**Supreme People’s Court**”) has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People’s Courts (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People’s Court, the local people’s courts and special people’s courts.

The local people’s courts are comprised of the primary people’s courts, the intermediate people’s courts and the higher people’s courts. The higher level people’s courts supervise the primary and intermediate people’s courts. The people’s procuratorates also have the right to exercise legal supervision over the civil proceedings of people’s courts of the same level and lower levels. The Supreme People’s Court is the highest judicial body in the PRC. It supervises the judicial administration of the people’s courts at all levels.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”) was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, and its latest version has come into effect on 1 January 2024. The Civil Procedure Law sets forth the criteria for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties

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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff’s or the defendant’s domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country’s judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people’s court or an award made by an arbitration panel in the PRC, the other party may apply to the people’s court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people’s court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people’s court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court’s examination according to the principle of reciprocity. However, if the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest, or if other circumstances specified in Article 300 of the Civil Procedure Law occur, the people’s court shall, upon examination, not to recognize or enforce such judgment or ruling.

THE PRC COMPANY LAW, TRIAL MEASURES AND GUIDANCE FOR ARTICLES OF ASSOCIATION

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (2023 Amendment) (《中華人民共和國公司法(2023修正)》) which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively and the latest amendment of which has been implemented on July 1, 2024.
- The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and its five guidelines which were promulgated by the CSRC on 17 February 2023 and came into effect on 31 March 2023, applicable to the overseas offering and listing of joint stock limited companies; and

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- The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidance for Articles of Association**”) which was latest amended and came into effect on March 28, 2025 by the CSRC. The related Guidance for Articles of Association are set out in the Articles of Association of the Company, the summary of which is set out in the section entitled “Appendix V — Summary of the Articles of Association” in this document.

Set out below is a summary of the major provisions of the PRC Company Law, Trial Measures and Guidance for Articles of Association.

General

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock company with limited liability may be established by promotion or subscription. A joint stock company with limited liability shall have a minimum of one but no more than 200 people as its promoters, and over half of the promoters must be resident within the PRC. The registered capital of a joint stock company with limited liability is the total share capital for all the issued shares registered with the company’s registration authorities. No share offering shall be made before the shares subscribed for by the promoters are fully paid up. If laws, administrative regulations and State Council decisions provide otherwise on the minimum registered capital of a joint stock company with limited liability, the company should follow such provisions.

For a joint stock company with limited liability incorporated by way of promotion, the promoters shall subscribe for the full number of shares to be issued upon the incorporation of the company as provided for in its articles of association and make full payment for the shares subscribed for before the incorporation of the company. Shareholders who make their capital contribution in cash shall deposit the amount in full payment to the bank account opened by the company and shareholders who make their capital contribution with non-monetary assets shall complete the procedures relating to the transfer of titles to non-monetary assets as required by relevant laws. If a promoter fails to pay for the shares he has subscribed for, or if the actual value of the non-monetary assets used as capital contribution is significantly less than the amount of the shares subscribed for, the other promoters are jointly and severally liable to the extent of the shortfall in the capital contribution. After the promoters have subscribed for the capital contribution under the articles of association, a board of directors and a supervisory committee shall be elected and the board of directors shall apply for registration of establishment by filing the articles of association with relevant administration for industry and commerce, and other documents as required by the law or administrative regulations.

The convening and voting procedures for the inauguration meeting of a joint stock company with limited liability incorporated by promotion shall be stipulated in the articles of association or the agreement of the promoters. Where the shares to be issued remain undersubscribed upon the incorporation of the company, or where the promoters fail to convene an inauguration meeting

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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

within 30 days of the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank rates of a deposit for the same period. After the promoters and subscribers have paid for their subscribed shares or delivered non-monetary assets as capital contribution, they shall not withdraw their capital except in cases where the issued shares are not fully subscribed within the specified period, the promoters fail to convene an inauguration meeting within the prescribed period, or the inauguration meeting resolves not to incorporate the company. Within 30 days of the conclusion of the inauguration meeting of the company, the board of directors shall authorize representatives to apply to the company registration authority for registration of the incorporation of the company. A company is formally established and has the capacity of a legal person after approval of registration has been given by the relevant administration for market regulation and a business license has been issued. Where a limited liability company is converted to a joint stock company with limited liability, the converted paid-up share capital shall not exceed its net assets. Where a limited liability company is converted to a joint stock company with limited liability, the public offering of shares for the purpose of capital increase shall be made in compliance with relevant laws.

Share Capital

The promoters of a company can make capital contributions in cash or in kind, which can be valued in currency and transferable according to law such as intellectual property rights or land use rights based on their appraised value.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares.

A company may issue registered or bearer share. However, shares issued to promoter(s) or legal person(s) shall be in the form of registered share and shall be registered under the name(s) of such promoter(s) or legal person(s) and shall not be registered under a different name or the name of a representative.

Under the Trial Measures, if a domestic enterprise issues shares overseas, it may raise funds and make dividend distributions in foreign currency or RMB. Subject to specific circumstances, the Trial Measures requires that, among other things, (i) initial public offerings or listings on overseas markets of domestic companies shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

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The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of registered shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations. Bearer shares are transferred by delivery of the share certificates to the transferee.

Shares held by a promoter of a company shall not be transferred within one year after the date of the company’s incorporation. Shares issued by a company prior to the public offer of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall not transfer over 25% of the shares held by each of them in the company each year during their term of office and shall not transfer any share of the company held by each of them within one year after the listing date. There is no restriction under the PRC Company Law as to the percentage of shareholding a single shareholder may hold in a company.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a shareholders’ meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Under the Trial Measures, if a domestic enterprise issues shares overseas, it may raise funds and make dividend distributions in foreign currency or RMB. Subject to specific circumstances, the Trial Measures requires that, among other things, (i) initial public offerings or listings on overseas markets of domestic companies shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas.

Registered Shares

Under the PRC Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary property as physical items, intellectual property rights, and land-use rights that may be valued in monetary term and may be transferred in accordance with the law.

Under the PRC Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

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Increase of Share Capital

According to the PRC Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders’ general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders. When the company launches a public issuance of new shares with the approval of the securities regulatory authorities of the State Council, it shall publish a document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders’ general meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days after the resolution approving the reduction has been passed;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts; and
- it shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the PRC Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders’ general meeting; (v) use of shares for conversion of convertible corporate bonds issued by a listed company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders’ interest.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders’ general meeting. For a company’s share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company’s board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the company’s articles of association or as authorized by the shareholders’ meeting.

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Following the purchase of shares in accordance with (i), such shares shall be canceled within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company’s total issued shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the PRC Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder’s general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the PRC Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company’s listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the company’s shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company.

Shareholders

Under the PRC Company Law and the Guidance for Articles of Association, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to require, convene, preside over, participate in or send proxies of shareholders to attend shareholders’ general meeting and to exercise the corresponding voting rights according to the law;
- the right to transfer, donate or pledge their shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to supervise, make suggestions on or question the Company’s operations;
- the right to inspect the company’s articles of association, share register, counterfoil of company debentures, minutes of shareholder’s general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports;
- any shareholder who has a different view on a resolution on the merger or division of the Company made by a shareholders’ general meeting has the right to require the Company to buy back his/its shares;

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- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;
- in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the company’s articles of association.

The obligations of a shareholder include the obligation to abide by the Company’s articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company’s debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders’ obligation specified in the company’s articles of association.

Shareholders’ General Meetings

The shareholders’ general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law.

Under the PRC Company Law, the shareholders’ general meeting exercises the following principal powers:

- to elect or remove the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company’s proposed annual financial budget and final accounts;
- to examine and approve the company’s proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company’s registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and other matters;
- to amend the company’s articles of association; and
- other powers as provided for in the articles of association.

Shareholders’ annual general meetings are required to be held once every year. Under the PRC Company Law, an extraordinary shareholders’ general meeting is required to be held within two months after the occurrence of any of the following:

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- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in share capital;
- when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of associations.

Under the PRC Company Law, shareholders' general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

Under the PRC Company Law, notice of shareholders' general meeting shall state the time, venue and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder's general meetings shall be given to all shareholders 15 days prior to the meeting. For the issuance of bearer share certificates, the time and venue of and matters to be considered at the meeting shall be announced 30 days before the meeting. Under the Guidance for Articles of Association, after the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or canceled without justifiable reasons, and the proposals listed in the notice of general meeting of shareholders shall not be canceled. In the event of postponement or cancelation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

Under the PRC Company Law, shareholders present at shareholders' general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the PRC Company Law and the Guidance for Articles of Association, resolutions of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting regarding the following matters shall be adopted by more than two-thirds of the voting

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rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the merger, division, dissolution, liquidation or change in the form of the company; (iv) any purchase or sale of major assets or any provision of guarantee within one year in an amount in excess of 30% of the Company’s latest audited total assets; (v) any equity incentive scheme; and (vi) any other matters specified by laws, administrative regulations or the Articles of Association and other matters considered by the shareholders’ general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

Under the PRC Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders’ general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders’ attendance register and the proxy forms.

Board

Under the PRC Company Law, a joint stock company with limited liability, other than that of small scale or with a limited number of shareholders which may not have a board of directors, shall have a board of directors, which shall consist of 3 or more members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company’s staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the PRC Company Law, the board of directors mainly exercises the following powers:

- to convene the shareholders’ general meetings and report on its work to the shareholders’ general meetings;
- to implement the resolutions passed in shareholders’ general meetings;
- to decide on the company’s business plans and investment proposals;
- to formulate the company’s proposed annual financial budget and final accounts;
- to formulate the company’s profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company’s registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to formulate the company’s basic management system; and
- to exercise any other power under the articles of association.

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Board Meetings

Under the PRC Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

Chairman of the Board

Under the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The PRC Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence or less than two years have elapsed since the expiration of the probation period for suspended sentence;
- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or
- a person who has been listed as a dishonest person subject to enforcement by the people's court due to a relatively large amount of debts that are overdue.

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Board of Supervisors

Under the PRC Company Law, a joint stock company with limited liability, other than that has an audit committee under the board of directors to exercise the powers of the supervisory committee or that of small scale or with a limited number of shareholders which may not have a supervisory committee, shall have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months.

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of shareholders' meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meeting under this law;
- to initiate proposals for resolutions to shareholders' general meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

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Manager and Senior Management

Under the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall report to the board of directors and may exercise the following powers:

- to supervise the business and administration of the company and arrange for the implementation of resolutions of the board of directors;
- to arrange for the implementation of the company’s annual business plans and investment proposals;
- to formulate the general administration system of the company;
- to formulate the company’s detailed rules;
- to recommend the appointment and dismissal of deputy managers and person in charge of finance;
- to appoint or dismiss other administration officers (other than those required to be appointed or dismissed by the board of directors); and
- other powers conferred by the board of directors or the articles of association.

The manager shall comply with other provisions of the articles of association concerning his/her powers. The manager shall attend board meetings.

According to the PRC Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required under the PRC Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating of the company’s properties. Directors and senior management are prohibited from:

- embezzling the company’s properties or misappropriating of the company’s capital;
- depositing the company’s capital into accounts under his own name or the name of other individuals;
- abusing their powers to accept any bribery or other illegal income;
- accepting and possessing commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the company; or
- other acts in violation of their duty of loyalty to the company.

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Without reporting to the board of directors or the general meeting and obtaining approval of the board of directors or the general meeting as required by the articles of association of the company, directors, supervisors and senior management shall not directly or indirectly enter into any contract or transaction with the company, take advantage of their positions to pursue business opportunities which otherwise are available to and could be taken by the company for the benefit of themselves or others, or operate a business similar to the business of the company they work for in favor of themselves or others. In voting for proposals for the aforementioned matters by the board of directors, interested directors shall not vote and their voting rights shall not be counted in the total valid votes. If the number of uninterested directors attending the meeting is less than three, relevant proposals shall be submitted to the general meeting for consideration.

Income generated by directors or senior management in violation of their duty of loyalty shall be returned to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable for the damages to the company.

Where a director, supervisor or senior management is required to attend a general meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. The supervisory committee may require directors and senior management to submit their reports on the performance of duties. Directors and senior management shall furnish all true information and data to the supervisory committee, without impeding the discharge of duties by the supervisory committee or supervisors.

Where a director or senior management contravenes law, administrative regulation or articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate no less than 1% of the company's shares consecutively for at least 180 days may request in writing that the supervisory committee institute litigation at a people's court on its behalf. Where a supervisor violates the laws or administrative regulations or the articles of association in the discharge of its duties resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institute litigation at a people's court on its behalf. If the supervisory committee or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at a people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where a director or senior management contravenes any laws, administrative regulations or the articles of association in infringement of shareholders' interests, a shareholder may also institute litigation at a people's court. Where the directors, supervisors and senior management of a wholly-owned subsidiary of a company fall into any of the aforementioned circumstances, or any other person infringes upon the lawful rights and interests of the wholly-owned subsidiary of the company and causes losses, the shareholders of the Company who individually or collectively hold no less than 1% of the company's shares for more than 180 consecutive days may, in accordance with the aforementioned provisions, request in writing the supervisory committee and the board of directors of the wholly-owned subsidiary to bring a lawsuit to the people's court or bring a lawsuit directly to the people's court in their own name.

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Finance and Accounting

Under the PRC Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the PRC Company Law, the company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. It must also publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Shares held by the Company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The Company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. However, the capital reserve fund may not be applied to make up the company's losses. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

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Appointment and Retirement of Accounting Firms

Pursuant to the PRC Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders’ general meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders’ general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidance for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report.

Distribution of Profits

According to the PRC Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company’s articles of association must be made in accordance with the procedures set out in the company’s articles of association. In relation to matters involving the company’s registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to the PRC Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders’ general meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people’s court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

The company shall, within ten days of the occurrence of any of the aforementioned reasons for dissolution, disclose the reasons for dissolution on the National Enterprise Credit Information Publicity System.

In the event of (i) or (ii) above, it may carry on its existence by amending its articles of association or passing a resolution at a general meeting. The amendment of the articles of association in accordance with provisions set out above shall require approval of more than two-thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

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The members of the company’s liquidation group shall be composed of its directors or the personnel appointed by the shareholders’ general meeting. If a liquidation group is not established within the stipulated period, creditors may apply to the people’s court and request the court to appoint relevant personnel to form the liquidation group. The people’s court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to handle the company’s assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company’s outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to handle the company’s remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company’s creditors within 10 days after its establishment and issue public notices in newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders’ general meeting or people’s court for confirmation.

The company’s remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company’s properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company’s properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people’s court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the people’s court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the shareholders’ general meeting or the people’s court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company’s registration, and a public notice of its termination shall be issued. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws. Members of the liquidation group shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company’s properties.

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A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

Subject to specific circumstances, the Trial Measures and its guidelines require that, among other things, (i) initial public offerings or listings on overseas markets of domestic companies shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas; and (iv) if the overseas offering or listing has not been completed within one year upon the completion of the filing with CSRC, the filing documents shall be updated if such overseas offering or listing is going to further proceed.

Termination of Listing

The PRC Securities Law (2019 revision) (《中華人民共和國證券法》(2019年修訂)) (“**PRC Securities Law**”) stipulates that the trading of shares of a company of a stock exchange may be terminated if so decided by the stock exchange.

Where the stock exchange decides on delisting of securities, it shall promptly announce and file records with the securities regulatory authority of the State Council.

The Trial Measures requires that, upon the occurrence of voluntary or mandatory delisting after an issuer has offered and listed securities on an overseas market, the issuer shall submit a report to CSRC within three working days after the occurrence and public announcement of such event.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

SECURITIES LAW AND REGULATIONS

CSRC, a ministerial-level public institution directly under the State Council, performs a unified regulatory function, according to the relevant laws and regulations, and with the authority by the State Council, over the securities and futures market of China, maintains an orderly securities and futures market order, and ensure a legal operation of the capital market.

The PRC Securities Law took effect on 1 July 1999 and was revised on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

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ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “Arbitration Law”) was passed by the Standing Committee of the NPC on 31 August 1994, became effective on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, shall apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) adopted on 10 June 1958 pursuant to a resolution of the Standing Committee of the NPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the PRC Supreme People’s Court for the mutual enforcement of arbitral awards. On 24 January 2000, the PRC Supreme People’s Court adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的安排》) (the “Arrangement”), which became effective on 1 February 2000. On November 26, 2020, the PRC Supreme People’s Court issued the Supplementary Arrangements of the Supreme People’s Court on Reciprocal Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (the “**Supplementary Arrangements**”). In accordance with the Arrangement, the Supplementary Arrangements, upon satisfying certain requirements, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

Pursuant to the Supplementary Arrangements, before or after accepting an application for enforcement of an arbitral award, the court concerned may take measures for preservation or enforcement in accordance with the application and the law of the place where the arbitral award is to be executed.

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Judicial judgment and its enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People’s Court on January 25, 2024 and implemented on January 29, 2024, the courts of Hong Kong and the People’s Republic of China recognize each other and enforce legally binding judgments in civil and commercial cases. The content of the mutual recognition and enforcement of the judgment includes the monetary judgment and the non-monetary judgment, of which the scope of payment of the property and the mutual recognition and execution includes the property paid and the corresponding interest, litigation costs, late performance fines, and interest on late performance as determined by the judgment, excluding taxes and fines.

Shareholding and Transfer of Shares

Under PRC law, our Domestic Shares, which are denominated and subscribed for in Renminbi, may only be subscribed for and traded by the government or government authorized departments, PRC legal persons, natural persons, qualified foreign institutional investors, or eligible foreign strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency other than Renminbi, may only be subscribed for, and traded by investors from Hong Kong, Macau or Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors. However, qualified institutional investors and individual investors may trade Southbound Hong Kong trading Link and Northbound Shanghai trading Link (or the Northbound Shenzhen trading Link) shares via participating in Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

When the application for “full circulation” has been approved by the CSRC, the domestic unlisted shares of the H share listed company might be listed and circulated on the Hong Kong Stock Exchange.

Under the PRC Company Law, a promoter of a joint stock limited company is not allowed to transfer the shares it holds for a period of one year after the date of establishment of the company. Shares issued prior to the public offering cannot be transferred within one year from the listing date of the shares on a stock exchange. Shares transferred each year by the directors, supervisors and senior management of a joint stock limited company during their respective term of office shall not exceed 25% of the total shares they held in the company, and the shares they held in the company cannot neither be transferred within one year from the listing date of the shares nor within half a year after such person has left office. The articles of association may set other restrictive requirements on the transfer of the company’s shares held by its directors, supervisors and senior management.

Derivative Action by Minority Shareholders

The PRC Company Law provides shareholders of a joint stock limited company with the right so that in the event where the directors and senior management violate their obligations and cause damages to a company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the supervisory board to initiate proceedings in the people’s court. In the event that the supervisory board violates their obligations and cause damages to company, the above said shareholders may send written request to the board of directors to initiate proceedings in the people’s court. Upon receipt of aforesaid written request from the shareholders, if the supervisory board or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days from the date of receipt

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of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company’s interests, have the right to initiate proceedings directly to the people’s court in their own name.

Dividends

The Company has the power in certain circumstances to withhold, and pay to the relevant tax authorities, any tax payable under PRC laws on any dividends or other distributions payable to a shareholder. Under PRC laws, the relevant limitation period is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of such limitation of actions.

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SHARES

Issuance of Shares

The shares of the Company shall take the form of share certificates.

The principles of openness, fairness and impartiality shall be applied in the issuance of shares of the Company, and each share of the same class have equal rights.

For shares of the same class issued in the same batch, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by any subscriber, the price payable for each of such shares shall be the same.

Increase/Deduction and Repurchase of Shares

The Company may, based on its operational and development needs and pursuant to relevant laws, regulations and the Hong Kong Listing Rules, approve an increase in capital in the following manners upon respective resolutions at the shareholders’ meeting:

- (1) by issuing shares to unspecified objects after obtaining approval from relevant authorities;
- (2) by issuing shares to specific objects;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by capitalizing its capital reserve; and
- (5) by any other means which are permitted by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the shares of the Company are listed, and the relevant national authorities such as the CSRC.

Upon approval in accordance with these Articles of Association, any increase of capital and issue of new shares by the Company shall be in compliance with the procedures as provided for in relevant national laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place where its shares are listed.

The Company may reduce its own registered capital. Where the Company reduces its own registered capital, it shall be conducted in accordance with the Company Law and other relevant provisions as well as the procedures stipulated in these Articles of Association.

The Company may not repurchase its own shares, except under the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with another company that holds shares in the Company;
- (3) to utilize its shares in the employee stock ownership plan or for equity-based incentive;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any shareholders’ meeting on the merger or division of the Company;
- (5) to utilize the shares for conversion of corporate bonds which are convertible into shares issued by the Company;

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- (6) where it is necessary for the Company to safeguard the value of the Company and the interests of its shareholders; and
- (7) other circumstances permitted by relevant laws, regulations, and the securities regulatory rules of the place where its shares are listed.

In the event that the Company repurchases its own shares under the circumstances specified in Items (1) and (2) above, it shall obtain a resolution from the shareholders' meeting. When repurchasing shares under the circumstances specified in Items (3), (5) and (6) above, it may, in accordance with the provisions of its Articles of Association or the authorization of the shareholders' meeting, obtain a resolution from a board meeting attended by more than two-thirds (2/3) of the directors.

After the Company repurchases its own shares in accordance with the above provisions, if it falls under the circumstance specified in Item (1) above, the shares shall be canceled within ten (10) days from the date of repurchase; if it falls under the circumstances specified in Items (2) and (4) above, the shares shall be transferred or canceled within six months; and if it falls under the circumstances specified in Items (3), (5) and (6) above, the total number of the Company's own shares as held shall not exceed ten percent (10%) of the total number of issued shares of the Company, and such shares shall be transferred or canceled within three (3) years.

If relevant laws, regulations, the Hong Kong Listing Rules and other securities regulatory rules of the place where the shares of the Company are listed provide otherwise for matters related to the aforementioned share repurchases, those provisions shall prevail.

Transfer of Shares

The shares of the Company may be transferred to other shareholders or to persons other than shareholders. Except as otherwise provided by laws, administrative regulations, departmental rules, normative documents, and the securities regulatory rules of the place where the Company's shares are listed, the Company's fully paid-up shares shall not be subject to any restrictions on transfer rights and may be freely transferred without any lien attached. The transfer of overseas-listed shares as listed in Hong Kong shall be registered with the stock registration agency in Hong Kong as entrusted by the Company. The Company shall not accept any of its shares as the subject matter of a pledge.

Shares as issued prior to the public offering of shares by the Company shall not be transferred within one year from the date of listing and trading of the Company's shares.

Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During their term of office as determined upon assuming their positions, the number of shares they transfer each year shall not exceed twenty-five percent (25%) of the total number of shares of the same class they hold in the Company; and the shares they hold shall not be transferred within one year from the date of listing and trading of the Company's shares. After leaving their positions, the aforementioned personnel shall not transfer the shares they hold in the Company within six months.

All transfers of H-shares shall be effected by means of a written instrument of transfer in the general or ordinary form or any other form acceptable to the Board of Directors (including the standard transfer form or transfer form specified by the Hong Kong Stock Exchange from time to time); and such instrument of transfer may only be executed by handwritten signature or by affixing the Company's valid seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house as defined in the relevant ordinances in force from time to time under

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the laws of Hong Kong or its agent, the instrument of transfer may be executed by handwritten signature or by machine-imprinted signature. All instruments of transfer shall be deposited at the Company's registered office or at such other place as the Board of Directors may from time to time specify.

Register of Shareholders

The Company shall establish a register of shareholders, which shall be sufficient evidence to prove that shareholders hold shares in the Company. Shareholders shall enjoy rights and assume obligations in accordance with the classes of shares they hold; and shareholders holding shares of the same class shall enjoy equal rights and assume the same obligations.

When the Company intends to convene a shareholders' meeting, distribute dividends, liquidate and engage in other actions that require confirmation of shareholders' identities, the Board of Directors or the convener of the shareholders' meeting shall determine the record date for equity registration. Shareholders registered on the record date shall be the shareholders entitled to relevant rights and interests.

SHAREHOLDERS AND SHAREHOLDERS' MEETING

Rights and Obligations of Shareholders

The shareholders of the Company shall enjoy the following rights:

- (1) Receiving dividends and other forms of benefit distributions in proportion to the number of shares they hold;
- (2) Requesting, convening, presiding over, attending or appointing their agents to attend the shareholders' meeting according to law and exercise corresponding voting rights (unless an individual shareholder is required to waive voting rights on specific matters under the Hong Kong Listing Rules) and speaking rights;
- (3) Supervising the Company's operations, and making suggestions or inquiries accordingly;
- (4) Transferring, gifting or pledging the shares they hold in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;
- (5) Inspecting and copying the Articles of Association, register of shareholders (including the register of H-share shareholders), minutes of shareholders' meetings, resolutions of board meetings, and financial reports, in which regard eligible shareholders may inspect the Company's accounting books and accounting vouchers;
- (6) Participating in the distribution of the remaining assets of the Company based on the number of shares held by them in the event of the termination or liquidation of the Company;
- (7) Shareholders who object to resolutions on corporate mergers or divisions made by the shareholders' meeting may request the Company to repurchase their shares; and
- (8) Having other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

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The shareholders of the Company shall assume the following obligations:

- (1) Complying with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;
- (2) Contributing to the share capital according to the number of shares subscribed for by them and the methods of capital contribution;
- (3) Not withdrawing their contributed share capital, except as provided by laws and regulations;
- (4) Not abusing their shareholder rights to harm the interests of the Company or any other shareholders, and not abusing the Company's independent status as a legal person and the shareholders' limited liability to harm the interests of the Company's creditors; and
- (5) Assuming other obligations stipulated by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where any of the Company's shareholders abuses their rights and thus causes losses to the Company or other shareholders, such shareholder shall be liable for indemnity according to law. Where any of the Company's shareholders abuses the Company's independent status as a legal person and the shareholders' limited liability to evade debts and seriously harms the interests of the Company's creditors, they shall assume joint and several liability for the Company's debts.

Shareholder Proxy

Shareholders may attend shareholders' meetings in person or appoint proxies (who need not be shareholders) to attend and vote on their behalf.

The power of attorney issued by a shareholder about authorizing another person to attend a shareholders' meeting shall contain the following particulars:

- (1) The name or designation of the principal, as well as the class and number of shares he/she holds in the Company;
- (2) The name or designation of the proxy;
- (3) Specific instructions from the shareholder, including instructions to vote for, against, or abstain on each item on the agenda of the shareholders' meeting;
- (4) The issuance date and validity period of the power of attorney; and
- (5) The signature (or seal) of the principal. If the principal is a non-natural person shareholder, the power of attorney shall be affixed with the seal of the non-natural person entity or signed by a legally authorized person.

If the securities regulatory rules of the place where the Company's shares are listed have special provisions regarding the power of attorney, such provisions shall prevail.

If a power of attorney for proxy voting is signed by a person authorized by the principal, the authorization letter or other authorization documents for the authorized signature shall be notarized. Both the notarized authorization letter or other authorization documents and the power of attorney for proxy voting shall be kept at the Company's domicile or at other places specified in the notice on convening the meeting.

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Powers and Pending Matters of the Shareholders' Meeting

The shareholders' meeting is the governing authority of the Company and shall exercise the following functions and powers according to law:

- (1) Electing and replacing directors who are not represented by employees, and deciding on matters relating to their remuneration;
- (2) Deliberating and approving reports of the Board of Directors;
- (3) Deliberating and approving profit distribution plans and loss compensation plans of the Company;
- (4) Resolving on increase or decrease in the registered capital of the Company;
- (5) Resolving on the issuance of corporate bonds;
- (6) Resolving on matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form;
- (7) Amending the Articles of Association;
- (8) Resolving on the appointment and dismissal of the accounting firm as engaged to audit the Company's business, and determining its remuneration;
- (9) Deliberating and approving guarantee matters stipulated in Article 44 of the Articles of Association;
- (10) Deliberating matters in which the Company (including its controlled subsidiaries) purchases or sells significant assets exceeding thirty percent (30%) of the Company's total assets as stated in the latest audited consolidated financial statements within one year;
- (11) Deliberating and approving matters related to changes in the use of raised funds;
- (12) Deliberating equity-based incentive plans and employee stock ownership plans;
- (13) Repurchasing the Company's shares under the circumstances specified in Items (1) and (2) of Article 26 of the Articles of Association; and
- (14) Deliberating other matters that should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

The following external guarantees of the Company must be deliberated and approved by the shareholders' meeting:

- (1) Any guarantee provided after the total external guarantees by the Company and its controlled subsidiaries exceeds fifty percent (50%) of the Company's latest audited net assets;
- (2) Any guarantee provided after the total external guarantees by the Company exceed thirty percent (30%) of the Company's latest audited total assets;

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- (3) Any guarantee where the Company provides guarantees to others within one year in an amount exceeding thirty percent (30%) of the Company's latest audited total assets;
- (4) Any guarantee provided for guaranteed parties with an asset-liability ratio exceeding seventy percent (70%);
- (5) Any guarantee with a single amount exceeding ten percent (10%) of the Company's latest audited net assets;
- (6) Any guarantee provided for shareholders, actual controllers and their related parties (excluding the Company and its controlled subsidiaries); and
- (7) Other guarantee circumstances stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the meeting.

A special resolution of the shareholders' meeting shall be passed by at least two-thirds (2/3) of the voting rights held by the shareholders (including their proxies) present at the meeting.

Shareholders shall exercise their voting rights based on the number of voting shares they represent, with each share entitled to one vote.

The Company's own shares held by it have no voting rights, and such shares will not be included in the total number of voting shares present at the shareholders' meeting.

The following matters shall be passed by special resolutions of the shareholders' meeting:

- (1) The increase or decrease in the registered capital of the Company;
- (2) The division, split-up, merger, dissolution and liquidation of the Company;
- (3) The amendment to the Articles of Association;
- (4) Where the amount of major assets purchased or sold, or the guarantees provided to others by the Company within one year exceeds thirty percent (30%) of the Company's latest audited total assets;
- (5) Any equity-based incentive plan; and
- (6) Other matters stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as those identified by an ordinary resolution of the shareholders' meeting as having a significant impact on the Company and requiring passage by a special resolution.

The following matters shall be passed by ordinary resolutions of the shareholders' meeting:

- (1) The work reports of the Board of Directors;
- (2) The profit distribution plans and loss compensation plans formulated by the Board of Directors;

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- (3) The appointment and dismissal of the members of the Board of Directors, and their remuneration and payment methods; and
- (4) Other matters required to be passed by special resolutions except as stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening, Proposals and Notifications of Shareholders' Meeting

The Board of Directors shall convene a shareholders' meeting within the specified time limit. Independent non-executive directors are entitled to propose to the Board of Directors the convening of an extraordinary shareholders' meeting, which shall be approved by more than half of all independent non-executive directors. Regarding the proposal by independent non-executive directors to convene an extraordinary shareholders' meeting, the Board of Directors shall provide written feedback within ten (10) days of receiving such a proposal, indicating whether it agrees or disagrees with convening the meeting in accordance with laws, administrative regulations and the Articles of Association. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days after making such a resolution; but if the Board of Directors disagrees, it shall state the reasons.

The Audit Committee is entitled to propose to the Board of Directors the convening of an extraordinary shareholders' meeting, which shall be submitted in writing to the Board of Directors. The Board of Directors shall provide written feedback within ten (10) days of receiving such a proposal, indicating whether it agrees or disagrees with convening the meeting in accordance with laws, administrative regulations and the Articles of Association. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days after making such a resolution. Any changes to the original proposal in the notice shall be approved by the Audit Committee. If the Board of Directors disagrees with convening an extraordinary shareholders' meeting or fails to provide feedback within ten (10) days of receiving such a proposal, it shall be deemed that the Board of Directors is unable or unwilling to perform its duty to convene the shareholders' meeting, and then the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares are entitled to request the Board of Directors in writing to convene an extraordinary shareholders' meeting. The Board of Directors shall provide written feedback within ten (10) days of receiving such a request, indicating whether it agrees or disagrees with convening the meeting in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days after making such a resolution. Any changes to the original request in the notice shall be approved by the relevant shareholders. If relevant laws, regulations or the securities regulatory rules of the place where the Company's shares are listed stipulate otherwise, such provisions shall prevail. If the Board of Directors disagrees with convening an extraordinary shareholders' meeting or fails to provide feedback within ten (10) days of receiving such a request, shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares are entitled to propose to the Audit Committee in writing to convene an extraordinary shareholders' meeting. If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of shareholders' meeting within five (5) days of receiving such a request. Any changes to the original request in the notice shall be approved by the relevant shareholders. If the Audit Committee fails to issue a notice of shareholders' meeting within the specified time limit, it shall be deemed that the Audit Committee will not convene and preside over the meeting, and shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares for more than ninety (90) consecutive days may convene and preside over the meeting on their own. If the Audit Committee or shareholders decide to convene the shareholders' meeting on their own, they shall notify the Board of Directors in writing.

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For shareholders' meetings convened by the Audit Committee or shareholders on their own, the Board of Directors and the board secretary shall cooperate in this regard. The Board of Directors shall provide the register of shareholders as of the record date. The register of shareholders obtained by the convener shall not be used for purposes other than convening a shareholders' meeting.

Proposals shall fall within the scope of authority of the shareholders' meeting, have clear topics and specific resolution matters, as well as comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board of Directors, the Audit Committee and shareholders who individually or collectively hold more than one percent (1%) of the Company's shares are entitled to submit proposals to the Company.

Shareholders who individually or collectively hold more than one percent (1%) of the Company's shares may submit supplementary proposals in writing to the convener ten (10) days before the shareholders' meeting. The convener shall issue a supplementary notice of shareholders' meeting within two (2) days of receiving such a proposal, announce the contents of the supplementary proposal, and submit it to the shareholders' meeting for deliberation. However, this does not apply if the supplementary proposal violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, or does not fall within the scope of authority of the shareholders' meeting. If the shareholders' meeting needs to be postponed due to the issuance of a supplementary notice in accordance with the securities regulatory rules of the place where the Company's shares are listed, the convening of the shareholders' meeting shall be postponed in accordance with such rules.

Except for the circumstances specified in the preceding provisions, the convener may not modify the proposals already listed in the notice of shareholders' meeting or add new proposals after issuing such a notice.

Proposals not listed in the notice of shareholders' meeting or not in compliance with the provisions of the Articles of Association shall not be put to a vote or result in resolutions at the shareholders' meeting.

Shareholders' meetings are divided into annual shareholders' meetings and extraordinary shareholders' meetings. The annual shareholders' meeting shall be held once a year, and shall take place within six months after the end of the previous fiscal year.

The Company shall convene an extraordinary shareholders' meeting within two (2) months from the date of occurrence of any of the following circumstances:

- (1) When the number of directors is less than the number stipulated by the Company Law or two-thirds (2/3) of the number stipulated in the Articles of Association;
- (2) When the Company's uncompensated losses reach one-third (1/3) of its total share capital;
- (3) When shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares make a request (the shareholding ratio shall be calculated based on the number of shares held at the closing of the trading day on which the written request is submitted; and if the submission date is a non-trading day, it shall be the previous trading day);
- (4) When the Board of Directors deems it necessary;
- (5) When the Audit Committee proposes to convene a meeting; and

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- (6) Other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other regulatory rules of the place where the Company’s shares are listed, or the Articles of Association. If an extraordinary shareholders’ meeting is convened in accordance with the securities regulatory rules of the place where the Company’s shares are listed, the actual date of the meeting may be adjusted based on the approval progress of the stock exchange and other regulatory authorities in the place where the Company’s shares are listed.

A notice of shareholders’ meeting shall include the following information:

- (1) The time, place and duration of the meeting;
- (2) The matters and proposals to be submitted for deliberation at the meeting;
- (3) A clear statement in prominent text that all shareholders are entitled to attend the shareholders’ meeting and may appoint proxies in writing to attend the meeting and vote on their behalf, and such proxies are not required to be shareholders of the Company;
- (4) The record date for these shareholders entitled to attend the shareholders’ meeting;
- (5) The name and telephone number of the permanent contact person for meeting affairs;
- (6) The voting time and voting procedures via the Internet or other means (if applicable); and
- (7) Other requirements stipulated by laws, regulations, the securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association, etc.

The notice of shareholders’ meeting and supplementary notices shall include the contents required by the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, and shall fully and completely disclose all the specific contents of all proposals, as well as all information or explanations necessary for shareholders to make reasonable judgments on the matters to be discussed.

DIRECTORS AND SENIOR MANAGEMENT

Appointment, Removal and Resignation

Non-employee representative directors shall be elected or replaced by the shareholders’ meeting and may be removed from their positions by the shareholders’ meeting before the expiration of their terms. The term of office of directors shall be three (3) years, and they may be re-elected for consecutive terms upon expiration of their terms. The term of office of a director shall be calculated from the date when he/she takes the position and shall end when the term of office of the current Board of Directors expires. If the term of office of a director expires but a new director is not elected in a timely manner, the original director shall continue to perform the duties of a director in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association until the newly elected director assumes office. Subject to the relevant laws, regulations and regulatory rules of the PRC and the place where the shares of the Company are listed, if the Board of Directors appoints a new director to fill a casual vacancy or to increase the number of members on the Board of Directors, the term of office of the appointed director shall serve only until the first annual shareholders’ meeting following their appointment. Such appointed directors shall be eligible for re-election at that annual shareholders’ meeting. Directors may also serve as senior management, but the total number of directors who also serve as senior management and directors who are employee representatives shall not exceed one-half (1/2) of the total number of directors of the Company.

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The Board of Directors shall consist of nine (9) directors, including one (1) employee representative director, and shall have one (1) chairman. At all times, at least one-third (1/3) members of the Board of Directors shall be independent non-executive directors, and the number of such independent non-executive directors shall not be less than three, among whom at least one independent non-executive director shall possess appropriate accounting or related financial management expertise or appropriate professional qualifications that meet regulatory requirements. The chairman of the Board of Directors shall be elected by the Board of Directors subject to the affirmative vote of a simple majority of all directors.

Directors shall comply with the provisions of laws, administrative regulations and the Articles of Association, owe a duty of loyalty to the Company, take measures to avoid conflicts between their own interests and the corporate interests, and shall not make use of their positions to seek improper benefits.

Directors owe the following duties of loyalty to the Company:

- (1) Not to misappropriate the Company's property or misappropriate the Company's funds;
- (2) Not to open accounts in their own names or other individuals' names to deposit the Company's funds;
- (3) Not to make use of their positions to offer bribes or accept other illegal income;
- (4) Without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of the Articles of Association, not to directly or indirectly enter into contracts or conduct transactions with the Company;
- (5) Not to make use of their positions to seek business opportunities belonging to the Company for themselves or others, except where they have reported to the Board of Directors or the shareholders' meeting and obtained approval through a resolution of the shareholders' meeting, or where the Company is unable to utilize such business opportunities in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association;
- (6) Without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the shareholders' meeting, not to engage in the same type of business as the Company on their own behalf or on behalf of others;
- (7) Not to accept commissions from transactions between others and the Company and keep them for themselves;
- (8) Not to disclose the Company's secrets without authorization;
- (9) Not to use their connected relationships to harm the Company's interests; and
- (10) To have other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income obtained by a director in violation of the provisions of this article shall belong to the Company; and if any loss is caused to the Company, the director shall be liable for compensation.

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When a close relative of a director or senior management, an enterprise directly or indirectly controlled by a director, senior management or their close relatives, or a connected person having other connected relationships with a director or senior management enters into contracts or conducts transactions with the Company, the provisions of Item (4) above shall apply.

Directors shall comply with the provisions of laws, administrative regulations and the Articles of Association, and owe a duty of diligence to the Company. When performing their duties, they shall exercise the reasonable care typically expected of managers for the best interests of the Company.

Directors owe the following duties of diligence to the Company:

- (1) To exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's business activities comply with national laws, administrative regulations and various national economic policies and that its business activities are within the scope specified in the business license;
- (2) To treat all shareholders equally and fairly;
- (3) To understand the operation and management status of the Company in a timely manner;
- (4) To execute written confirmations against periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (5) To truthfully provide relevant information and materials to the Audit Committee, and not to obstruct the Audit Committee from exercising its functions and powers; and
- (6) To have other duties of diligence stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

No one shall serve as a director or senior management of the Company under any of the following circumstances:

- (1) Has no civil disposing capacity or his/her civil disposing capacity is limited;
- (2) Has been sentenced to criminal penalties for embezzlement, bribery, misappropriation of property, misappropriation of funds or disruption of the socialist market economic order, or has been deprived of political rights for committing a crime, with the execution period having not expired for more than five (5) years, or has been granted probation, with the involved period having not expired for more than two (2) years from the expiration of the probation period;
- (3) Has served as a director, factory director or general manager of a company or enterprise undergoing bankruptcy and liquidation, and is personally responsible for the bankruptcy of such company or enterprise, with the involved period having not expired for more than three (3) years from the completion of such bankruptcy and liquidation;
- (4) Has served as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close due to violations of law, and is personally responsible for it, with the involved period having not expired for more than three (3) years from the date of revocation of the business license or the order to close of such company or enterprise.
- (5) Has a relatively large amount of personal debts that are due but unpaid and has been listed as a dishonest person subject to enforcement by a people's court;

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- (6) Has been subject to securities market entry prohibition measures imposed by the China Securities Regulatory Commission, the stock exchange where the Company's shares are listed or other regulatory authorities, with the involved period having not expired;
- (7) Has been publicly identified by the stock exchange as unsuitable to serve as a director or senior management of a listed company, with the involved period having not expired; and
- (8) Has been under other circumstances stipulated by laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed.

If the election, appointment or engagement of a director violates this article, such election, appointment or engagement shall be deemed invalid. Where any of the above circumstances occur during a director's term of office, the Company shall remove the director from his/her position and suspend his/her performance of duties.

Power to Dispose of Assets of the Company or Any of Its Subsidiaries

For significant investment projects, relevant experts and professionals shall be organized for review, and such projects shall be reported to the shareholders' meeting for approval. Without violating laws, regulations and other provisions of the Articles of Association, the Board of Directors' approval authority for transactions shall be exercised in accordance with the regulations of the Hong Kong Stock Exchange. Matters not required by the Hong Kong Stock Exchange to be considered by the Board of Directors or the shareholders' meeting shall be reviewed and decided by the general manager of the Company.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Accounting and Auditing

The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the provisions of relevant national authorities. If the securities regulatory authority of the place where the Company's shares are listed stipulate otherwise, such provisions shall prevail.

The Company shall prepare, submit and disclose its financial and accounting reports such as annual reports and interim reports in accordance with the provisions of relevant laws, regulations, the China Securities Regulatory Commission, and the securities regulatory authority of the place where the Company's shares are listed.

The Company shall not keep financial accounts other than those required by law. No funds of the Company shall be deposited in any account opened in the name of any individual.

Profit Distribution

In distributing its after-tax profits, the Company shall allocate ten percent (10%) of its after-tax profits to the statutory reserve fund of the Company. Allocation to the statutory reserve fund of the Company may be waived once the cumulative amount therein exceeds fifty percent (50%) of the registered capital of the Company.

Where the statutory reserve fund of the Company is insufficient to cover the losses of the Company from the previous year, the current year profits shall be used to cover such losses before allocation is made to the statutory reserve fund pursuant to the previous paragraph.

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Subject to a resolution of the shareholders' meeting, after the allocation has been made to the statutory reserve fund of the Company from its after-tax profits, the Company may also allocate funds from the after-tax profits to the discretionary reserve fund.

After the Company has covered its losses and made allocation to the reserve funds, the remainder of the after-tax profits shall be distributed to the shareholders in proportion to their shareholdings.

If the shareholders' meeting decides to distribute profits to shareholders in violation of the Company Law, the shareholders shall return such profits distributed in violation of the provisions to the Company; and if losses are caused to the Company, the shareholders and the directors and senior management who are responsible in this regard shall bear the liability for compensation.

The shares of the Company held by the Company may not apply to profit distribution.

The reserve funds of the Company may be used to cover the losses of the Company, expand its production and operation, or be converted to registered capital of the Company.

When using reserve funds to cover the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; but if they are still insufficient to cover the losses, the capital reserve fund may be used as regulated.

When the statutory reserve fund is converted into an increase in registered capital, the amount of such reserve fund as retained shall not be less than twenty-five percent (25%) of the Company's registered capital before the increase.

The shareholders' meeting shall vote on the profit distribution plan in accordance with laws and regulations. After the shareholders' meeting of the Company makes a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the shareholders' meeting is held.

Merger, Division, Dissolution and Liquidation of the Company

The merger of the Company may take the form of either merger by absorption or merger by consolidation.

A merger by absorption refers to one company absorbing another companies, and the absorbed companies shall be dissolved. The merger of two or more companies through the establishment of a new company is deemed a consolidation, and the companies being consolidated shall be dissolved.

If the payment made by the Company for a merger does not exceed ten percent (10%) of the Company's net assets, it may be carried out without a resolution by the shareholders' meeting, unless otherwise stipulated in the Articles of Association.

Where the Company merges without a resolution by the shareholders' meeting in accordance with the preceding paragraph, it shall be subject to a resolution by the Board of Directors.

If relevant laws, administrative regulations or the securities regulatory rules of the place where the Company's shares are listed stipulate otherwise, such provisions shall prevail.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of properties. The Company shall notify its creditors within ten (10) days from the date of making a merger resolution, and make a public announcement within thirty (30) days in the designated newspaper or on the National Enterprise Credit Information Publicity System. Creditors may, within thirty (30) days from the date of receiving such a notice or within forty-five (45) days from the date of public announcement if no notice is received, require the Company to pay off its debts or provide corresponding guarantees.

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When the Company is merged, the claims and debts of the parties to the merger shall be taken over by the surviving company after merger or the newly established company.

When the Company is divided, its properties shall be split up accordingly.

When the Company is divided, its balance sheet and list of properties shall be prepared. The Company shall notify its creditors within ten (10) days from the date of making a division resolution, and make a public announcement within thirty (30) days in the designated newspaper or on the National Enterprise Credit Information Publicity System.

The Company may be dissolved under any of the following circumstances:

- (1) The business term specified in the Articles of Association expires or other dissolution reasons specified in the Articles of Association occur;
- (2) The shareholders' meeting resolves to dissolve the Company;
- (3) Dissolution is required due to the Company's merger or division;
- (4) The Company's business license is revoked, it is ordered to close, or it is dissolved according to law; and
- (5) The Company encounters serious difficulties in its operation and management, and its continued existence would cause significant losses to the shareholders' interests, and such difficulties cannot be resolved through other means, in which case, shareholders holding more than ten percent (10%) of the voting rights may request the people's court to dissolve the Company.

In the event of any of the dissolution causes specified in the preceding paragraph, the Company shall publicly announce the cause of dissolution through the National Enterprise Credit Information Publicity System within ten (10) days.

Where the Company is dissolved due to the causes specified in Items (1), (2), (4) and (5) above, it shall undergo liquidation. The directors are the liquidation obligors of the Company and shall form a liquidation group to carry out liquidation within fifteen (15) days upon occurrence of a dissolution cause. The liquidation group shall be composed of directors, unless otherwise stipulated in the Articles of Association or another person is selected according to a resolution of the shareholders' meeting. If the liquidation obligors fail to perform their liquidation obligations in a timely manner, thus causing losses to the Company or creditors, they shall be liable for compensation.

The liquidation group shall notify the creditors within ten (10) days from the date of its establishment, and make a public announcement within sixty (60) days in the designated newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation group within thirty (30) days from the date of receiving such a notice or within forty-five (45) days from the date of public announcement if no notice is received. When declaring their claims, creditors shall explain relevant matters concerning the claims and provide supporting materials. The liquidation group shall register such claims. During the claim declaration period, the liquidation group shall not make repayments to the creditors.

After going through the Company's properties and preparing a balance sheet and a list of properties, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation. After the Company's properties have been used to pay liquidation expenses, employee salaries, social insurance expenses and statutory compensation, pay outstanding taxes, and repay the Company's debts, the remaining properties shall be distributed to the shareholders in proportion to their shareholdings.

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During the liquidation, the Company remains in existence; however, it shall not commence any business activity irrelevant with the liquidation. The Company's properties shall not be distributed to the shareholders prior to repaying debts in accordance with the foregoing provision.

After sorting out the Company's properties and preparing a balance sheet and a list of properties, if the liquidation group finds that the Company's properties are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation according to law. After the people's court accepts the bankruptcy application, the liquidation group shall hand over the liquidation affairs to the bankruptcy administrator as appointed by the court.

Upon liquidation completion, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and also submit it to the company registration authority to apply for deregistration of the Company.

OTHER PROVISIONS THAT ARE IMPORTANT TO THE COMPANY AND ITS SHAREHOLDERS

General Provisions

The Company is a company limited by shares that has perpetual existence.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders, and are binding on the Company and its shareholders, directors and senior management. In accordance with the Articles of Association, shareholders may sue other shareholders, and shareholders may sue directors and senior management of the Company; as well as shareholders may sue the Company, and the Company may sue its shareholders, directors and senior management.

Board of Directors

The Company shall establish a Board of Directors, which shall be accountable to the shareholders' meeting. The Board of Directors shall exercise the following functions and powers:

- (1) Convening any shareholders' meeting and reporting its work to the shareholders' meeting;
- (2) Implementing resolutions adopted by the shareholders' meeting;
- (3) Determining business plans and investment proposals of the Company;
- (4) Formulating profit distribution plans and loss recovery plans of the Company;
- (5) Formulating proposals of the Company regarding increase or decrease in the registered capital, issuance of bonds or other securities, and listing;
- (6) Drafting plans for the Company's merger, division, dissolution and alteration of corporate form, and making resolutions on the Company's repurchase of its own shares under the circumstances specified in Items (3), (5) and (6) of Article 26 of the Articles of Association;
- (7) Deciding on the establishment of internal management organizations of the Company;

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- (8) Deciding on the appointment or dismissal of the Company’s general manager, board secretary and other senior management, and on their remuneration; and according to the nomination of the general manager, deciding on the appointment or dismissal of senior management such as financial controller, and on their remuneration;
- (9) Formulating basic management systems of the Company;
- (10) Drafting amendments to the Articles of Association;
- (11) Managing the disclosure of information of the Company;
- (12) Proposing to the shareholders’ meeting to appoint or replace the accounting firm that audits the Company;
- (13) Hearing reports from the Company’s general manager and inspect the performance of the general manager; and
- (14) Having other functions and powers granted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association or the shareholders’ meeting.

For the matters over which the Board of Directors exercises its powers as specified above or any transactions or arrangements entered into by the Company, if they are required to be deliberated by the shareholders’ meeting in accordance with the provisions of securities regulatory rules of the place where the Company’s shares are listed, they shall be submitted to the shareholders’ meeting for deliberation.

A meeting of the Board of Directors may be held only if more than half of the directors are present. Resolutions made by the Board of Directors must be adopted by more than half of all directors, unless otherwise stipulated by laws, regulations, the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association.

Each director shall have one vote in respect of any resolutions made by the Board of Directors.

If a director or any of their close associates has a significant interest or connected relationship with an enterprise or individual involved in a matter to be resolved at a board meeting, the director shall promptly report this to the Board of Directors in writing. A director with a significant interest or connected relationship in this regard shall not exercise voting rights on such a resolution or act as a proxy for any other director to exercise voting rights. The meeting of the Board of Directors may be held once more than half of the non-connected directors will be present; and the resolution made in such a meeting shall be adopted by more than half of all such directors. If the number of non-connected directors attending such a meeting is less than three (3), the involved matter shall be submitted to the shareholders’ meeting for deliberation. Where there are other provisions in the Hong Kong Listing Rules, those provisions shall prevail.

Special Committees under the Board of Directors

The Board of Directors of the Company shall establish an Audit Committee to exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law. The Audit Committee shall consist of no fewer than three (3) members, with independent non-executive directors accounting for a majority and serving as the chairperson. The specific composition, qualification requirements, etc. shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, etc.

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The Board of Directors of the Company shall establish other special committees such as for strategy, nomination, and remuneration and assessment. The specific composition, qualification requirements, etc. shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, etc. These special committees shall perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for deliberation and decision. The working rules of other special committees shall be formulated by the Board of Directors.

Independent Non-Executive Directors

The Company shall have independent non-executive directors. Matters about the qualifications, nomination and election procedures, term of office, resignation and powers of these independent non-executive directors shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company’s shares are listed. Unless otherwise specified, the provisions in the Articles of Association regarding the qualifications and obligations of directors shall apply to independent non-executive directors.

The number of independent non-executive directors shall not be less than three (3) and shall not be less than one-third (1/3) of the total number of directors, and at least one of them shall have appropriate professional qualifications as specified by the Hong Kong Listing Rules or possess appropriate accounting or related financial management expertise. One (1) independent non-executive director shall be ordinarily resident in Hong Kong. All independent non-executive directors must possess the independence required by the Hong Kong Listing Rules.

General Manager

The Company shall have one (1) general manager, who shall be appointed or dismissed by the Board of Directors. The general manager shall be responsible to the Board of Directors and exercise the following functions and powers:

- (1) Being in charge of the production, operation and management of the Company, and organizing the implementation of the resolutions of and reporting to the Board of Directors;
- (2) Organizing the implementation of annual business plans and investment proposals of the Company;
- (3) Drafting plans for the establishment of internal management organizations of the Company;
- (4) Drafting basic management systems of the Company;
- (5) Formulating specific rules and regulations for the Company;
- (6) Proposing to the Board of Directors to appoint or dismiss financial controller of the Company;
- (7) Deciding on the appointment or dismissal of managerial personnel other than those that should be appointed or dismissed by the Board of Directors;
- (8) Conducting major external business activities on behalf of the Company;
- (9) Deciding on the recruitment, rewards, punishments and dismissal of company personnel;

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- (10) Establishing and abolishing branches and offices with the approval of the competent authorities when necessary;
- (11) Deciding on major matters concerning the Company's daily operations, including but not limited to setting prices;
- (12) Purchasing and leasing the assets required by the Company;
- (13) Attending board meetings as non-voting participants; and
- (14) Having other functions and powers granted by the Articles of Association or the Board of Directors.

Board Secretary

The Company shall have one (1) board secretary, who shall be responsible for preparing for the Company's shareholders' meetings and board meetings, preserving documents, managing shareholder information, handling information disclosure (if applicable), etc. The board secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Amendment to Articles of Association

Under any of the following circumstances, the Company may amend its Articles of Association:

- (1) After the Company Law or relevant laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are listed are amended, the matters specified in the Articles of Association conflict with the provisions of the amended laws or administrative regulations;
- (2) The changes in the Company's specific circumstances render them inconsistent with the matters recorded in the Articles of Association;
- (3) The shareholders' meeting decides to amend the Articles of Association.

Amendments to the Articles of Association as adopted in a resolution of the shareholders' meeting which are subject to approvals from the relevant competent authority shall be submitted to the original competent approval authority for approval; and where there is any change relating to the registered particulars of the Company, the Company shall go through the formalities for change of registration according to law.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR GROUP

Incorporation

Our Company, then known as TMESIS Software Technology (Shanghai) Co., Ltd.* (特勘絲軟件科技(上海)有限公司), was incorporated on October 16, 2017 under the laws of the PRC, which later changed its name to Shanghai Semi-Tech Software Technology Co., Ltd.* (上海賽美特軟件科技有限公司). Our Company was converted to a joint stock limited company in March 2023.

Our registered office is located at Room 101, 1/F, Block 7, No. 7001, Zhongchun Road, Minhang District, Shanghai, PRC. We were registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on September 29, 2025, and our principal place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, the PRC. Wong Chun Wing Samuel, one of our joint company secretaries, has been appointed as the authorized Representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Summary of Articles of Association” in Appendix V to this Document. A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Regulatory Overview”.

Changes in Share Capital of Our Company

Our registered capital as at the date of our incorporation was RMB500,000, which has been fully paid up. On March 16, 2023, our Company was converted into a joint stock limited company, and the registered capital of our Company was RMB12,154,831, which was divided into 12,154,831 Shares with a nominal value of RMB1.00 each. As at the Latest Practicable Date, our share capital was RMB429,666,455.

On September 1, 2025, our Shareholders resolved that each of our Share with nominal value of RMB1.00 will be subdivided into two Shares with nominal value of RMB0.5 each immediately prior to the [REDACTED]. Upon [REDACTED] of such Share Subdivision, the registered capital of our Company, which is RMB429,666,455, will be divided into 859,332,910 Shares with nominal value of RMB0.5 per Share.

Immediately following the [REDACTED] of the Share Subdivision, the [REDACTED] and the Conversion of Unlisted Shares into H Shares, assuming the [REDACTED] is not exercised and no Shares are issued under the Pre-[REDACTED] Share Option Schemes, the share capital of our Company will be divided into [REDACTED] Unlisted Shares and [REDACTED] H Shares.

Save as disclosed below and in “History, Development and Corporate Structure — Corporate Developments”, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document.

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STATUTORY AND GENERAL INFORMATION

Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountants’ Report in Appendix I. The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this Document:

Changsha Semi-Tech Technology Co., Ltd.* (長沙賽美特科技有限公司)

On September 10, 2024, Changsha Semi-Tech Technology Co., Ltd. was established in the PRC as a limited liability company with a registered capital of RMB10,000,000.

On August 26, 2025, Changsha Semi-Tech Technology Co., Ltd. was dissolved.

Hainan Semi-Tech Technology Co., Ltd.* (海南賽美特科技有限公司)

On June 7, 2023, Hainan Semi-Tech Technology Co., Ltd. was dissolved.

Dalian Semi-Tech

On April 25, 2024, Dalian Semi-Tech was established in the PRC as a limited liability company with a registered capital of RMB10,000,000.

On July 16, 2025, Dalian Semi-Tech was dissolved.

Chengdu Semi-Tech

On June 27, 2023, the registered capital of Chengdu Semi-Tech increased from RMB15,000,000 to RMB20,000,000 with the additional capital subscribed by Shanghai Yuchuanghai Enterprise Management Partnership (Limited Partnership)* (上海愉創匯企業管理合夥企業(有限合夥)), an independent Third Party, Shenzhen Semi-Tech, a subsidiary of our Company and Semi-Tech Technology, a subsidiary of our Company. Shanghai Yuchuanghai Enterprise Management Partnership (Limited Partnership)* (上海愉創匯企業管理合夥企業(有限合夥)) was dissolved on May 22, 2024.

On May 10, 2024, the registered capital of Chengdu Semi-Tech increased from RMB20,000,000 to RMB100,000,000 with the additional capital subscribed by our Company.

On August 15, 2025, the registered capital of Chengdu Semi-Tech increased from RMB100,000,000 to RMB130,000,000 with the additional capital subscribed by our Company.

Shanghai Semi-Tech

On October 16, 2024, the registered capital of Shanghai Semi-Tech increased from RMB10,000,000 to RMB50,000,000 with the additional capital subscribed by our Company.

Shanghai Bohui

On January 2, 2025, Shanghai Bohui was dissolved.

Suzhou Shuling

On January 23, 2025, Suzhou Shuling was dissolved.

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Beijing Zhi Yang

On November 22, 2023, the registered capital of Beijing Zhi Yang decreased from RMB20,000,000 to RMB2,000,000.

On July 18, 2024, the registered capital of Beijing Zhi Yang increased from RMB2,000,000 to RMB50,000,000 with the additional capital subscribed by our Company.

On October 16, 2024, the registered capital of Beijing Zhi Yang increased from RMB50,000,000 to RMB100,000,000 with the additional capital subscribed by our Company.

Hangzhou Guan Tian

On February 28, 2024, the registered capital of Hangzhou Guan Tian increased from RMB8,000,000 to RMB10,757,000 with the additional capital subscribed by our Company.

On May 24, 2024, the registered capital of Hangzhou Guan Tian increased from RMB10,757,000 to RMB12,640,000 with the additional capital subscribed by Shanghai Saiguantian Enterprise Management Partnership (Limited Partnership)* (上海賽冠天企業管理合夥企業(有限合夥)), an Independent Third Party.

Anhui Semi-Tech

On August 15, 2025, Anhui Semi-Tech was established in the PRC as a limited liability company with a registered capital of RMB80,000,000.

Beijing Huiliu

On December 27, 2023, the registered capital of Beijing Huiliu increased from RMB5,000,000 to RMB5,560,000 with the additional capital subscribed by Beijing Huixin Tongchuang Technology Center (Limited Partnership)* (北京慧芯同創科技中心(有限合夥)).

On May 29, 2025, the registered capital of Beijing Huiliu increased from RMB5,560,000 to RMB6,076,503 with the additional capital subscribed by the Company.

Zhejiang Semi-Tech Software Technology Co., Ltd.* (浙江賽美特軟件科技有限公司)

On July 31, 2025, the registered capital of Zhejiang Semi-Tech Software Technology Co., Ltd.* (浙江賽美特軟件科技有限公司) increased from RMB10,000,000 to RMB80,000,000 with the additional capital subscribed by Semi-Tech Technology, a subsidiary of the Company.

Shenzhen Wei Cheng

On October 27, 2025, the registered capital of Shenzhen Wei Cheng increased from RMB2,448,980 to RMB4,383,674 with the additional capital subscribed by Semi-Tech Technology, a subsidiary of the Company, Shanghai Weijucheng and VMS Solutions Co., Ltd.

Chongqing Semi-Tech

On November 14, 2025, Chongqing Semi-Tech was dissolved.

Hefei Semi-Tech Software Co., Ltd. *(合肥賽美特軟件有限公司)

On January 30, 2026, Hefei Semi-Tech Software Co., Ltd. was dissolved.

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STATUTORY AND GENERAL INFORMATION

Save as disclosed above, there had been no other alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

Semi Integration (S) Pte. Ltd.

On February 2, 2026, the registered capital of Semi Integration (S) Pte. Ltd. increased from SGD6,336,277 to SGD8,016,989 with the additional capital subscribed by the Company.

Resolutions Passed by Our Shareholders’ General Meeting in Relation to the [REDACTED]

Pursuant to the Shareholders’ general meeting held on September 1, 2025, the following resolutions, among other things, were duly passed:

- (a) the [REDACTED] by our Company of the [REDACTED] with a nominal value of RMB0.50 each, representing up to [REDACTED]% of the total share capital of our Company upon [REDACTED] of the [REDACTED] (before the exercise of the [REDACTED]) and such H Shares being [REDACTED] on the Stock Exchange;
- (b) the granting of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares [REDACTED] as mentioned above;
- (c) subject to the [REDACTED] of the filing with the CSRC, upon [REDACTED] of the [REDACTED], [REDACTED] Unlisted Shares held by certain existing Shareholders will be converted into H Shares on a one-for-one basis (as amended and approved by the Board of Directors on January 10, 2026);
- (d) subject to the [REDACTED] of the [REDACTED], the Articles of Association have been approved and adopted which will become effective from the [REDACTED], and the Board and person(s) authorized by the Board have been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and
- (e) approving the Board and person(s) authorized by the Board to handle all matters relating to, among other things, the [REDACTED] and the [REDACTED] of H Shares on the Stock Exchange.

Restrictions of share repurchase

For details of the restrictions on the share repurchase by our Company, please refer to the sections headed “Appendix IV — Summary of Principal Legal and Regulatory Provisions” and “Appendix V — Summary of Articles of Association” to this document.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that are or may be material:

- (a) the State-owned Construction Land Use Right Sale Contract* (國有建設用地使用權出讓合同) dated 19 February 2025 entered into between Shanghai Minhang District Planning and Natural Resources Bureau* (上海市閔行區規劃和自然資源局) and our Group, pursuant to which Shanghai Minhang District Planning and Natural Resources Bureau agreed to sell the land use right with a term of 50 years of Lot 11-16 of Unit MHPO-0102 in Minhang District (R&D Lot No. 65 in Minhang District) to our Group and our Group agreed to purchase the land use right with a consideration of RMB96,080,000;
- (b) [REDACTED]; and
- (c) [●]

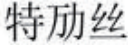
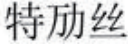
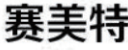
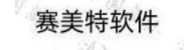
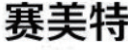
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Intellectual Property Rights

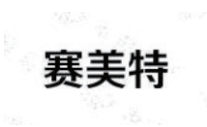
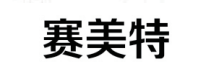
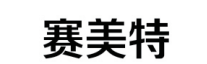
As of the Latest Practicable Date, our Group has registered the following intellectual property rights which were material to our Group’s business.

Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Registration number	Class	Owner	Place of registration	Validity period
1.		306868685	9 & 35 & 42	Our Company	HK	April 11, 2025- April 10, 2035
2.	 赛美特	306868694	9 & 35 & 42	Our Company	HK	April 11, 2025- April 10, 2035
3.		46788971	9	Our Company	PRC	January 21, 2021- January 20, 2031
4.		46772184	9	Our Company	PRC	January 21, 2021- January 20, 2031
5.		46770333	35	Our Company	PRC	January 21, 2021- January 20, 2031
6.		46803699	42	Our Company	PRC	January 21, 2021- January 20, 2031
7.		46776452	42	Our Company	PRC	March 14, 2021-March 13, 2031
8.		46796992	35	Our Company	PRC	May 14, 2021- May 13, 2031
9.		46765511	9	Our Company	PRC	October 14, 2021- October 13, 2031
10. . . .	 赛美特软件	58721784	35	Our Company	PRC	May 14, 2022- May 13, 2032
11. . . .		74838828	35	Our Company	PRC	April 07, 2024- April 06, 2034
12. . . .		74330589	37	Our Company	PRC	May 14, 2024- May 13, 2034
13. . . .	 赛美特软件	74087778	7	Our Company	PRC	June 14, 2024- June 13, 2034
14. . . .		74837624	37	Our Company	PRC	June 21, 2024- June 20, 2034

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No.	Trademark	Registration number	Class	Owner	Place of registration	Validity period
15. . . .		74838813	7	Our Company	PRC	July 14, 2024- July 13, 2034
16. . . .		74067741	35	Our Company	PRC	October 28, 2024- October 27, 2034
17. . . .		78952215	9	Our Company	PRC	November 21, 2024- November 20, 2034
18. . . .		74842796	9	Our Company	PRC	February 14, 2025- February 13, 2035
19. . . .		74052347	9	Our Company	PRC	February 14, 2025- February 13, 2035
20. . . .		39336765	9	Our Company	PRC	August 28, 2020- August 27, 2030
21. . . .		39286299	42	Our Company	PRC	May 14, 2020- May 13, 2030
22. . . .		39323444	42	Our Company	PRC	May 14, 2020- May 13, 2030
23. . . .		39286295	9	Our Company	PRC	August 28, 2020- August 27, 2030
24. . . .		38679893	35	Our Company	PRC	January 28, 2020- January 27, 2030
25. . . .		38683175	9	Our Company	PRC	June 07, 2020- June 06, 2030
26. . . .		38697906	9	Our Company	PRC	February 07, 2020- February 06, 2030
27. . . .		38484708	42	Our Company	PRC	February 28, 2020- February 27, 2030
28. . . .		31699176	35	Our Company	PRC	February 21, 2021- February 20, 2031
29. . . .		31701253	9	Our Company	PRC	February 21, 2020- February 20, 2030

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Registration number	Class	Owner	Place of registration	Validity period
30. . . .		31644266	9	Our Company	PRC	February 21, 2020- February 20, 2030
31. . . .		30721327	42	Our Company	PRC	March 28, 2019-March 27, 2029
32. . . .		29340201	9	Our Company	PRC	March 14, 2019-March 13, 2029
33. . . .		29336165	42	Our Company	PRC	April 14, 2019- April 13, 2029
34. . . .		20801193	42	Our Company	PRC	September 21, 2017- September 20, 2027
35. . . .	赛美特	57991482	42	Semi-Tech Technology	PRC	January 28, 2022- January 27, 2032
36. . . .	赛美特软件	74051194	42	Semi-Tech Technology	PRC	February 28, 2024- February 27, 2034
37. . . .	赛美特	74837245	42	Semi-Tech Technology	PRC	April 28, 2024- April 27, 2034
38. . . .	Vida Pro	56951766	42	Suzhou Vida	PRC	December 21, 2021- December 20, 2031
39. . . .	Vida Pro	56945389	35	Suzhou Vida	PRC	February 21, 2022- February 20, 2032
40. . . .	CPJS Pro	69441305	9	Suzhou Vida	PRC	July 14, 2023- July 13, 2033
41. . . .	CPJS Pro	69437580	42	Suzhou Vida	PRC	July 21, 2023- July 20, 2033
42. . . .	EDC SPC	69438596	9	Suzhou Vida	PRC	July 28, 2023- July 27, 2033
43. . . .	INK Pro	69441642	9	Suzhou Vida	PRC	June 07, 2024- June 06, 2034
44. . . .	EDC SPC	69430910	42	Suzhou Vida	PRC	August 14, 2024- August 13, 2034
45. . . .		61103420	42	Hangzhou Guan Tian	PRC	May 21, 2022- May 20, 2032

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patent number	Category	Owner	Place of application	Application date
1.. . .	Method and device for testing wafer, electronic device and storage medium (晶圓測試方法及裝置、電子設備及存儲介質)	US 12,181,511 B2	Invention	Semi-Tech Technology	U.S.	December 31, 2024
2.. . .	Method and apparatus for determining product manufacturing program, device and storage medium (確定產品製造計劃的方法和裝置、設備及存儲介質)	US 12,326,716 B2	Invention	Semi-Tech Technology	U.S.	June 10, 2025
3.. . .	Method for managing chip manufacturing equipment, apparatus, electronic device and storage medium (芯片製造設備的管理方法、裝置、電子設備及存儲介質)	US 12,327,769 B2	Invention	Semi-Tech Technology	U.S.	June 10, 2025
4.. . .	Method and device for testing product, computer device and readable storage medium (產品測試方法及裝置、計算機裝置及可讀存儲介質)	US 12,326,709 B2	Invention	Semi-Tech Technology	U.S.	June 10, 2025
5.. . .	Data collection method, device, electronic equipment, storage medium (數據採集方法、裝置、電子設備、存儲介質)	ZL202011551831.X	Invention	Our Company	PRC	December 24, 2020
6.. . .	Data collection method, device, electronic equipment, storage medium (數據採集方法、裝置、電子設備、存儲介質)	ZL202011549824.6	Invention	Our Company	PRC	December 24, 2020
7.. . .	Data collection methods and systems, SPC systems and computer storage medium (數據收集方法及系統、SPC系統及計算機存儲介質)	ZL202011549799.1	Invention	Our Company	PRC	December 24, 2020
8.. . .	A wafer test method, device, electronic device, and storage medium (一種晶圓試驗方法、裝置、電子設備以及存儲介質)	ZL202111643575.1	Invention	Our Company	PRC	December 29, 2021

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent number	Category	Owner	Place of application	Application date
9.. . .	Silicon product conversion methods and systems, electronic devices and storage medium (硅片產品轉換方法及系統、電子設備及存儲介質)	ZL202011254390.7	Invention	Our Company	PRC	November 11, 2020
10. . .	Data update methods, electronic devices and storage medium (數據更新方法、電子設備及存儲介質)	ZL202011254373.3	Invention	Our Company	PRC	November 11, 2020
11. . .	A process management method, device, equipment, storage medium (一種工藝流程管理方法、裝置、設備及存儲介質)	ZL202111640250.8	Invention	Our Company	PRC	December 29, 2021
12. . .	A method for detecting the accuracy of equipment, devices, electronic devices, and storage medium (一種檢測設備精度的方法、裝置、電子設備及存儲介質)	ZL202111666115.0	Invention	Our Company	PRC	December 31, 2021
13. . .	Methods, devices, electronics, and storage medium for determining wafer defect shapes (確定晶圓缺陷形狀的方法、裝置、電子設備及存儲介質)	ZL202210023404.7	Invention	Our Company	PRC	January 10, 2022
14. . .	Generation methods, devices, electronic devices and storage medium for equipment production conditions (設備生產條件的生成方法、裝置、電子設備及存儲介質)	ZL202111638023.1	Invention	Our Company	PRC	December 29, 2021
15. . .	A distribution method and device for heating flaps (一種暖機片分配方法及裝置)	ZL202310224404.8	Invention	Our Company	PRC	March 8, 2023
16. . .	A wafer processing method, device, electronic device and storage medium (一種晶圓的加工方法、裝置、電子設備及存儲介質)	ZL202310348382.6	Invention	Our Company	PRC	April 3, 2023
17. . .	A method of replacement of false tablets, devices, electronic devices and storage medium (一種假片更換方法、裝置、電子設備及存儲介質)	ZL202310166796.7	Invention	Our Company	PRC	February 24, 2023

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent number	Category	Owner	Place of application	Application date
18. . .	Distribution control methods, devices, electronic equipment and storage medium of furnace tube machines (爐管機台的分配控制方法、裝置、電子設備及存儲介質)	ZL202310226989.7	Invention	Our Company	PRC	March 10, 2023
19. . .	A reservation method and reservation device in the wafer processing process (一種晶圓加工過程中的預約方法和預約裝置)	ZL202310458612.4	Invention	Our Company	PRC	April 25, 2023
20. . .	Replacement control methods, devices, electronic devices and storage medium for wafer carriers (晶圓承載具的更換控制方法、裝置、電子設備及存儲介質)	ZL202310225781.3	Invention	Our Company	PRC	March 9, 2023
21. . .	A matching method, device and electronic equipment for wafer furnace tube processing (一種晶圓爐管加工的匹配方法、裝置及電子設備)	ZL202310395176.0	Invention	Our Company	PRC	April 12, 2023
22. . .	A product quantity statistical method and product quantity statistical device in the production process (一種生產過程中的產品數量統計方法和產品數量統計裝置)	ZL202111643421.2	Invention	Our Company	PRC	December 29, 2021
23. . .	A key field input method, device and electronic device of an SPC system (一種SPC系統的關鍵字段輸入方法、裝置及電子設備)	ZL202111640193.3	Invention	Our Company	PRC	December 29, 2021
24. . .	An automatic management method and device for non-product wafers in the wafer production process (一種晶圓生產過程中非產品片的自動化管理方法及裝置)	ZL202410011082.3	Invention	Our Company	PRC	January 3, 2024
25. . .	A method for managing chip manufacturing equipment, devices, electronic devices, and storage medium (一種芯片製造設備管理方法、裝置、電子設備和存儲介質)	ZL202111640249.5	Invention	Our Company	PRC	December 29, 2021
26. . .	A data screening method, device, equipment and storage medium (一種數據篩選方法、裝置、設備及存儲介質)	ZL202111637997.8	Invention	Our Company	PRC	December 29, 2021

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent number	Category	Owner	Place of application	Application date
27. . .	Data processing methods, devices, equipment and medium based on data structure models (基於數據結構模型的數據處理方法、裝置、設備及介質)	ZL202210530600.3	Invention	Our Company	PRC	May 16, 2022
28. . .	A product testing method, device, computer equipment and readable storage medium (一種產品檢測方法、裝置、計算機設備及可讀存儲介質)	ZL202210010175.5	Invention	Our Company	PRC	January 6, 2022
29. . .	Functional implementation methods, devices, computer equipment and storage medium (功能實現方法、裝置、計算機設備及存儲介質)	ZL201811302698.7	Invention	Our Company	PRC	November 2, 2018
30. . .	Program development methods, devices, computer equipment and storage medium (程序開發方法、裝置、計算機設備及存儲介質)	ZL201811302706.8	Invention	Our Company	PRC	November 2, 2018
31. . .	An interface management method, device, device and storage medium (一種接口管理方法、裝置、設備及存儲介質)	ZL202210069551.8	Invention	Our Company	PRC	January 21, 2022
32. . .	A program sharing method, system, computer equipment and readable storage medium (一種程序共享方法、系統、計算機設備及可讀存儲介質)	ZL202210103594.3	Invention	Our Company	PRC	January 28, 2022
33. . .	An inquiry method, device, computer equipment and medium for warehouse products (一種倉庫產品的查詢方法、裝置、計算機設備和介質)	ZL202210051534.1	Invention	Our Company	PRC	January 18, 2022
34. . .	A method, device, computer equipment and medium for data conversion (一種數據轉換的方法、裝置、計算機設備和介質)	ZL202210089097.2	Invention	Our Company	PRC	January 26, 2022
35. . .	A signal processing method, device, electronic device and storage medium (一種信號處理方法、裝置、電子設備及存儲介質)	ZL202210221086.5	Invention	Our Company	PRC	March 9, 2022

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent number	Category	Owner	Place of application	Application date
36. . .	A detection method, device, electronic device and storage medium of wafer chips (一種晶圓芯片的檢測方法、裝置、電子設備及存儲介質)	ZL202210828778.6	Invention	Our Company	PRC	July 15, 2022
37. . .	A method for obtaining a semiconductor processing script, system, equipment and storage medium (一種半導體加工腳本獲取方法、系統、設備及存儲介質)	ZL202211539699.X	Invention	Our Company	PRC	December 2, 2022
38. . .	RFID-based logistics distribution system (基於RFID的物流分配系統)	ZL201920367024.9	Utility model	Semi-Tech Technology	PRC	March 22, 2019
39. . .	Machine control methods, devices, electronic devices and computer-readable storage medium (機台控制方法、裝置、電子設備及計算機可讀存儲介質)	ZL202111638040.5	Invention	Semi-Tech Technology	PRC	December 29, 2021
40. . .	A method for obtaining wafer production parameters, devices, equipment and storage medium (一種晶圓生產參數獲取方法、裝置、設備以及存儲介質)	ZL202111646023.6	Invention	Semi-Tech Technology	PRC	December 30, 2021
41. . .	A wafer delivery method, device, electronic device and storage medium (一種晶圓運送方法、裝置、電子設備及存儲介質)	ZL202210100823.6	Invention	Semi-Tech Technology	PRC	January 27, 2022
42. . .	A material verification control method and its system (一種物料校驗控制方法及其系統)	ZL202210110374.3	Invention	Semi-Tech Technology	PRC	January 29, 2022
43. . .	A control method for operating equipment and its system (一種作業設備控制方法及其系統)	ZL202210116218.8	Invention	Semi-Tech Technology	PRC	January 29, 2022
44. . .	A wafer thinning treatment method, device, equipment and medium (一種晶圓的減薄處理方法、裝置、設備及介質)	ZL2023101869174	Invention	Semi-Tech Technology	PRC	March 1, 2023
45. . .	Service request forwarding method, device, electronic device, and readable storage medium (服務請求的轉發方法、裝置、電子設備及可讀存儲介質)	ZL202310194793.4	Invention	Zhejiang Semi-Tech Software Technology Co., Ltd.* (浙江賽美特軟件科技有限公司)	PRC	February 27, 2023

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Patent	Patent number	Category	Owner	Place of application	Application date
46. . .	Dynamic environmental obstacle avoidance system based on automatic guidance trolley (基於自動導引小車的動態環境避障系統)	ZL202121374599.7	Utility model	Chengdu Semi-Tech	PRC	June 21, 2021
47. . .	PLC-based automatic feeding and loading control system (一種基於PLC的自動送料裝車控制系統)	ZL202121063120.8	Utility model	Chengdu Semi-Tech	PRC	May 18, 2021
48. . .	A remote control device suitable for semiconductor machines (一種適用於半導體機台的遠程控制裝置)	ZL202122844154.7	Utility model	Hangzhou Guan Tian	PRC	November 18, 2021
49. . .	A portable, multi-connector power supply regulator wire (一種便攜式的多接頭電源穩壓電線)	ZL202220591414.6	Utility model	Hangzhou Guan Tian	PRC	March 18, 2022
50. . .	A multi-connector remote control cable (一種多接頭的遠端控制連接線)	ZL202220591413.1	Utility model	Hangzhou Guan Tian	PRC	March 18, 2022
51. . .	A silicon-based OLED bonding packaging device (一種硅基OLED貼合封裝裝置)	ZL202220798081.4	Utility model	Hangzhou Guan Tian	PRC	April 8, 2022
52. . .	An optical detection method without standard samples and its application (一種無需標準樣片的光學檢測方法及其應用)	ZL202210376929.9	Invention	Hangzhou Guan Tian	PRC	April 12, 2022
53. . .	A line component with self-detection and alarm capabilities (一種具備自檢測和報警能力的線路構件)	ZL202223446124.1	Utility model	Hangzhou Guan Tian	PRC	December 22, 2022
54. . .	Non-intrusive access of island devices to CIM-controlled systems (將孤島設備非侵入式接入CIM控制的系統)	ZL202310058288.7	Invention	Hangzhou Guan Tian	PRC	January 25, 2023
55. . .	A secure monitoring system for remote access to core equipment (對核心設備進行遠程訪問時的安全監控系統)	ZL202310058234.0	Invention	Hangzhou Guan Tian	PRC	January 25, 2023
56. . .	A wafer dot marking method and device (一種晶圓墨點標記方法及裝置)	ZL202310159939.1	Invention	Shanghai Semi-Tech	PRC	February 23, 2023
57. . .	Table recognition method and device, computer storage medium (表格識別方法及裝置、計算機存儲介質)	ZL201811261560.7	Invention	Beijing Huiliu	PRC	October 26, 2018
58. . .	Data processing methods and devices, processors and storage medium (數據處理方法及裝置、處理機及存儲介質)	ZL201811244621.9	Invention	Beijing Huiliu	PRC	October 24, 2018

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No.	Patent	Patent number	Category	Owner	Place of application	Application date
59. . .	Information labeling methods and devices, labeling equipment and storage medium (信息標註方法及裝置、標註設備及存儲介質)	ZL201811388635.8	Invention	Beijing Huiliu	PRC	November 21, 2018
60. . .	Information processing methods and devices, electronic devices and storage medium (信息處理方法及裝置、電子設備及存儲介質)	ZL201811321013.3	Invention	Beijing Huiliu	PRC	November 7, 2018
61. . .	Information processing methods and devices, electronic devices and memory (信息處理方法及裝置、電子設備及存儲器)	ZL201811320670.6	Invention	Beijing Huiliu	PRC	November 7, 2018
62. . .	Task processing methods and devices, electronic devices and storage medium (任務處理方法及裝置、電子設備及存儲介質)	ZL201811296764.4	Invention	Beijing Huiliu	PRC	November 1, 2018
63. . .	A data query method, device, electronic equipment, and storage medium (一種數據查詢方法、裝置、電子設備及存儲介質)	ZL202310194159.0	Invention	Semi-Tech Technology	PRC	March 1, 2023

Computer Software Copyrights

As of the Latest Practicable Date, we have the following computer software copyrights which we consider to be or may be material to our business:

No.	Copyright name	Registration number	Registered owner	Date of registration
1.	PlantU MES software (PlantU MES軟件)	2018SR190932	Our Company	March 22, 2018
2.	PlantU factory automation software (PlantU工廠自動化軟件)	2019SR0122096	Our Company	February 01, 2019
3.	PlantU Device Online Protocol Conversion Software (PlantU設備在線協議轉換軟件)	2019SR0123105	Our Company	February 01, 2019
4.	PlantU statistical process control software (PlantU統計過程控制軟件)	2019SR0125502	Our Company	February 02, 2019
5.	PlantU Quality Defect Analysis Software (PlantU質量缺陷分析軟件)	2020SR1107011	Our Company	September 16, 2020
6.	Semi-Tech workflow management software (賽美特工作流管理軟件)	2021SR0161829	Our Company	January 28, 2021

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No.	Copyright name	Registration number	Registered owner	Date of registration
7.	Semi-Tech MES early warning management software (賽美特MES預警管理軟件)	2021SR0160497	Our Company	January 28, 2021
8.	Semi-Tech material management software (賽美特物料管理軟件)	2021SR0164203	Our Company	January 29, 2021
9.	Semi-Tech Equipment Asset Management Software (賽美特設備資產管理軟件)	2021SR0164204	Our Company	July 08, 2021
10.	Semi-Tech MES Archive Management Software (賽美特MES歸檔管理軟件)	2021SR0164205	Our Company	January 29, 2021
11.	Semi-Tech MES label production software (賽美特MES標籤製作軟件)	2021SR0164206	Our Company	January 29, 2021
12.	Semi-Tech OPC integrated development tool software (賽美特OPC集成開發工具軟件)	2021SR0334170	Our Company	March 03, 2021
13.	Semi-Tech MES factory kanban design software (賽美特MES工廠看板設計軟件)	2021SR0334166	Our Company	March 03, 2021
14.	Semi-Tech SECS Integrated Development Tool Software (賽美特SECS集成開發工具軟件)	2021SR0334169	Our Company	March 03, 2021
15.	Semi-Tech MES BIN management software (賽美特MES BIN管理軟件)	2021SR0333061	Our Company	March 03, 2021
16.	Semi-Tech menu management software (賽美特菜單管理軟件)	2021SR0334168	Our Company	March 03, 2021
17.	Semi-Tech Wafer Defect Detection and Classification System software (賽美特晶圓缺陷自動檢測分類系統軟件)	2021SR1906279	Our Company	November 26, 2021
18.	Semi-Tech yield management system software (賽美特良率管理系統軟件)	2021SR1906262	Our Company	November 26, 2021
19.	PlantU real-time dispatch software (PlantU實時派工軟件)	2021SR1964210	Our Company	December 01, 2021
20.	Semi-Tech monitoring Kanban management software (賽美特監控看板管理軟件)	2022SR0982922	Our Company	August 01, 2022
21.	Semi-Tech report design management software (賽美特報表設計管理軟件)	2022SR1620418	Our Company	December 28, 2022
22.	Semi-Tech intelligent defect detection management and control software (賽美特智能缺陷偵測管理控制軟件)	2022SR1620417	Our Company	December 28, 2022
23.	PlantU material control system software (PlantU 物料管控系統軟件)	2023SR1205767	Our Company	October 10, 2023

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No.	Copyright name	Registration number	Registered owner	Date of registration
24.	Semi-Tech intelligent defect detection management and control software (賽美特智能缺陷偵測管理控制軟件)	2023SR1768215	Our Company	December 26, 2023
25.	Semi-Tech real-time dispatch system (賽美特實時派工系統)	2024SR0817557	Our Company	June 17, 2024
26.	Semi-Tech Manufacturing Execution System (賽美特製造執行系統)	2024SR0814553	Our Company	June 17, 2024
27.	Semi-Tech Equipment Automation System (賽美特設備自動化系統)	2024SR0814544	Our Company	June 17, 2024
28.	Semi-Tech workflow automation system (賽美特工作流自動化系統)	2024SR0814558	Our Company	June 17, 2024
29.	Semi-Tech Advanced Process Control System (賽美特高級製程控制系統)	2024SR0814559	Our Company	June 17, 2024
30.	Semi-Tech statistical process control system (賽美特統計過程控制系統)	2024SR0814551	Our Company	June 17, 2024
31.	Semi-Tech yield management system (賽美特良率管理系統)	2024SR0814560	Our Company	June 17, 2024
32.	Semi-Tech equipment production process monitoring system (賽美特設備生產過程監控系統)	2024SR0947242	Our Company	July 05, 2024
33.	A new generation of intelligent manufacturing management system (新一代智能製造管理系統)	2025SR2325307	Our Company	December 02, 2025
34.	Intelligent maintenance management system (智能檢修管理系統)	2025SR2311744	Our Company	December 01, 2025
35.	Intelligent warehouse electronic material management system (智能倉庫電子物料管理系統)	2025SR2311802	Our Company	December 01, 2025
36.	Intelligent warehouse management system (智能倉儲管理系統)	2025SR2311476	Our Company	December 01, 2025
37.	Automated data acquisition and monitoring systems (自動化數據採集及監控系統)	2025SR2311657	Our Company	December 01, 2025
38.	Factory intelligent manufacturing management system (工廠智能化製造管理系統)	2025SR2311456	Our Company	December 01, 2025
39.	Intelligent manufacturing management system (智能製造管理系統)	2025SR2311517	Our Company	December 01, 2025
40.	3D virtual simulation system (三維虛擬仿真系統)	2025SR2311688	Our Company	December 01, 2025
41.	Intelligent device docking and monitoring system (智能設備對接及監控系統)	2025SR2311928	Our Company	December 01, 2025

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No.	Copyright name	Registration number	Registered owner	Date of registration
42.	Data statistics process control analysis system (數據統計過程控制分析系統)	2025SR2311724	Our Company	December 01, 2025
43.	Intelligent monitoring system (智能監控系統)	2025SR2311550	Our Company	December 01, 2025
44.	Intelligent manufacturing equipment management system (智能製造設備管理系統)	2025SR2311505	Our Company	December 01, 2025
45.	Intelligent cloud tag management system (智能雲標籤管理系統)	2025SR2311491	Our Company	December 01, 2025
46.	High-tech manufacturing execution system (高科技生產製造執行系統)	2025SR2311824	Our Company	December 01, 2025
47.	Haosheng enterprise application development platform software (昊聲企業應用開發平台軟件)	2025SR1777952	Our Company	September 15, 2025
48.	Haosheng human resource management system software (昊聲人力資源管理系統軟件)	2025SR1777892	Our Company	September 15, 2025
49.	Haosheng expense reimbursement module software (昊聲費用報銷模塊軟件)	2025SR1777999	Our Company	September 15, 2025
50.	Haosheng Technology R&D project management system (昊聲技術研發項目管理系統)	2025SR1778111	Our Company	September 15, 2025
51.	Haosheng manufacturing execution system rendering module software (昊聲製造執行系統渲染模塊軟件)	2025SR1777834	Our Company	September 15, 2025
52.	Haosheng procurement management system software (昊聲採購管理系統軟件)	2025SR1777934	Our Company	September 15, 2025
53.	Haosheng manufacturing execution system software (昊聲製造執行系統軟件)	2025SR1777913	Our Company	September 15, 2025
54.	Haosheng intelligent equipment automatic connection control software (昊聲智能設備自動化連接控制軟件)	2025SR1778059	Our Company	September 15, 2025
55.	Haosheng payroll management system (昊聲薪資管理系統)	2025SR1778139	Our Company	September 15, 2025
56.	Haosheng equipment fault is called repair management software (昊聲設備故障叫修管理軟件)	2025SR1778069	Our Company	September 15, 2025
57.	Haosheng manufacturing execution system logic component module software (昊聲製造執行系統邏輯組件模塊軟件)	2025SR1777857	Our Company	September 15, 2025

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No.	Copyright name	Registration number	Registered owner	Date of registration
58.	Haosheng intelligent defect detection management and control software (昊聲智能缺陷偵測管理控制軟件)	2025SR1777790	Our Company	September 15, 2025
59.	Haosheng intelligent defect detection management and control software (昊聲智能缺陷偵測管理控制軟件)	2025SR1777758	Our Company	September 15, 2025
60.	HWG claims to be a volume management software (昊聲稱量管理軟件)	2025SR1778158	Our Company	September 15, 2025
61.	Haosheng enterprise information platform software (昊聲企業信息平台軟件)	2025SR1777962	Our Company	September 15, 2025
62.	Haosheng Customer Relationship Management System (昊聲客戶關係管理系統)	2025SR1778123	Our Company	September 15, 2025
63.	Haosheng intelligent manufacturing management system application software (昊聲智能製造管理系統應用軟件)	2025SR1778044	Our Company	September 15, 2025
64.	Haosheng leave module software (昊聲請假模塊軟件)	2025SR1777991	Our Company	September 15, 2025
65.	Haosheng production history archiving management software (昊聲生產歷程歸檔管理軟件)	2025SR1778083	Our Company	September 15, 2025
66.	Haosheng manufacturing execution system graphical module software (昊聲製造執行系統圖形化模塊軟件)	2025SR1777814	Our Company	September 15, 2025
67.	vidas intelligent data analysis management platform (vidas智能數據分析管理平台)	2025SR1658058	Our Company	August 29, 2025
68.	vidas intelligent data monitoring and publishing platform (vidas智能數據監控發佈平台)	2025SR1658065	Our Company	August 29, 2025
69.	Pre-screening system for semiconductor wafer abnormalities and risk chips (半導體晶圓異常風險片預篩選系統)	2025SR1514739	Our Company	August 12, 2025
70.	Semiconductor wafer life cycle and risk tracking system (半導體晶圓全生命週期與風險追蹤系統)	2025SR1514977	Our Company	August 12, 2025
71.	Semiconductor wafer defect notification and risk control system (半導體晶圓缺陷通報與風險管控系統)	2025SR1514807	Our Company	August 12, 2025
72.	Intelligent Manufacturing Analysis System (EDA). (智能製造分析系統(EDA))	2025SR1514693	Our Company	August 12, 2025

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No.	Copyright name	Registration number	Registered owner	Date of registration
73.	Semiconductor wafer intelligent sampling system (半導體晶圓智能取樣系統)	2025SR1514788	Our Company	August 12, 2025
74.	Semiconductor wafer production distribution tracking and management system (半導體晶圓生產分佈追蹤與管理系統)	2025SR1515130	Our Company	August 12, 2025
75.	Intelligent manufacturing production data full life cycle management system (智能製造生產數據全生命週期管理系統)	2025SR1515183	Our Company	August 12, 2025
76.	Semiconductor CDSEM critical dimension and image intelligent analysis system (半導體CDSEM關鍵尺寸與影像智能分析系統)	2025SR1515251	Our Company	August 12, 2025
77.	Semiconductor wafer-level test parameters intelligent process control and early warning system (半導體晶圓級測試參數智能製程管制預警系統)	2025SR1515275	Our Company	August 12, 2025
78.	Semiconductor equipment health monitoring system (半導體設備健康監測系統)	2025SR1514766	Our Company	August 12, 2025
79.	Semiconductor intelligent analysis alarm management system (半導體智能分析報警管理系統)	2025SR1515025	Our Company	August 12, 2025
80.	Semiconductor quality abnormal management and control system (半導體質量異常管控系統)	2025SR1514998	Our Company	August 12, 2025
81.	Intelligent manufacturing production data automatic collection system (智能製造生產數據自動化採集系統)	2025SR1515299	Our Company	August 12, 2025
82.	Semi-Tech PIC software (賽美特PIC軟件)	2025SR1494588	Our Company	August 08, 2025
83.	Semi-Tech PIC scripting assistant software (賽美特PIC腳本輔助工具軟件)	2025SR1494576	Our Company	August 08, 2025
84.	Semi-Tech Keyence driver software (賽美特Keyence驅動軟件)	2025SR1494585	Our Company	August 08, 2025
85.	Semi-Tech Omron driver software (賽美特Omron驅動軟件)	2025SR1494583	Our Company	August 08, 2025
86.	Semi-Tech TibcoRV driver software (賽美特TibcoRV驅動軟件)	2025SR1494580	Our Company	August 08, 2025
87.	Weixun inventory, sales and inventory system (微迅進銷存系統)	2025SR2311419	Our Company	December 01, 2025
88.	Weixun enterprise informatization OA system (微迅企業信息化OA系統)	2025SR2311442	Our Company	December 01, 2025

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No.	Copyright name	Registration number	Registered owner	Date of registration
89.	Weixun manufacturing intelligent management system (微迅製造智能化管理系統)	2025SR2311597	Our Company	December 01, 2025
90.	Weixun intelligent mobile management system (微迅智能移動管理系統)	2025SR2311628	Our Company	December 01, 2025
91.	Weixun production order circulation system (微迅生產訂單流轉系統)	2025SR2311762	Our Company	December 01, 2025
92.	Weixun production process design system (微迅生產工藝設計系統)	2025SR2311779	Our Company	December 01, 2025
93.	Weixun Home Industry Kit System (微迅家居行業套件系統)	2025SR2311851	Our Company	December 01, 2025
94.	Weixun wiring harness industry kit system (微迅線束行業套件系統)	2025SR2311910	Our Company	December 01, 2025
95.	Weixun medical device industry kit system (微迅醫療器械行業套件系統)	2025SR2311953	Our Company	December 01, 2025
96.	PlantU Manufacturing Operations System (PlantU 製造運營系統)	2025SR2312004	Our Company	December 01, 2025
97.	Semi-Tech Siemens driver software (賽美特Siemens驅動軟件)	2025SR2312014	Our Company	December 01, 2025
98.	Guyao Y-Tap system software (固耀Y-Tap系統軟件)	2025SR2312042	Our Company	December 01, 2025
99.	Guyao program management system software (固耀程序管理系統軟件)	2025SR2312059	Our Company	December 01, 2025
100.	Guyao advanced process control system software (固耀高級製程控制系統軟件)	2025SR2312080	Our Company	December 01, 2025
101.	Guyao E-Fab system software (固耀E-Fab系統軟件)	2025SR2312109	Our Company	December 01, 2025
102.	PLantU Warehouse Management System (PLantU 倉儲管理系統)	2025SR2312122	Our Company	December 01, 2025
103.	Weixun report design management software (微迅報表設計管理軟件)	2025SR2448513	Our Company	December 29, 2025
104.	PlantU Defect Control System (PlantU 缺陷管控系統)	2025SR2109412	Semi-Tech Technology	October 30, 2025
105.	Semi-Tech CIM software (賽美特CIM軟件)	2025SR1988485	Semi-Tech Technology	October 15, 2025
106.	PlantU Digital Twin System (PlantU 數字孿生系統)	2025SR1846321	Semi-Tech Technology	September 23, 2025
107.	Haosheng equipment data acquisition software (昊聲設備數據採集軟件)	2025SR1830100	Semi-Tech Technology	September 22, 2025
108.	Haosheng warehouse management system software (昊聲倉庫管理系統軟件)	2025SR1830102	Semi-Tech Technology	September 22, 2025

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No.	Copyright name	Registration number	Registered owner	Date of registration
109. . . .	Haosheng battery assembly and unboxing software (昊聲電池裝拆箱軟件)	2025SR1830101	Semi-Tech Technology	September 22, 2025
110. . . .	Haosheng Binmap management software (昊聲Binmap管理軟件)	2025SR1830097	Semi-Tech Technology	September 22, 2025
111. . . .	Haosheng equipment communication and system automation software (昊聲設備通訊與系統自動化軟件)	2025SR1830111	Semi-Tech Technology	September 22, 2025
112. . . .	Haosheng quality management system software (昊聲質量管理系統軟件)	2025SR1830105	Semi-Tech Technology	September 22, 2025
113. . . .	Haosheng statistical process management software (昊聲統計製程管理軟件)	2025SR1830108	Semi-Tech Technology	September 22, 2025
114. . . .	Haosheng data center software (昊聲數據中台軟件)	2025SR1830096	Semi-Tech Technology	September 22, 2025
115. . . .	Haosheng tool management system software (昊聲工具管理系統軟件)	2025SR1830104	Semi-Tech Technology	September 22, 2025
116. . . .	Haosheng produces exception management software (昊聲生產異常管理軟件)	2025SR1830112	Semi-Tech Technology	September 22, 2025
117. . . .	Haosheng workshop production scheduling system software (昊聲車間生產排程系統軟件)	2025SR1830103	Semi-Tech Technology	September 22, 2025
118. . . .	Haosheng battery performance calculation column analysis software (昊聲電池性能計算列分析軟件)	2025SR1830094	Semi-Tech Technology	September 22, 2025
119. . . .	Haosheng production inventory system software (昊聲生產盤點系統軟件)	2025SR1830106	Semi-Tech Technology	September 22, 2025
120. . . .	Haosheng equipment management software (昊聲設備管理軟件)	2025SR1830109	Semi-Tech Technology	September 22, 2025
121. . . .	Haosheng visual signage design and display software (昊聲可視化看板設計與展現軟件)	2025SR1830093	Semi-Tech Technology	September 22, 2025
122. . . .	Haosheng process management platform software (昊聲流程管理平台軟件)	2025SR1830099	Semi-Tech Technology	September 22, 2025
123. . . .	Haosheng quality early warning system software (昊聲品質預警系統軟件)	2025SR1830107	Semi-Tech Technology	September 22, 2025
124. . . .	Haosheng PlantU SPC statistical process control software (昊聲PlantU SPC統計過程管控軟件)	2025SR1830110	Semi-Tech Technology	September 22, 2025
125. . . .	Haosheng energy management software (昊聲能源管理軟件)	2025SR1830098	Semi-Tech Technology	September 22, 2025
126. . . .	Haosheng asset management platform software (昊聲資產管理平台軟件)	2025SR1830095	Semi-Tech Technology	September 22, 2025

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No.	Copyright name	Registration number	Registered owner	Date of registration
127. . . .	PlantU Secs Converter系統 (PlantU Secs Converter系統)	2025SR1797181	Semi-Tech Technology	September 17, 2025
128. . . .	PlantU Data Collection System (PlantU數據收集系統)	2025SR1780326	Semi-Tech Technology	September 15, 2025
129. . . .	PlantU Test Management System software (PlantU Test Management System軟件)	2025SR1770679	Semi-Tech Technology	September 12, 2025
130. . . .	PlantU SECS Talk Pro device communication and system automation software (PlantU SECS Talk Pro設備通訊與系統 自動化軟件)	2025SR1761977	Semi-Tech Technology	September 12, 2025
131. . . .	PlantU defect management system (PlantU缺陷管理系統)	2025SR1745360	Semi-Tech Technology	September 10, 2025
132. . . .	PlantU Wafer Mapping Management System (PlantU晶 圓圖譜管理系統)	2024SR2100352	Semi-Tech Technology	December 17, 2024
133. . . .	PlantU Warehouse Management System (PlantU 倉儲管理系統)	2024SR1321715	Semi-Tech Technology	September 06, 2024
134. . . .	PlantU real-time dispatch system (PlantU 實時派工系統)	2024SR1321728	Semi-Tech Technology	September 06, 2024
135. . . .	PlantU Cost Management Analytics Platform (PlantU成本 管理分析平台)	2024SR1321684	Semi-Tech Technology	September 06, 2024
136. . . .	PlantU Outsourcing Management System (PlantU 委外管理系統)	2024SR1321675	Semi-Tech Technology	September 06, 2024
137. . . .	PlantU Big Data Operations Platform (PlantU大數據運營平 台)	2024SR1321697	Semi-Tech Technology	September 06, 2024
138. . . .	PlantU workflow management system (PlantU工作流管理系統)	2024SR1321724	Semi-Tech Technology	September 06, 2024
139. . . .	PlantU material control system (PlantU物料管控系統)	2024SR1124069	Semi-Tech Technology	August 05, 2024
140. . . .	Guyao OUI equipment automation user operation software (固耀OUI設備自動化 用戶操作軟件)	2024SR1084669	Semi-Tech Technology	July 30, 2024
141. . . .	Guyao OEE software (固耀OEE 軟件)	2024SR1085685	Semi-Tech Technology	July 30, 2024
142. . . .	Guyao inspection system software (固耀點檢系統軟件)	2024SR1085733	Semi-Tech Technology	July 30, 2024
143. . . .	Guyao Wafer Map software (固耀 Wafer Map軟件)	2024SR1085868	Semi-Tech Technology	July 30, 2024
144. . . .	Guyao Wafer Map software (固耀 Wafer Map軟件)	2024SR1085417	Semi-Tech Technology	July 30, 2024
145. . . .	Guyao advanced process control system software (固耀高級製程 控制系統軟件)	2024SR1085758	Semi-Tech Technology	July 30, 2024
146. . . .	Guyao OEM SECS Convert software (固耀OEM SECS Convert軟件)	2024SR1085719	Semi-Tech Technology	July 30, 2024
147. . . .	Guyao EAS software (固耀EAS軟 件)	2024SR1085512	Semi-Tech Technology	July 30, 2024

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148. . . .	Guyao e-Rack software (固耀e Rack軟件)	2024SR1085446	Semi-Tech Technology	July 30, 2024
149. . . .	Guyao RMS program management software (固耀RMS程序管理軟件)	2024SR1084650	Semi-Tech Technology	July 30, 2024
150. . . .	Guyao equipment automation program management and control platform software (固耀設備自動化程序管理控制平台軟件)	2024SR1085786	Semi-Tech Technology	July 30, 2024
151. . . .	Guyao SECS Talk Pro device communication and system automation software (固耀SECS Talk Pro設備通訊與系統自動化軟件)	2024SR1084623	Semi-Tech Technology	July 30, 2024
152. . . .	Guyao OUI equipment automation user operation software (固耀OUI設備自動化用戶操作軟件)	2024SR1085324	Semi-Tech Technology	July 30, 2024
153. . . .	Guyao RTM software (固耀RTM軟件)	2024SR1085528	Semi-Tech Technology	July 30, 2024
154. . . .	Guyao RCS software (固耀RCS軟件)	2024SR1085815	Semi-Tech Technology	July 30, 2024
155. . . .	Guyao OEE equipment management software (固耀OEE設備管理軟件)	2024SR1084659	Semi-Tech Technology	July 30, 2024
156. . . .	Guyao SEC equipment statistical control software (固耀SEC設備統計控制軟件)	2024SR1084763	Semi-Tech Technology	July 30, 2024
157. . . .	Guyao RV Gateway software (固耀RV Gateway軟件)	2024SR1085365	Semi-Tech Technology	July 30, 2024
158. . . .	Guyao MMS material control system software (固耀MMS物料管控系統軟件)	2024SR1084680	Semi-Tech Technology	July 30, 2024
159. . . .	Guyao Deployment Tool is a deployment management software (固耀Deployment Tool部署管理軟件)	2024SR1084738	Semi-Tech Technology	July 30, 2024
160. . . .	Guyao SECS Talk Pro device communication and system automation software (固耀SECS Talk Pro設備通訊與系統自動化軟件)	2024SR1084638	Semi-Tech Technology	July 30, 2024
161. . . .	Guyao CMP APC software (固耀CMP APC軟件)	2024SR1085801	Semi-Tech Technology	July 30, 2024
162. . . .	Guyao message channel software (固耀消息通道軟件)	2024SR1085622	Semi-Tech Technology	July 30, 2024
163. . . .	Guyao PLUS Adaptor adapter software (固耀PLUS Adaptor適配器軟件)	2024SR1085604	Semi-Tech Technology	July 30, 2024

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164. . . .	Guyao SECS Talk Pro device communication and system automation software (固耀SECS Talk Pro設備通訊與系統自動化軟件)	2024SR1085336	Semi-Tech Technology	July 30, 2024
165. . . .	Guyao Oven oven automation system software (固耀Oven烤箱自動化系統軟件)	2024SR1085562	Semi-Tech Technology	July 30, 2024
166. . . .	Guyao RCS software (固耀RCS軟件)	2024SR1085398	Semi-Tech Technology	July 30, 2024
167. . . .	Guyao EAP software (固耀EAP軟件)	2024SR1085807	Semi-Tech Technology	July 30, 2024
168. . . .	Guyao AutoLoading software (固耀AutoLoading軟件)	2024SR1085707	Semi-Tech Technology	July 30, 2024
169. . . .	Guyao program management system software (固耀程序管理系統軟件)	2024SR1085854	Semi-Tech Technology	July 30, 2024
170. . . .	Guyao PLUS message management software (固耀PLUS 消息管理軟件)	2024SR1084718	Semi-Tech Technology	July 30, 2024
171. . . .	Guyao Map Convertor software (固耀Map Convertor軟件)	2024SR1085466	Semi-Tech Technology	July 30, 2024
172. . . .	Guyao OPC Adapter software (固耀OPC Adapter軟件)	2024SR1085540	Semi-Tech Technology	July 30, 2024
173. . . .	Guyao STDF Parse software (固耀STDF Parse軟件)	2024SR1085382	Semi-Tech Technology	July 30, 2024
174. . . .	Guyao Alarm system software (固耀Alarm系統軟件)	2024SR1085650	Semi-Tech Technology	July 30, 2024
175. . . .	Guyao Singal Tower system software (固耀Singal Tower系統軟件)	2024SR1085832	Semi-Tech Technology	July 30, 2024
176. . . .	Guyao PT protocol conversion software (固耀PT協議轉換軟件)	2024SR1085346	Semi-Tech Technology	July 30, 2024
177. . . .	Guyao EAP equipment automation software (固耀EAP設備自動化軟件)	2024SR1084775	Semi-Tech Technology	July 30, 2024
178. . . .	Guyao EAS software (固耀EAS軟件)	2024SR1085492	Semi-Tech Technology	July 30, 2024
179. . . .	PlantU smart factory real-time monitoring system (PlantU智能工廠實時監控系統)	2024SR0890555	Semi-Tech Technology	June 28, 2024
180. . . .	PlantU Smart Factory Reporting System (PlantU智能工廠報表系統)	2024SR0898193	Semi-Tech Technology	June 28, 2024
181. . . .	PlantU remote control system (PlantU遠程控制系統)	2024SR0890409	Semi-Tech Technology	June 28, 2024
182. . . .	PlantU Supply Chain Management System (PlantU供應鏈管理系統)	2024SR0890859	Semi-Tech Technology	June 28, 2024
183. . . .	PlantU intelligent manufacturing information system (PlantU智造信息系統)	2024SR0889727	Semi-Tech Technology	June 28, 2024

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184. . . .	PlantU Smart Factory Mobile Management System (PlantU智能工廠移動管理系統)	2024SR0891582	Semi-Tech Technology	June 28, 2024
185. . . .	PlantU Manufacturing Management System (PlantU製造管理系統)	2024SR0882186	Semi-Tech Technology	June 27, 2024
186. . . .	PlantU Manufacturing Operations System (PlantU製造運營系統)	2024SR0881602	Semi-Tech Technology	June 27, 2024
187. . . .	PlantU yield management system (PlantU良率管理系統)	2024SR0881892	Semi-Tech Technology	June 27, 2024
188. . . .	PlantU defect control system (PlantU缺陷管控系統)	2024SR0874040	Semi-Tech Technology	June 26, 2024
189. . . .	PlantU real-time scheduling system (PlantU實時調度系統)	2024SR0878226	Semi-Tech Technology	June 26, 2024
190. . . .	PlantU Advanced Scheduling System (PlantU高級排程系統)	2024SR0874295	Semi-Tech Technology	June 26, 2024
191. . . .	PlantU MessageBus messaging middleware software (PlantU MessageBus消息中間件軟件)	2024SR0672948	Semi-Tech Technology	May 17, 2024
192. . . .	Semi-Tech intelligent defect detection management and control software (賽美特智能缺陷偵測管理控制軟件)	2024SR0591067	Semi-Tech Technology	April 30, 2024
193. . . .	PLantU Advanced Process Control System (PLantU 高級製程控制系統)	2024SR0256401	Semi-Tech Technology	February 08, 2024
194. . . .	Semi-Tech Semiconductor Machine Real-time Data Collection System (賽美特半導體機台實時數據收集系統)	2023SR0241801	Semi-Tech Technology	February 14, 2023
195. . . .	Semi-Tech Alarm Management System (賽美特報警管理系統 (Alarm Management System))	2023SR0241800	Semi-Tech Technology	February 14, 2023
196. . . .	Semi-Tech Modbus driver software (賽美特Modbus驅動軟件)	2023SR0201216	Semi-Tech Technology	February 06, 2023
197. . . .	Semi-Tech RPA management software (賽美特RPA管理軟件)	2023SR0201376	Semi-Tech Technology	February 06, 2023
198. . . .	Semi-Tech Melesc driver software (賽美特Melesc驅動軟件)	2023SR0201352	Semi-Tech Technology	February 06, 2023
199. . . .	Semi-Tech Omron driver software (賽美特Omron驅動軟件)	2023SR0201217	Semi-Tech Technology	February 06, 2023
200. . . .	Semi-Tech Siemens driver software (賽美特Siemens驅動軟件)	2023SR0201378	Semi-Tech Technology	February 06, 2023
201. . . .	Semi-Tech Secs driver software (賽美特Secs驅動軟件)	2023SR0201377	Semi-Tech Technology	February 06, 2023
202. . . .	Semi-Tech material spare parts management system software (賽美特物料備件管理系統軟件)	2022SR0206678	Semi-Tech Technology	February 09, 2022

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203. . . .	Semi-Tech OUI equipment automation user operation software (賽美特OUI設備自動化用戶操作軟件)	2022SR0078608	Semi-Tech Technology	January 12, 2022
204. . . .	Semi-Tech CMP APC software (賽美特CMP APC軟件)	2022SR0078609	Semi-Tech Technology	January 12, 2022
205. . . .	Semi-Tech equipment automation program management and control platform software (賽美特設備自動化程序管理控制平台軟件)	2022SR0078612	Semi-Tech Technology	January 12, 2022
206. . . .	Semi-Tech SECS Talk Pro device communication and system automation software (賽美特SECS Talk Pro設備通訊與系統自動化軟件)	2022SR0078611	Semi-Tech Technology	January 12, 2022
207. . . .	Semi-Tech Secs Converter software (賽美特Secs Converter軟件)	2022SR0078610	Semi-Tech Technology	January 12, 2022
208. . . .	Semi-Tech Equipment Automation System Software (賽美特設備自動化系統軟件)	2021SR0459660	Semi-Tech Technology	March 26, 2021
209. . . .	Semi-Tech device data acquisition software (賽美特設備數據採集軟件)	2021SR0459658	Semi-Tech Technology	March 26, 2021
210. . . .	Semi-Tech MES software (賽美特MES軟件)	2021SR0459661	Semi-Tech Technology	March 26, 2021
211. . . .	Semi-Tech program management system software (賽美特程序管理系統軟件)	2021SR0459659	Semi-Tech Technology	March 26, 2021
212. . . .	Semi-Tech Test Management System software (賽美特測試管理系統軟件)	2021SR0459662	Semi-Tech Technology	March 26, 2021
213. . . .	Semi-Tech statistical process control software (賽美特統計過程控制軟件)	2021SR0459657	Semi-Tech Technology	March 26, 2021
214. . . .	134.2KHz low-frequency RFID read and write control software (134.2KHz低頻RFID讀寫控制軟件)	2025SR0023559	Semi-Tech Technology	January 06, 2025
215. . . .	PlantU silicon wafer defect automatic classification system (PlantU硅片缺陷自動分類系統)	2025SR0974045	Semi-Tech Technology	June 11, 2025
216. . . .	PlantU Automatic Defect Classification System (PlantU晶圓缺陷自動分類系統)	2025SR0977606	Semi-Tech Technology	June 11, 2025
217. . . .	PlantU Wafer Grading System (PlantU晶圓等級判定系統)	2025SR0966296	Semi-Tech Technology	June 10, 2025
218. . . .	PlantU Wafer Anomaly Marking System (PlantU晶圓異常標記系統)	2025SR0968934	Semi-Tech Technology	June 10, 2025

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219. . . .	PlantU Wafer Test Report Analysis System (PlantU晶圓測試報表分析系統)	2025SR0969849	Semi-Tech Technology	June 10, 2025
220. . . .	Weida Printed Circuit Board Defect Management System (威達印刷電路板缺陷管理系統)	2024SR1165034	Suzhou Vida	August 12, 2024
221. . . .	Weida wafer test report analysis system (威達晶圓測試報表分析系統)	2024SR1164970	Suzhou Vida	August 12, 2024
222. . . .	Weida program automation management system (威達程序自動化管理系統)	2024SR1148485	Suzhou Vida	August 08, 2024
223. . . .	Weida silicon wafer defect automatic classification system (威達硅片缺陷自動分類系統)	2024SR1141658	Suzhou Vida	August 07, 2024
224. . . .	Weida Wafer Anomaly Marking System (威達晶圓異常標記系統)	2023SR1131841	Suzhou Vida	September 21, 2023
225. . . .	Weida wafer grade judgment system (威達晶圓等級判定系統)	2023SR0882723	Suzhou Vida	August 02, 2023
226. . . .	Weida Wafer Anomaly Derivation System (威達晶圓異常推導系統)	2023SR0881454	Suzhou Vida	August 02, 2023
227. . . .	Weida CP test anomaly marking system (威達CP測試異常標記系統)	2023SR0879520	Suzhou Vida	August 02, 2023
228. . . .	Weida pre-production mapping system (威達預產圖系統)	2023SR0879216	Suzhou Vida	August 02, 2023
229. . . .	Weida equipment fault alarm platform (威達設備故障報警平台)	2023SR0062925	Suzhou Vida	January 11, 2023
230. . . .	Weida Wafer Anomaly Marking System (威達晶圓異常標記系統)	2022SR1449908	Suzhou Vida	November 02, 2022
231. . . .	Weida program automation management system (威達程序自動化管理系統)	2022SR1449469	Suzhou Vida	November 02, 2022
232. . . .	Weida product quality traceability system (威達產品質量可追溯系統)	2022SR1428050	Suzhou Vida	October 28, 2022
233. . . .	Weida product defect machine vision inspection system (威達產品缺陷機器視覺檢測系統)	2022SR1418033	Suzhou Vida	October 26, 2022
234. . . .	Weida data storage software (威達數據存儲軟件)	2021SR1995571	Suzhou Vida	December 03, 2021
235. . . .	Weida machine detection and analysis system (威達機台偵測分析系統)	2021SR1995613	Suzhou Vida	December 03, 2021
236. . . .	Weida report automation support tool system (威達報表自動化支持工具系統)	2021SR1709831	Suzhou Vida	November 11, 2021

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237. . . .	Weida defect traceability software (威達缺陷溯源軟件)	2021SR1709827	Suzhou Vida	November 11, 2021
238. . . .	Weida product defect intelligent detection assistance system (威 達產品缺陷智能檢測輔助系統)	2021SR1710044	Suzhou Vida	November 11, 2021
239. . . .	Weida intelligent manufacturing intelligent service cloud platform (威達智能製造智能服 務雲平台)	2021SR1709828	Suzhou Vida	November 11, 2021
240. . . .	Weida report automation system application software (威達報表 自動化系統應用軟件)	2021SR1709826	Suzhou Vida	November 11, 2021
241. . . .	Weida equipment runs intelligent detection software (威達設備運 行智能檢測軟件)	2021SR1384001	Suzhou Vida	September 15, 2021
242. . . .	Weida report data extraction software (威達報表數據提取軟 件)	2021SR1383968	Suzhou Vida	September 15, 2021
243. . . .	Weida yield improvement data monitoring software (威達良率 提升數據監控軟件)	2021SR1384029	Suzhou Vida	September 15, 2021
244. . . .	Weida Automation Equipment Management Software (威達自 動化設備管理軟件)	2021SR1384039	Suzhou Vida	September 15, 2021
245. . . .	Weida data integration platform software (威達數據整合平台軟 件)	2021SR1384002	Suzhou Vida	September 15, 2021
246. . . .	Weida enterprise intelligent manufacturing big data analysis software (威達企業智能製造大 數據分析軟件)	2020SR1797999	Suzhou Vida	December 11, 2020
247. . . .	Weida report automation management software (威達報 表自動化管理軟件)	2020SR1797899	Suzhou Vida	December 11, 2020
248. . . .	Weida Product Defect Improvement Management Software (威達產品缺陷改善管 理軟件)	2020SR1799582	Suzhou Vida	December 11, 2020
249. . . .	Weida data analysis software (威 達數據分析軟件)	2020SR0667553	Suzhou Vida	June 23, 2020
250. . . .	Weida analysis process automation software (威達分析 流程自動化軟件)	2020SR0667545	Suzhou Vida	June 23, 2020
251. . . .	Defect classification management system (缺陷分類管理系統)	2025SR1042664	Suzhou Vida	June 19, 2025
252. . . .	Wafer product definition system (晶圓產品定義系統)	2025SR1042621	Suzhou Vida	June 19, 2025
253. . . .	WebDevTemplate machine data management system (WebDevTemplate機台數據管理 系統)	2025SR1042604	Suzhou Vida	June 19, 2025
254. . . .	Closed-loop management system (閉環管理系統)	2025SR1034567	Suzhou Vida	June 18, 2025

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255. . . .	OQA Klarf Document Output System (OQA Klarf文件產出系統)	2025SR0999603	Suzhou Vida	June 13, 2025
256. . . .	Weida Wafer Defect Automatic Classification System (威達晶圓缺陷自動分類系統)	2024SR1164645	Suzhou Vida	August 12, 2024
257. . . .	Guyao intelligent management system based on load balancing technology (固耀基於負載均衡技術的智能化管理系統)	2024SR1172239	Chengdu Semi-Tech	August 13, 2024
258. . . .	Guyao Test Managerment System (固耀測試管理系統(Test Managerment System))	2024SR1172129	Chengdu Semi-Tech	August 13, 2024
259. . . .	Semi-Tech wafer test data processing software (賽美特晶圓測試數據處理軟件)	2024SR1171889	Chengdu Semi-Tech	August 13, 2024
260. . . .	Guyao Intelligent management platform for data routing plan configuration system software (固耀數據路由計劃配置系統軟件的智能化管理平台)	2024SR1172227	Chengdu Semi-Tech	August 13, 2024
261. . . .	Semi-Tech RPA control software (賽美特RPA控制軟件)	2024SR1171907	Chengdu Semi-Tech	August 13, 2024
262. . . .	Load balancing data monitoring and management system driven by Guyao technology (固耀技術驅動的負載均衡數據監測與管理系統)	2024SR1172211	Chengdu Semi-Tech	August 13, 2024
263. . . .	Guyao future-proof load balancing management system (固耀面向未來的負載均衡管理系統)	2024SR1172258	Chengdu Semi-Tech	August 13, 2024
264. . . .	Guyao intelligent management platform based on the data collection plan configuration system software (固耀基於數據收值計劃配置系統軟件的智能化管理平台)	2024SR1172195	Chengdu Semi-Tech	August 13, 2024
265. . . .	Guyao Test Data Analysis (固耀測試數據分析系統 (Test Data Analysis))	2024SR1172167	Chengdu Semi-Tech	August 13, 2024
266. . . .	JobsData Big Data Platform System (JobsData大數據平台系統)	2023SR0846319	Chengdu Semi-Tech	July 18, 2023
267. . . .	ICJobs chip factory production execution system (ICJobs芯片廠生產執行系統)	2023SR0846320	Chengdu Semi-Tech	July 18, 2023
268. . . .	WaferJobs Fab Production Execution System (WaferJobs晶圓廠生產執行系統)	2023SR0846322	Chengdu Semi-Tech	July 18, 2023
269. . . .	SpeedMCS material handling control system (SpeedMCS物料搬運控制系統)	2023SR0846321	Chengdu Semi-Tech	July 18, 2023

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270. . . .	CCSmart Smart Energy Management System (CCSmart 智能能源管理系統)	2023SR0846318	Chengdu Semi-Tech	July 18, 2023
271. . . .	SafeMES secure production execution system (SafeMES 安全的生產執行系統)	2023SR0846317	Chengdu Semi-Tech	July 18, 2023
272. . . .	JobsSPC Statistical Process Control System (JobsSPC 統計過程控制系統)	2023SR0789355	Chengdu Semi-Tech	July 04, 2023
273. . . .	JobsReport reporting system (JobsReport 報表系統)	2023SR0789354	Chengdu Semi-Tech	July 04, 2023
274. . . .	JobsEHM Device Health Management System (JobsEHM 設備健康管理系統)	2023SR0789352	Chengdu Semi-Tech	July 04, 2023
275. . . .	PackJobs Packaging and Testing Plant Production Execution System (PackJobs 封測廠生產執行系統)	2023SR0789353	Chengdu Semi-Tech	July 04, 2023
276. . . .	Guyao equipment automation user operation software (固耀設備自動化用戶操作軟件)	2024SR1172183	Chengdu Semi-Tech	August 13, 2024
277. . . .	Semi-Tech CIM software (賽美特 CIM 軟件)	2025SR1988194	Chengdu Semi-Tech	October 15, 2025
278. . . .	Bohai workflow management software (渤海 workflow 管理軟件)	2024SR1263107	Shanghai Semi-Tech	August 28, 2024
279. . . .	Bohai MES wafer acceptance judgment software (渤海MES 晶圓接收判定軟件)	2024SR1254012	Shanghai Semi-Tech	August 27, 2024
280. . . .	Guyao Alarm Management System (固耀報警管理系統 (Alarm Management System))	2024SR1105179	Shanghai Semi-Tech	August 01, 2024
281. . . .	Semi-Tech GPIB driver software (賽美特GPIB 驅動軟件)	2024SR1092837	Shanghai Semi-Tech	July 31, 2024
282. . . .	Semi-Tech PlantU One software (賽美特PlantU One 軟件)	2024SR1092827	Shanghai Semi-Tech	July 31, 2024
283. . . .	Semi-Tech Semiconductor communication driver platform (賽美特半導體通訊驅動平台)	2024SR1092850	Shanghai Semi-Tech	July 31, 2024
284. . . .	Logistics equipment management system (物流設備管理系統)	2025SR1219017	Shanghai Semi-Tech	July 10, 2025
285. . . .	Semi-Tech CIM software (賽美特 CIM 軟件)	2025SR1822419	Shanghai Semi-Tech	September 19, 2025
286. . . .	Semi-Tech CIM system (賽美特 CIM 系統)	2025SR1680756	Shanghai Semi-Tech	September 02, 2025
287. . . .	Shuling Information FB2B data integration and analysis platform (數領信息FB2B 數據集成分析平台)	2024SR1223350	Shanghai Foreverwin	August 21, 2024
288. . . .	Bohai MES Archive Management Software (渤海MES 歸檔管理軟件)	2024SR1084427	Shanghai Foreverwin	July 30, 2024

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No.	Copyright name	Registration number	Registered owner	Date of registration
289. . . .	Shuling Information FDOP Visualization ETL Platform (數領信息FDOP可視化ETL平台)	2024SR1084499	Shanghai Foreverwin	July 30, 2024
290. . . .	Bohai equipment asset management software (渤海設備資產管理軟件)	2024SR1084439	Shanghai Foreverwin	July 30, 2024
291. . . .	Shuling Information FDOP scheduling platform (數領信息FDOP調度平台)	2024SR1084334	Shanghai Foreverwin	July 30, 2024
292. . . .	MOZART FP Studio software (MOZART FP Studio軟件)	2022SR1535771	Shenzhen Wei Cheng	November 18, 2022
293. . . .	MOZART MP Studio software (MOZART MP Studio軟件)	2022SR1480529	Shenzhen Wei Cheng	November 08, 2022
294. . . .	MOZART APS Studio software (MOZART APS Studio軟件)	2022SR1480530	Shenzhen Wei Cheng	November 08, 2022
295. . . .	MOZART RTS Studio software (MOZART RTS Studio軟件)	2022SR1480208	Shenzhen Wei Cheng	November 08, 2022
296. . . .	SRM enterprise procurement tracking management system (SRM企業採購跟蹤管理系統)	2022SR1145468	Beijing Zhi Yang	August 16, 2022
297. . . .	SRM enterprise price comparison procurement software (SRM企業比價採購軟件)	2022SR1145467	Beijing Zhi Yang	August 16, 2022
298. . . .	Big data numerical statistics platform (大數據數值統計平台)	2022SR1145581	Beijing Zhi Yang	August 16, 2022
299. . . .	Zhiyang sales price information collection and analysis system (智揚銷售價格信息採集分析系統)	2022SR1128984	Beijing Zhi Yang	August 15, 2022
300. . . .	WMS intelligent warehouse management PDA terminal system (WMS智能倉儲管理PDA終端系統)	2022SR1129300	Beijing Zhi Yang	August 15, 2022
301. . . .	BI collaborative office performance appraisal management system (BI協同辦公績效考核管理系統)	2022SR1129152	Beijing Zhi Yang	August 15, 2022
302. . . .	EL image packaging and uploading encryption management software (EL圖片打包上傳加密管理軟件)	2022SR1129153	Beijing Zhi Yang	August 15, 2022
303. . . .	Social e-commerce big data management system (社交電商大數據管理系統)	2022SR1106417	Beijing Zhi Yang	August 12, 2022
304. . . .	Zhiyang commercial chain service management software (智揚商業連鎖服務管理軟件)	2022SR1106416	Beijing Zhi Yang	August 12, 2022
305. . . .	Intelligent decision-making information registration system (智能決策信息登記系統)	2022SR1096861	Beijing Zhi Yang	August 11, 2022
306. . . .	Social e-commerce solution software (社交電商解決方案軟件)	2021SR1654373	Beijing Zhi Yang	November 05, 2021

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No.	Copyright name	Registration number	Registered owner	Date of registration
307. . . .	Zhiyang business intelligent analysis system (智揚商業智能化分析系統)	2021SR1654446	Beijing Zhi Yang	November 05, 2021
308. . . .	Intelligent decision analysis support system (智能決策分析支持系統)	2021SR1654426	Beijing Zhi Yang	November 05, 2021
309. . . .	BI collaborative office platform software (BI協同辦公平台軟件)	2021SR1654425	Beijing Zhi Yang	November 05, 2021
310. . . .	Zhiyang sales price tracking viewing system (智揚銷售價格跟蹤觀看系統)	2021SR1617830	Beijing Zhi Yang	November 02, 2021
311. . . .	EL image packaging and upload tool development platform (EL圖片打包上傳工具開發平台)	2021SR1617889	Beijing Zhi Yang	November 02, 2021
312. . . .	B2B2C enterprise integrated e-commerce platform (B2B2C企業綜合電商平台)	2020SR1054697	Beijing Zhi Yang	September 07, 2020
313. . . .	Omni-channel social e-commerce platform (全渠道社交電商平台)	2020SR1054690	Beijing Zhi Yang	September 07, 2020
314. . . .	WMS intelligent warehousing system (WMS智能倉儲系統)	2020SR1053456	Beijing Zhi Yang	September 07, 2020
315. . . .	Enterprise intelligent middle office system (企業智能中台系統)	2020SR1053543	Beijing Zhi Yang	September 07, 2020
316. . . .	Omni-channel marketing operation system (全渠道營銷運營系統)	2020SR1053551	Beijing Zhi Yang	September 07, 2020
317. . . .	Enterprise intelligent BI platform (企業智能BI平台)	2020SR1054923	Beijing Zhi Yang	September 07, 2020
318. . . .	Enterprise asset digital management system (企業資產數字化管理系統)	2020SR1053416	Beijing Zhi Yang	September 07, 2020
319. . . .	SRM Enterprise Digital Procurement Management System (SRM企業數字化採購管理系統)	2020SR1049860	Beijing Zhi Yang	September 07, 2020
320. . . .	B2B procurement distribution e-commerce platform (B2B採購分銷電商平台)	2020SR1053559	Beijing Zhi Yang	September 07, 2020
321. . . .	Big data service platform (大數據服務平台)	2020SR1049868	Beijing Zhi Yang	September 07, 2020
322. . . .	Comprehensive budget management system (全面預算管理系統)	2017SR261336	Beijing Zhi Yang	June 13, 2017
323. . . .	Enterprise artificial intelligence foundation platform (企業人工智能基礎平台)	2025SR1307348	Beijing Zhi Yang	July 21, 2025
324. . . .	Enterprise equipment automation management system (企業設備自動化管理系統)	2025SR2256196	Beijing Zhi Yang	November 24, 2025
325. . . .	Data asset management platform (數據資產管理平台)	2025SR2255967	Beijing Zhi Yang	November 24, 2025

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No.	Copyright name	Registration number	Registered owner	Date of registration
326. . . .	Enterprise large model capability platform (企業大模型能力平台)	2025SR2255968	Beijing Zhi Yang	November 24, 2025
327. . . .	Project resource scheduling management system (項目資源調度管理系統)	2025SR2076768	Beijing Zhi Yang	October 27, 2025
328. . . .	Enterprise project management system (企業項目管理系統)	2025SR1804911	Beijing Zhi Yang	September 18, 2025
329. . . .	Supplier risk management platform (供應商風險管理平台)	2025SR1381314	Beijing Zhi Yang	July 29, 2025
330. . . .	Enterprise ERP management software (企業ERP管理軟件)	2025SR1381313	Beijing Zhi Yang	July 29, 2025
331. . . .	Data visualization management platform (數據可視化管理平台)	2025SR1360195	Beijing Zhi Yang	July 25, 2025
332. . . .	Enterprise big data management platform (企業大數據管理平台)	2025SR1359831	Beijing Zhi Yang	July 25, 2025
333. . . .	Enterprise MES production management system (企業MES生產管理系統)	2025SR1359889	Beijing Zhi Yang	July 25, 2025
334. . . .	Data operation and maintenance service platform (數據運維服務平台)	2025SR1359856	Beijing Zhi Yang	July 25, 2025
335. . . .	Enterprise APS automatic scheduling system (企業APS自動排程系統)	2025SR1317104	Beijing Zhi Yang	July 21, 2025
336. . . .	Enterprise production and marketing collaborative management platform (企業產銷協同管理平台)	2025SR1317102	Beijing Zhi Yang	July 21, 2025
337. . . .	Enterprise industrial Internet platform (企業工業互聯網平台)	2025SR1317103	Beijing Zhi Yang	July 21, 2025
338. . . .	Zhiyang user operation management platform software (智揚用戶運營管理平台軟件)	2025SR2449326	Beijing Zhi Yang	December 19, 2025
339. . . .	Zhiyang asset visualization decision analysis software (智揚資產可視化決策分析軟件)	2025SR2449361	Beijing Zhi Yang	December 19, 2025
340. . . .	Zhiyang user management platform software (智揚用戶管理平台軟件)	2025SR2449688	Beijing Zhi Yang	December 19, 2025
341. . . .	Zhiyang equipment fault warning software (智揚設備故障預警軟件)	2025SR2450234	Beijing Zhi Yang	December 19, 2025
342. . . .	Guantian Qiao remote management system (冠天巧遠程管理系統)	2019SR1024653	Hangzhou Guan Tian	October 10, 2019
343. . . .	Guantian Shu automatic dispatch system (冠天樞自動派工系統)	2019SR1267339	Hangzhou Guan Tian	December 03, 2019
344. . . .	Guantian Xuan intelligent editing system (冠天璇智能代操編輯系統)	2020SR0742222	Hangzhou Guan Tian	July 08, 2020
345. . . .	Guantian Quan image intelligent recognition system (冠天權圖像智能識別系統)	2020SR0751084	Hangzhou Guan Tian	July 10, 2020

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No.	Copyright name	Registration number	Registered owner	Date of registration
346. . . .	Guantian Xuan intelligent operation system (冠天璇智能代操運行系統)	2020SR0751091	Hangzhou Guan Tian	July 10, 2020
347. . . .	Guantian remote control system VCT special version (冠天巧遠程控制系統VCT特製版)	2021SR0018549	Hangzhou Guan Tian	January 06, 2021
348. . . .	Guantian Qiao remote control system KCT special version (冠天巧遠程控制系統KCT特製版)	2021SR0018547	Hangzhou Guan Tian	January 06, 2021
349. . . .	Guantian Qiao remote control system RCT special version (冠天巧遠程控制系統RCT特製版)	2021SR0018548	Hangzhou Guan Tian	January 06, 2021
350. . . .	Guantian Qiao remote control system ACT special edition (冠天巧遠程控制系統ACT特製版)	2021SR0018467	Hangzhou Guan Tian	January 06, 2021
351. . . .	Guantian Heng intelligent management system (冠天衡智能管理系統)	2021SR1964233	Hangzhou Guan Tian	December 01, 2021
352. . . .	Guantian Ji smart cabinet system (冠天璣智能櫃系統)	2022SR0235553	Hangzhou Guan Tian	February 16, 2022
353. . . .	Guantian Kai silicon wafer efficient gluing software (冠天開硅片高效塗膠軟件)	2022SR0651100	Hangzhou Guan Tian	May 26, 2022
354. . . .	Guantian Yang statistical process intelligent control system (冠天陽統計過程智能控制系統)	2022SR0651072	Hangzhou Guan Tian	May 26, 2022
355. . . .	Guantian Guang intelligent operation system (冠天光智能代操運行系統)	2022SR0655448	Hangzhou Guan Tian	May 27, 2022
356. . . .	Guantian Yu graphic intelligent detection system (冠天玉圖形智能檢測系統)	2022SR0655089	Hangzhou Guan Tian	May 27, 2022
357. . . .	Guantian Biao Manufacturing Execution System (冠天杓製造執行系統)	2023SR0566869	Hangzhou Guan Tian	May 25, 2023
358. . . .	Guantian Kui equipment automation system (冠天魁設備自動化系統)	2023SR0566870	Hangzhou Guan Tian	May 25, 2023
359. . . .	Huizhi LLM-based intelligent retrieval software (慧智大語言模型智能檢索軟件)	2024SR1847547	Beijing Huiliu	November 21, 2024
360. . . .	Huizhi LLM-based system and regulatory Q&A software (慧智大語言模型制度與法規問答軟件)	2024SR1813003	Beijing Huiliu	November 18, 2024
361. . . .	Huizhi LLM-based file dialogue software (慧智大語言模型文件對話軟件)	2024SR1812299	Beijing Huiliu	November 18, 2024
362. . . .	Huizhi LLM-based intelligent summary software (慧智大語言模型智能總結軟件)	2024SR1813002	Beijing Huiliu	November 18, 2024

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No.	Copyright name	Registration number	Registered owner	Date of registration
363. . . .	Huizhi LLM-based intelligent dialogue software (慧智大語言模型智能對話軟件)	2024SR1354025	Beijing Huiliu	September 11, 2024
364. . . .	Digital intelligent document knowledge management system (數智化文件知識管理系統)	2024SR0117896	Beijing Huiliu	January 17, 2024
365. . . .	Data resource standard model modeling platform based on DWD (基於DWD的數據資源標準模型建模平台)	2024SR0113204	Beijing Huiliu	January 17, 2024
366. . . .	Data resource catalog management system based on data governance system (基於數據治理體系的數據資源目錄管理系統)	2024SR0117925	Beijing Huiliu	January 17, 2024
367. . . .	Beijing Huiliu intelligent document platform (北京慧流智能文檔平台)	2022SR0878937	Beijing Huiliu	July 01, 2022
368. . . .	Beijing Huiliu Robot Process Automation System-AI-OCR Subsystem (北京慧流機器人流程自動化系統-AI-OCR子系統)	2021SR2042214	Beijing Huiliu	December 10, 2021
369. . . .	Intelligent digital analysis and display system for production documents (生產文件智能數字化解析與展現系統)	2021SR0644337	Beijing Huiliu	May 07, 2021
370. . . .	CAD drawing intelligent digital analysis and equipment annotation system (CAD圖紙智能數字化解析與設備標註系統)	2021SR0644490	Beijing Huiliu	May 07, 2021
371. . . .	Intelligent Q&A robot system for production management (生產管理智能問答機器人系統)	2021SR0644373	Beijing Huiliu	May 07, 2021
372. . . .	Beijing Huiliu Robot Process Automation System – Actuator (Robot) Subsystem (北京慧流機器人流程自動化系統-執行器(Robot)子系統)	2018SR1068628	Beijing Huiliu	December 25, 2018
373. . . .	Beijing Huiliu Robot Process Automation System – Activity Library Subsystem (北京慧流機器人流程自動化系統-活動(Activity)庫子系統)	2018SR1008561	Beijing Huiliu	December 13, 2018
374. . . .	Beijing Huiliu Robot Process Automation System – Modeler (Studio) subsystem (北京慧流機器人流程自動化系統-建模器(Studio)子系統)	2018SR1008509	Beijing Huiliu	December 13, 2018
375. . . .	Beijing Huiliu Robot Process Automation System – Commander Subsystem (北京慧流機器人流程自動化系統-調度器(Commander)子系統)	2018SR1008507	Beijing Huiliu	December 13, 2018

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No.	Copyright name	Registration number	Registered owner	Date of registration
376. . . .	Smart P&ID software (智能P&ID 軟件)	2025SR1439840	Beijing Huiliu	August 04, 2025
377. . . .	Haosheng data migration and recovery system software (昊聲數據遷移與恢復系統軟件)	2025SR2251734	Anhui Semi-Tech	November 21, 2025
378. . . .	Haosheng print management software (昊聲打印管理軟件)	2025SR2251756	Anhui Semi-Tech	November 21, 2025
379. . . .	Haosheng Industrial IoT control software (昊聲工業物聯控制軟件)	2025SR2251768	Anhui Semi-Tech	November 21, 2025
380. . . .	Haosheng document management software (昊聲文檔管理軟件)	2025SR2251779	Anhui Semi-Tech	November 21, 2025
381. . . .	Shuling Information FDOP modeling platform (數領信息FDOP建模平台)	2025SR2251793	Anhui Semi-Tech	November 21, 2025
382. . . .	Shuling Information FDOP version management platform (數領信息FDOP版本管理平台)	2025SR2251807	Anhui Semi-Tech	November 21, 2025
383. . . .	Shuling Information FDOP monitoring platform (數領信息FDOP監控平台)	2025SR2251831	Anhui Semi-Tech	November 21, 2025
384. . . .	Bohai MES label making software (渤海MES標籤製作軟件)	2025SR2251838	Anhui Semi-Tech	November 21, 2025
385. . . .	Shuling Information FSMS inventory management system (數領信息FSMS庫存管理系統)	2025SR2251851	Anhui Semi-Tech	November 21, 2025
386. . . .	Haosheng equipment comprehensive efficiency management software (昊聲設備綜合效率管理軟件)	2025SR2251870	Anhui Semi-Tech	November 21, 2025

Domain

As of the Latest Practicable Date, we have the following domains which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Registration Number	Expiry Date
1.	semi-tech.com	Semi-Tech Technology	蘇ICP備2021011990號-1	September 5, 2035
2.	foreverwin.com.cn	Shanghai Foreverwin	滬ICP備15032696號-1	March 23, 2029
3.	aistreamrpa.com	Beijing Huiliu	京ICP備18035367號-1	March 21, 2028

Save as the above, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Service Contracts

Each of our Directors has entered into a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

Remuneration of Directors

The aggregate remuneration (including fees, salaries, wages, share-based compensation, contributions to pension plans, benefits-in-kind and discretionary bonuses) for our Directors for the years ended December 31, 2023, 2024 and 2025 were approximately RMB1.50 million, RMB1.68 million and RMB2.12 million, respectively.

Based on the current arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration for our Directors (including independent non-executive Directors) for the year ending December 31, 2026 will be approximately RMB2.28 million. The actual total remuneration of Directors for the year ending December 31, 2026 may be different from the expected remuneration as the discretionary bonuses will be determined based on the results of our Company for the year ending December 31, 2026.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors, former Directors, former Supervisors or the five highest-paid individuals for each of the Track Record Period for the loss of any office in connection with the management of the affairs of any members of our Group. Furthermore, none of our Directors had waived or agreed to waive any emoluments during the same periods.

Save as disclosed above, no other payments have been made or are payable in respect of the years ended December 31, 2023, 2024 and 2025 by any member of our Group to any of our Directors.

Delisting of Baijiayun

Baijiayun Group Ltd. was delisted from the Nasdaq Global Market in August 2025 (due to its failure to satisfy the minimum bid price requirement under the Nasdaq Listing Rules). The Company is of the view that such delisting does not affect Mr. Li's suitability to serve as a Director, as the delisting resulted from market conditions rather than any misconduct or governance issue on the part of Mr. Li.

Agency Fees or Commissions Received

Save in connection with the [REDACTED], none of our Directors, [REDACTED] nor any of the persons whose names are listed in “Other Information — Qualification of experts” in this appendix had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of any member of our Group within the two years prior to the date of this document.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Disclosure of Interests

(a) Interests of our Directors and chief executive

Save as disclosed below, immediately following [REDACTED] of the Share Subdivision, the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED]) and the Conversion of Unlisted Shares into H Shares, so far as our Directors are aware, none of our Directors or chief executive has any interests and/or short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Hong Kong Listing Rules:

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Name of Director or chief executive	Position	Nature of interest ¹	Description of Shares	Number of Shares	Approximate percentage of interest in the Unlisted Shares/H Shares upon [REDACTED] of the Share Subdivision, the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes) and the Conversion of Unlisted Shares into H Shares ⁽¹⁾	Approximate percentage of interest in the total share capital of our Company upon [REDACTED] of the Share Subdivision, the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be [REDACTED] under the Pre-[REDACTED] Share Option Schemes) and the Conversion of Unlisted Shares into H Shares ⁽¹⁾
Mr. Li Gangjiang (李鋼江)	Chairman, Executive Director, Co-chief Executive Officer	Interest in controlled corporation ⁽²⁾	Unlisted Shares H Shares	[-] [413,711,834]	[REDACTED]% [REDACTED]%	[REDACTED]% [REDACTED]%
		Interests in parties acting in concert through a controlled corporation ⁽³⁾	Unlisted Shares H Shares	[-] [4,145,396]	[REDACTED] [REDACTED]%	[REDACTED] [REDACTED]%

Notes:

- (1) The calculation is based on the total number of [REDACTED] H Shares in issue upon [REDACTED] comprising (i) an aggregate of [REDACTED] H Shares to be converted from the Unlisted Shares and (ii) [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (without taking into account the [REDACTED] which may be [REDACTED] upon exercise of the [REDACTED]).
- (2) As at the Latest Practicable Date, Mr. Li Gangjiang (as general partner with 98% partnership interest) and Ms. Ni Qiong (as limited partner with 2% partnership interest) ultimately controlled Shanghai Jerry and Jenny. Jia Jia Holding was held as to 2% by Ms. Ni Qiong and 98% by Shanghai Jerry and Jenny. Covision Private Equity was wholly owned by Jia Jia Holding. As such, under the SFO, each of Mr. Li Gangjiang, Ms. Ni Qiong, Shanghai Jerry and Jenny and Jia Jia Holding is deemed to be interested in the [REDACTED] H Shares, which Covision Private Equity is deemed to be interested in.
- (3) Pursuant to the Acting-in-concert Agreement, Shenzhen He Xing agreed to be under the actual control of Covision Venture Capital over the Group’s daily operations and major decision-making. Shenzhen He Xing will support Covision Venture Capital and act in concert with it in making various financial and operational decisions related to the Group, including but not limited to amendments to the Company’s Articles of Association; medium- and long-term development planning, business policies, investment plans, and financing plans; annual financial budgets, final accounts, profit distribution and loss compensation plans; increases or decreases in registered capital, mergers, divisions, dissolutions, liquidations, or changes in corporate form; and significant changes or adjustments to the nature of the Company’s business.

As Mr. Li is deemed to be interested in the Shares directly and indirectly held by Covision Venture Capital, immediately after the [REDACTED] of the Share Subdivision, the [REDACTED] (assuming the [REDACTED] has not been exercised) and the Conversion of Unlisted Shares into H Shares, they are also entitled to exercise control over the equity interests held by Shenzhen He Xing, which represent [REDACTED]% of the total issued share capital of the Company. Therefore, under the SFO, immediately after the [REDACTED] of the Share Subdivision, the [REDACTED] (assuming the [REDACTED] has not been exercised) and the Conversion of Unlisted Shares into H Shares, Mr. Li is collectively deemed to be interested in an aggregate of [REDACTED]% of the total issued share capital of the Company.

So far as our Directors are aware, none of our Directors or chief executive has any interests and/or short positions in the shares or underlying shares of our associated corporations.

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(b) *Interests of the Substantial Shareholders*

Save as disclosed in “Substantial Shareholders”, “— Further Information about Our Directors and Substantial Shareholders — Disclosure of Interests — (a) Interests of our Directors and chief executive” in this section and below, immediately following [REDACTED] of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares to be issued under the Pre-[REDACTED] Share Option Schemes and that no changes are made to the issued share capital of the Company between the Latest Practicable Date and [REDACTED]), our Directors are not aware of any person (other than a Director or chief executive of our Company) who will have an interest or a short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Our Subsidiary	Person with 10% or more interest	Approximate percentage of the interest in the subsidiary (%)
Hangzhou Guan Tian. . . .	Hangzhou Guan Qin Creative Technology Co., Ltd.* (杭州冠勤創意科技有限公司)	[REDACTED]
Hangzhou Guan Tian. . . .	Shanghai Sai Guan Tian Enterprise Management Partnership (Limited Partnership)* (上海賽冠天企業管理合夥企業(有限合夥))	[REDACTED]
Shenzhen Wei Cheng. . . .	VMS Solutions Co., Ltd.	[REDACTED]
Beijing Huiliu.	Beijing Huixin Tongchuang Technology Center (Limited Partnership)* (北京慧芯同創科技中心(有限合夥))	[REDACTED]
Beijing Huiliu.	Shanghai Xihechuangzhi Enterprise Management Partnership (Limited Partnership)* (上海曦合創智企業管理合夥企業(有限合夥))	[REDACTED]
Shanghai Saixindi.	Covision Venture Capital	[REDACTED]

Disclaimers

Save as disclosed in this Document:

- (a) none of our Directors or our chief executive has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to us and the Hong Kong Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the [REDACTED] are [REDACTED] on the Hong Kong Stock Exchange;
- (b) none of our Directors is aware of any person (other than a Director or chief executive of our Company) who will have an interest or a short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group;

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- (c) save for Supplier L (an associate of our Group in which Bai Sai Fund, a Management Shareholder, holds approximately 20% equity interests) as mentioned in the “Business” section in this Document, none of our Directors, their respective close associates (as defined under the Hong Kong Listing Rules) or Shareholders who own more than 5% of the number of issued Shares of our Company have any interests in the top five customers or suppliers of our Group; and
- (d) none of our Directors or any of the parties listed in “Qualifications of Experts” in this section is: (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or (ii) materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

EQUITY INCENTIVE SCHEMES

(a) 2021 Equity Incentive Scheme (2021年股權激勵計劃)

The following is a summary of the principal terms of the 2021 equity incentive scheme (“**2021 Equity Incentive Scheme**”) of the Company approved by the general meeting and effective on April 10, 2021. The terms of the 2021 Equity Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of share options or awards by our Company after [REDACTED]. Given the transfer of the Shares underlying all the Awards (as defined below) under the 2021 Equity Incentive Scheme has been completed in full, there will not be any dilutive effect to the issued Shares as a result of the operation of the 2021 Equity Incentive Scheme.

As at the date of this document, there were three employee stock ownership platforms for the 2021 Equity Incentive Scheme, namely Shanghai Semi-Tech No. 1, Shanghai Semi-Tech No. 2 and Shanghai Semi-Tech No. 5, each of which held 36,297,646 Shares, 39,594,473 Shares and 15,269,522 Shares, representing 8.45%, 9.22% and 3.55% of the share capital in issue of our Company as at the Latest Practicable Date. See “History, Development and Corporate Structure—Management and Employee Stock Ownership Platforms.”

Purpose

The purpose of the 2021 Equity Incentive Scheme is to enhance the cohesion of the Company, improve the governance structure of the Company, establish a long-term incentive and restraint mechanism, realize the participation of human capital in the distribution, and improve and perfect the remuneration incentive system of the Company; and to establish a mechanism of benefit sharing and risk sharing between Shareholders and the operating management, business backbone, and core employees.

Scheme Administration

Pursuant to the authorization of the shareholders’ meeting, Mr. Li Gangjiang was authorized to formulate, implement, amend, terminate and interpret the 2021 Equity Incentive Scheme. Mr. Li Gangjiang shall specify the number of awards to be acquired by the participants, the grant date, the commencement date of the awards, the purchase price of the awards, the consideration for the purchase of awards, the payment method of the consideration, the repurchase price, and the rights and obligations of the participants, through the 2021 Equity Incentive Scheme and the incentive agreement entered into with the participants at the grant date.

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Participants

The participants under the 2021 Equity Incentive Scheme are the following persons of the Company as determined by Mr. Li Gangjiang:

1. senior management;
2. technical backbone and business backbone;
3. middle management;
4. other core employees; or
5. other persons as selected by Mr. Li Gangjiang.

Source and maximum number of Shares

The awards under the 2021 Equity Incentive Scheme are indirect equity interests in the Company. Mr. Li Gangjiang will decide to grant the indirect equity interests to the participants based on his/her tenure of office, rank, contribution made to the Company and other factors, and the Company will sign the incentive agreement with the participant at the grant date.

Validity period

It shall become effective upon the date of approval by the shareholders’ meeting of the Company.

Grant

The participant shall sign the incentive agreement with the shareholding institution, the Company and Mr. Li Gangjiang and/or the managing partner of the shareholding institution for the acquisition of the awards, the participant shall pay the purchase price of the awards and bear the obligation of the paid-up capital corresponding to the awards (if any) in accordance with the terms of the incentive agreement and shall have the corresponding rights thereunder.

Restrictions

If the participant intends to dispose of the share of property of the shareholding institution held by him/her by way of transfer, pledge, trust or any other means or set up a third-party’s right on it before the completion of the Company’s [REDACTED], he/she shall give thirty days’ prior written notice to Mr. Li Gangjiang and obtain his written consent. Mr. Li Gangjiang may, at his sole discretion, approve or not approve such application without giving any reason.

In the event that the circumstances stipulated in the incentive agreement as to which the participant is liable to repurchase or be withdrawn occur during the period in which the participant is holding the awards, the transfer or repurchase of such awards shall be carried out in accordance with the terms of the incentive agreement. Under the Scheme, the repurchaser shall be the general partner of the shareholding platform or its designated entity.

(b) 2022 Share Option Scheme (2022年股票期權激勵計劃)

The following is a summary of the principal terms of the 2022 Share Option Scheme (“**2022 Share Option Scheme**”) approved and adopted by our Company on December 15, 2022 and amended on April 8, 2024 and June 9, 2025 through the consideration and approval by the general meeting. The terms of the 2022 Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of share options or awards by our Company after [REDACTED].

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Purpose

The purpose of the 2022 Share Option Scheme is to further enhance the corporate governance structure, establish and refine incentive and constraint mechanisms for middle-level backbone employees and other key employees of the Company, and stabilize and attract outstanding talent across management, R&D, operations, marketing, technology and production functions, thereby boosting the Company’s market competitiveness and sustainable development capability to ensure the achievement of strategic objectives and business goals.

Scheme Administration

- I. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Share Option Scheme. The general meeting may, within its powers and authorities, authorize the Board to handle certain matters relating to the Share Option Scheme.
- II. The Board shall act as the executive and administrative body for the Share Option Scheme and be responsible for the implementation of the Share Option Scheme. The Remuneration and Appraisal Committee under the Board shall be responsible for drafting and revising the Share Option Scheme, and submitting the Share Option Scheme to the Board for consideration and approval. Upon approval by the Board, the Share Option Scheme shall be further submitted to the general meeting for review. The Board may handle other matters relating to the Share Option Scheme within its scope of authority as delegated by the general meeting.
- III. The Remuneration and Appraisal Committee of the Board shall express their opinions on whether the Share Option Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole.

Where the Company revises its share option scheme before the consideration and approval at the general meeting, the Remuneration and Appraisal Committee of the Board shall express independent opinions on whether the revised Share Option Scheme facilitates the sustainable development of the Company and whether the revised Share Option Scheme impairs the interests of the Company and the Shareholders as a whole.

Before the exercise of the entitlements by the Participants, the Remuneration and Appraisal Committee of the Board shall express clear opinions.

Participants

The Participants of the Share Option Scheme are determined after taking into account the actual circumstances of the Company, in accordance with the Company Law and other relevant laws, regulations and regulatory documents as well as the Articles of Association, and with reference to the regulatory rules on equity incentives issued by the CSRC, the SFC and the Stock Exchange. The Share Option Scheme is intended to motivate middle-level backbone employees and other key employees of the Company.

Source and maximum number of Shares

The underlying shares involved in the Share Option Scheme are the shares of the Company under targeted [REDACTED] after the [REDACTED].

The Share Option Scheme grants 248,058 share options of the Company to the Participants, accounting for approximately 2.0408% of the total share capital of the Company at the time the Share Option Scheme was approved by the general meeting of the Company. Among them, 248,058 share options of the Company are granted in a single installment, and 0 share options are reserved.

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Subject to the satisfaction of the exercise conditions, each share option granted to the Participants entitles them to purchase one share of the Company at the exercise price during the exercise period.

Validity period

The Share Option Scheme shall be effective from the date of grant of the share options until the date on which all share options granted to the Participants are exercised or canceled, with a maximum term of 120 months.

Grant

The grant date of the Share Option Scheme is December 15, 2022.

After the Share Option Scheme is considered and approved at the general meeting, the Company shall enter into the “Share Option Grant Agreement” or a supplementary agreement (if necessary) with the Participants to define the rights and obligations of both parties. Prior to the exercise date, the Company shall confirm whether the Participants meet the exercise conditions. The Board shall review whether the exercise conditions stipulated in the Share Option Scheme have been satisfied, for which the Remuneration and Appraisal Committee of the Board shall express a clear opinion. For the Participants who have met the exercise conditions, the Company shall handle the exercise matters, and for the Participants who have not met the exercise conditions, the Company shall cancel the share options corresponding to the relevant exercise. Subject to the provisions of the Share Option Scheme, the Participants may transfer the Company’s shares upon exercise, however, the transfer of shares held by the Company’s directors and senior management shall comply with the applicable laws, regulations and regulatory documents. The Company may, depending on actual circumstances, offer the Participants either a centralized or autonomous exercise method.

The share options under the Share Option Scheme shall vest in two tranches. The first tranche of options shall be subject to a 12-month vesting period commencing from the grant date. If the Company fails to succeed in its [REDACTED] within 12 months from the grant date, the vesting period for the first tranche shall be automatically extended until the date of the Company’s [REDACTED] (the “First Vesting Period”); the vesting period for the second tranche shall be the First Vesting Period plus 12 months after the expiration of the First Vesting Period (the “Second Vesting Period”). During each vesting period, the Participants may not exercise the corresponding share options granted under the Share Option Scheme.

Exercise

Based on the total registered capital of RMB12,154,831 of the Company as of December 15, 2022, the number of corresponding share options and the exercise price are calculated as follows: the exercise price for the Company’s share options is RMB264.4 per share. This means that, subject to the satisfaction of the exercise conditions, each share option granted to the Participants entitles them to purchase one share of the Company at an exercise price of RMB264.4 per share during the exercise period.

After the vesting period expires, the Participants may exercise their share options if the exercise conditions are met. The specific exercise conditions are as follows:

The human resources department of the Company will score the comprehensive appraisal of each appraisal year on the Participants in accordance with the Company’s current internal performance appraisal system and regulations, and determine the proportion of their exercisable options based on their performance. The actual exercisable amount for each Participant for the current period = standard coefficient at individual level × the planned exercisable amount of the Participant for the current period.

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The performance evaluation results of the Participants are divided into four categories: Excellent (A), Good (B), Qualified (C) and Unqualified (D). The evaluation form is applicable to the evaluation subjects. The proportion of the Participants’ exercisable options will then be determined according to the following table:

Evaluation standard	Excellent (A)	Good (B)	Qualified (C)	Unqualified (D)
Standard coefficient	1.0	0.75	0.5	0

If the Participants’ individual performance appraisal rating for the appraisal year is Excellent, Good, or Qualified, then the Participants’ annual performance appraisal for the previous year is deemed to “meet the standard”. The Participants may determine the exercisable proportion for each period in accordance with the ratios specified in the Share Option Scheme, and the non-exercisable portion shall be forfeited or canceled. If the Participants’ individual performance evaluation result for the appraisal year is “unqualified”, then the Participants’ individual performance appraisal for the previous year is deemed to “not meet the standard”. The Company will cancel the Participants’ exercisable quota for the current period in accordance with the Share Option Scheme, and the share options will be forfeited or canceled.

Upon the expiration of the vesting period, if the exercise conditions specified the Share Option Scheme are met, the Participants may exercise the share options granted to them in two tranches in accordance with the arrangements set forth in the table below. The start date of the subsequent exercise period shall not be earlier than the expiration date of the previous exercise period:

Exercising arrangement	Exercise period	Exercise ratio
First exercise period	Within 12 months from the day following the expiration of the First Vesting Period	50%
Second exercise period	From the day following the expiration of the Second Vesting Period until the expiration of the Share Option Scheme	50%

After each vesting period expires, share options granted to Participants who have not met the exercise conditions will be canceled by the Company. If the exercise conditions are not met, the relevant interests shall not be deferred to the next period.

If the Participants fail to exercise their share options in accordance with the provisions of the Share Option Scheme within the exercise period, the Company shall cancel such exercisable options after the exercise period expires.

The exercise date must be a trading day within the exercise period. If there are other provisions regarding the exercise date in laws, regulations, regulatory documents or securities regulatory rules of the place where the Company intends to be [REDACTED], such provisions shall prevail and be complied with.

Restrictions

The restrictions on the sale of shares obtained by the Participants under the Share Option Scheme shall be implemented in accordance with the Company Law and the relevant laws, regulations and regulatory documents, securities regulatory rules of the place where the Company intends to be [REDACTED] as well as the Articles of Association. Specific provisions are as follows:

1. The Participants shall undertake not to sell the shares subscribed for pursuant to the exercise during the first exercise period after the Company’s [REDACTED], for one year from the exercise date;

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2. In addition to the above restrictions, where the Participant is a director or a member of the senior management of the Company, the number of shares which may be transferred by the Participant each year during his/her term of office shall not exceed 25% of the total number of the Company’s shares held by him/her. No shares held by him shall be transferred within six months after his/her termination of office;
3. During the validity period of the Share Option Scheme, if new requirements regarding the lock-up period for the Participants are imposed by the Company Law, the securities regulatory rules of the place where the Company intends to be [REDACTED], the Articles of Association or other laws, regulations or regulatory authorities, the transfer of the Company’s shares held by such Participants shall comply with these new requirements at the time of transfer.

Procedures for Change and Termination

Any proposed changes to the Share Option Scheme by the Company before its approval by the general meeting shall be reviewed and approved by the Board. After the Share Option Scheme has been approved by the general meeting, any changes shall be reviewed and decided by the general meeting or the Board authorized by the general meeting.

If the Company intends to terminate the Share Option Scheme before its approval by the general meeting, such termination shall be reviewed and approved by the Board. After the Share Option Scheme has been approved by the general meeting, any termination shall be reviewed and decided by the general meeting or the Board authorized by the general meeting.

Outstanding Share Options

As of the Latest Practicable Date, the Company has granted outstanding Share Options under the Pre-[REDACTED] Share Option Scheme to [255] Participants (none of the Participants are Directors and/or core connected persons of the Company) to subscribe for an aggregate of [REDACTED] Shares, which consists of (i) one member of senior management; and (ii) [254] other Participants. The table below sets forth details of the outstanding share options granted under the 2022 Share Option Scheme as of the Latest Practicable Date:

Name/ number of Grantee(s)	Position held at our Company	Address	Grant date	Exercise price	Vesting schedule	Number of Shares underlying the Share Options	Approximate shareholding percentage immediately following [REDACTED] of the [REDACTED] and the Share Subdivision ⁽¹⁾
Chen Liqian	Financial controller	9-203, Hejing lingfeng, Mudu Town, Wuzhong District, Suzhou City, Jiangsu Province, China	December 15, 2022	RMB9.11 per Share	1 to 2 years from the [REDACTED] ⁽²⁾	[98,842]	[REDACTED]%

Other Participants of the 2022 Share Option Scheme (employees)

[113] other Participants with outstanding Share Options to acquire 1 to 9,999 Shares. . .			December 15, 2022	RMB9.11 per Share	1 to 2 years from the [REDACTED] ⁽²⁾	[555,393]	[REDACTED]%

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Name/ number of Grantee(s)	Position held at our Company	Address	Grant date	Exercise price	Vesting schedule	Number of Shares underlying the Share Options	Approximate shareholding percentage immediately following [REDACTED] of the [REDACTED] and the Share Subdivision ⁽¹⁾
[57] other Participants with outstanding Share Options to acquire 10,000 to 19,999 Shares . .			December 15, 2022	RMB9.11 per Share	1 to 2 years from the [REDACTED] ⁽²⁾	[895,504]	[REDACTED]%
[26] other Participants with outstanding Share Options to acquire 20,000 to 29,999 Shares . .			December 15, 2022	RMB9.11 per Share	1 to 2 years from the [REDACTED] ⁽²⁾	[673,429]	[REDACTED]%
[27] other Participants with outstanding Share Options to acquire 30,000 to 39,999 Shares . .			December 15, 2022	RMB9.11 per Share	1 to 2 years from the [REDACTED] ⁽²⁾	[940,454]	[REDACTED]%
[31] other Participants to acquire above 40,000			December 15, 2022	RMB9.11 per Share	1 to 2 years from the [REDACTED] ⁽²⁾	[3,352,944]	[REDACTED]%
Total						[6,516,566]	[REDACTED]%

Notes:

- (1) Taking no account of any Shares which may be [REDACTED] upon exercise of the [REDACTED] and any Shares which may be issued upon exercise of share options granted under the 2022 Share Option Scheme.
- (2) The share options under the Share Option Scheme shall vest in two tranches. The first tranche of options shall be subject to a 12-month vesting period commencing from the grant date. If the Company fails to succeed in its [REDACTED] within 12 months from the grant date, the vesting period for the first tranche shall be automatically extended until the date of the Company's [REDACTED] (the “First Vesting Period”); the vesting period for the second tranche shall be the First Vesting Period plus 12 months after the expiration of the First Vesting Period. During each vesting period, the Participants may not exercise the corresponding share options granted under the Share Option Scheme.

Dilutive Effect and Impact on Loss per Share

Subject to any adjustment as set out under the 2022 Share Option Scheme in the event of any capitalization of capital reserve, bonus shares issue, share subdivision, share split, rights issue or share reduction of our Company that may take place after the [REDACTED], the total number of shares to be issued upon exercise of share options granted under the 2022 Share Option Scheme shall not exceed [13,033,132] Shares, representing approximately [REDACTED]% of the total issued share capital of the Company immediately after [REDACTED] of the [REDACTED] and the Share Subdivision (assuming the [REDACTED] is not exercised and the share options granted under the 2022 Share Option Scheme are not exercised). Assuming all outstanding share options under the 2022 Share Option Scheme are exercised, our shareholders' equity interest immediately following the [REDACTED] of the [REDACTED] and the Share Subdivision (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued under the Pre-[REDACTED] Share Option Schemes) will be diluted by approximately [REDACTED]%. There is no consequential impact on the loss per Share for the year ended December 31, 2022 as the options would not be included in the calculation of diluted loss per Share due to anti-dilution.

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(c) 2024 Share Option Scheme (2024年股票期權激勵計劃)

The following is a summary of the principal terms of the 2024 Share Option Scheme (“**2024 Share Option Scheme**”) approved and adopted by our Company on April 8, 2024 and amended on June 9, 2025 through the consideration and approval by the general meeting. The terms of the 2024 Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of share options or awards by our Company after [REDACTED].

Purpose

The purpose of the 2024 Share Option Scheme is to further enhance the corporate governance structure, establish and refine incentive and constraint mechanisms for middle-level backbone employees and other key employees of the Company, and stabilize and attract outstanding talent across management, R&D, operations, marketing, technology and production functions, thereby boosting the Company’s market competitiveness and sustainable development capability to ensure the achievement of strategic objectives and business goals.

Scheme Administration

- I. The general meeting, as the ultimate authority of the Company, shall be responsible for considering and approving the implementation, modification and termination of the Share Option Scheme. The general meeting may, within its powers and authorities, authorize the Board to handle certain matters relating to the Share Option Scheme.
- II. The Board shall act as the executive and administrative body for the Share Option Scheme and be responsible for the implementation of the Share Option Scheme. The Remuneration and Appraisal Committee under the Board shall be responsible for drafting and revising the Share Option Scheme, and submitting the Share Option Scheme to the Board for consideration and approval. Upon approval by the Board, the Share Option Scheme shall be further submitted to the general meeting for review. The Board may handle other matters relating to the Share Option Scheme within its scope of authority as delegated by the general meeting.
- III. The Remuneration and Appraisal Committee of the Board shall express their opinions on whether the Share Option Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the Shareholders as a whole.

Where the Company revises its share option scheme before the consideration and approval at the general meeting, the Remuneration and Appraisal Committee of the Board shall express independent opinions on whether the revised Share Option Scheme facilitates the sustainable development of the Company and whether the revised Share Option Scheme impairs the interests of the Company and the Shareholders as a whole.

Before the exercise of the entitlements by the Participants, the Remuneration and Appraisal Committee of the Board shall express clear opinions.

Participants

The Participants of the Share Option Scheme are determined after taking into account the actual circumstances of the Company, in accordance with the Company Law and other relevant laws, regulations and regulatory documents as well as the Articles of Association, and with reference to the regulatory rules on equity incentives issued by the CSRC, the SFC and the Stock Exchange. The Share Option Scheme is intended to motivate middle-level backbone employees and other key employees of the Company.

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Source and maximum number of Shares

The underlying shares involved in the Share Option Scheme are the shares of the Company under targeted [REDACTED] after the [REDACTED].

The Share Option Scheme is intended to grant 7,666,000 share options to the Participants, accounting for approximately 2.0417% of the total share capital of the Company at the time the Share Option Scheme was approved by the general meeting for the first time. Among them, 7,666,000 share options are granted in a single installment, and 0 share options are reserved.

Subject to the satisfaction of the exercise conditions, each share option granted to the Participants entitles them to purchase one share of the Company at the exercise price during the exercise period.

Validity period

The Share Option Scheme shall be effective from the date of grant of the share options until the date on which all share options granted to the Participants are exercised or canceled, with a maximum term of 120 months.

Grant

The grant date of the Share Option Scheme is May 1, 2024.

After the Share Option Scheme is considered and approved at the general meeting, the Company shall enter into the “Share Option Grant Agreement” or a supplementary agreement (if necessary) with the Participants to define the rights and obligations of both parties. Prior to the exercise date, the Company shall confirm whether the Participants meet the exercise conditions. The Board shall review whether the exercise conditions stipulated in the Share Option Scheme have been satisfied, for which the Remuneration and Appraisal Committee of the Board shall express a clear opinion. For the Participants who have met the exercise conditions, the Company shall handle the exercise matters, and for the Participants who have not met the exercise conditions, the Company shall cancel the share options corresponding to the relevant exercise. Subject to the provisions of the Share Option Scheme, the Participants may transfer the Company’s shares upon exercise, however, the transfer of shares held by the Company’s directors and senior management shall comply with the applicable laws, regulations and regulatory documents. The Company may, depending on actual circumstances, offer the Participants either a centralized or autonomous exercise method.

The share options under the Share Option Scheme shall vest in four tranches. The first tranche of options shall be subject to a 12-month vesting period commencing from the grant date. If the Company fails to succeed in its [REDACTED] within 12 months from the grant date, the vesting period for the first tranche shall be automatically extended until the date of the Company’s [REDACTED] (the “First Vesting Period”); the vesting period for the second tranche shall be the First Vesting Period plus 12 months after the expiration of the First Vesting Period (the “Second Vesting Period”); the vesting period for the third tranche shall be the Second Vesting Period plus 12 months after the expiration of the Second Vesting Period (the “Third Vesting Period”); the vesting period for the fourth tranche shall be the Third Vesting Period plus 12 months after the expiration of the Third Vesting Period (the “Fourth Vesting Period”). During each vesting period, the Participants may not exercise the corresponding share options granted under the Share Option Scheme.

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Exercise

The exercise price for the Company’s share options is RMB16 per share. This means that, subject to the satisfaction of the exercise conditions, each share option granted to the Participants entitles them to purchase one share of the Company at an exercise price of RMB16 per share during the exercise period.

After the vesting period expires, the Participants may exercise their share options if the exercise conditions are met. The specific exercise conditions are as follows:

1. Performance evaluation at company level: During each exercise period, the Company’s operating income in the previous accounting year increases by more than 10% compared to that in the accounting year.

Indicator	Completion status	Exercisable coefficient at company level
Operating income indicators	Meet the standard	1.0
	Not meet the standard	0

If during each exercise period, the Company’s operating income in the previous year does not meet the performance evaluation target, the Company will cancel all the exercisable quota of the Participants for the current period in accordance with the Share Option Scheme, and the share options will be forfeited or canceled.

2. Performance evaluation at individual level: The human resources department of the Company will score the comprehensive appraisal of each appraisal year on the Participants in accordance with the Company’s current internal performance appraisal system and regulations, and determine the exercisable coefficient at individual level based on their performance.

The performance evaluation results of the Participants are divided into four categories: Excellent (A), Good (B), Qualified (C) and Unqualified (D). The evaluation form is applicable to the evaluation subjects. The proportion of the Participants’ exercisable options will then be determined according to the following table:

Evaluation standard	Excellent (A)	Good (B)	Qualified (C)	Unqualified (D)
Exercisable coefficient at individual level	1.0	0.75	0.5	0

If the Participants’ individual performance appraisal rating for the appraisal year is Excellent, Good, or Qualified, then the Participants’ annual performance appraisal for the previous year is deemed to “meet the standard”. The Participants may determine the exercisable proportion for each period in accordance with the ratios specified in the Share Option Scheme, and the non-exercisable portion shall be forfeited or canceled. If the Participants’ individual performance evaluation result for the appraisal year is “unqualified”, then the Participants’ individual performance appraisal for the previous year is deemed to “not meet the standard”. The Company will cancel the Participants’ exercisable quota for the current period in accordance with the Share Option Scheme, and the share options will be forfeited or canceled.

The actual amount of share options exercisable by the Participant for the current period = the planned exercisable amount of the Participant for the current period * exercisable coefficient at company level * exercisable coefficient at individual level, provided that the performance evaluations at company level and individual level of the Participant meet the standard in the appraisal year.

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Upon the expiration of the vesting period, if the exercise conditions specified the Share Option Scheme are met, the Participants may exercise the share options granted to them in fourth tranches in accordance with the arrangements set forth in the table below. The start date of the subsequent exercise period shall not be earlier than the expiration date of the previous exercise period:

Exercising arrangement	Exercise period	Exercise ratio
First exercise period . . .	Within 12 months from the day following the expiration of the First Vesting Period	25%
Second exercise period . .	Within 12 months from the day following the expiration of the Second Vesting Period	25%
Third exercise period . . .	Within 12 months from the day following the expiration of the Third Vesting Period	25%
Fourth exercise period. . .	From the day following the expiration of the Fourth Vesting Period until the expiration of the Share Option Scheme	25%

After each vesting period expires, share options granted to Participants who have not met the exercise conditions will be canceled by the Company. If the exercise conditions are not met, the relevant interests shall not be deferred to the next period.

If the Participants fail to exercise their share options in accordance with the provisions of the Share Option Scheme within the exercise period, the Company shall cancel such exercisable options after the exercise period expires.

The exercise date must be a trading day within the exercise period. If there are other provisions regarding the exercise date in laws, regulations, regulatory documents or securities regulatory rules of the place where the Company intends to be listed, such provisions shall prevail and be complied with.

Restrictions

The restrictions on the sale of shares obtained by the Participants under the Share Option Scheme shall be implemented in accordance with the Company Law and the relevant laws, regulations and regulatory documents, securities regulatory rules of the place where the Company intends to be [REDACTED] as well as the Articles of Association. Specific provisions are as follows:

1. The Participants shall undertake not to sell the shares subscribed for pursuant to the exercise during the first exercise period after the Company’s [REDACTED], for one year from the exercise date;
2. In addition to the above restrictions, where the Participant is a director or a member of the senior management of the Company, the number of shares which may be transferred by the Participant each year during his/her term of office shall not exceed 25% of the total number of the Company’s shares held by him/her. No shares held by him shall be transferred within six months after his/her termination of office;
3. During the validity period of the Share Option Scheme, where the Company Law, securities regulatory rules of the place where the Company intends to be [REDACTED], the Articles of Association or other laws and regulations or the regulators set forth new requirements on the lock-up period for the Participants, the Participants concerned shall transfer the shares of the Company held by them according to such new requirements mentioned above.

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Procedures for Change and Termination

Any proposed changes to the Share Option Scheme by the Company before its approval by the general meeting shall be reviewed and approved by the Board. After the Share Option Scheme has been approved by the general meeting, any changes shall be reviewed and decided by the general meeting or the Board authorized by the general meeting.

If the Company intends to terminate the Share Option Scheme before its approval by the general meeting, such termination shall be reviewed and approved by the Board. After the Share Option Scheme has been approved by the general meeting, any termination shall be reviewed and decided by the general meeting or the Board authorized by the general meeting.

Outstanding Share Options

As of the Latest Practicable Date, the Company has granted outstanding Share Options under the Pre-[REDACTED] Share Option Scheme to [393] Participants (none of the Participants are Directors and/or core connected persons of the Company) to [REDACTED] for an aggregate of [6,968,000] Shares, which consists of (i) one member of senior management; and (ii) [392] other Participants. The table below sets forth details of the outstanding share options granted under the 2024 Share Option Scheme as of the Latest Practicable Date:

Name/ number of Grantee(s)	Position held at our Company	Address	Grant date	Exercise price	Vesting schedule	Number of Shares underlying the Share Options	Approximate shareholding percentage immediately following [REDACTED] of the [REDACTED] and the Share Subdivision
Chen Liqian	Financial controller	9-203, Hejing lingfeng, Mudu Town, Wuzhong District, Suzhou City, Jiangsu Province, China	May 1, 2024	RMB16 per Share	1-4 years ⁽²⁾	[100,000]	[REDACTED]%
<i>Other Participants of the 2024 Share Option Scheme (employees)</i>							
[126] other Participants with outstanding Share Options to acquire 1 to 9,999 Shares .			May 1, 2024	RMB16 per Share	1-4 years ⁽²⁾	[779,000]	[REDACTED]%
[149] other Participants with outstanding Share Options to acquire 10,000 to 19,999 Shares			May 1, 2024	RMB16 per Share	1-4 years ⁽²⁾	[2,090,000]	[REDACTED]%
[52] other Participants with outstanding Share Options to acquire 20,000 to 29,999 Shares			May 1, 2024	RMB16 per Share	1-4 years ⁽²⁾	[1,257,000]	[REDACTED]%

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Name/ number of Grantee(s)	Position held at our Company	Address	Grant date	Exercise price	Vesting schedule	Number of Shares underlying the Share Options	Approximate shareholding percentage immediately following [REDACTED] of the [REDACTED] and the Share Subdivision ⁽¹⁾
[36] other Participants with outstanding Share Options to acquire 30,000 to 39,999 Shares.			May 1, 2024	RMB16 per Share	1-4 years ⁽²⁾	[1,223,000]	[REDACTED]%
[29] other Participants to acquire above 40,000.			May 1, 2024	RMB16 per Share	1-4 years ⁽²⁾	[1,519,000]	[REDACTED]%
Total						[6,968,000]	[REDACTED]%

Notes:

- (1) Taking no account of any Shares which may be [REDACTED] upon exercise of the [REDACTED] and any Shares which may be issued upon exercise of share options granted under the 2024 Share Option Scheme.
- (2) The share options under the 2024 Share Option Scheme shall vest in four tranches. The first tranche of options shall be subject to a 12-month vesting period commencing from the grant date. If the Company fails to succeed in its [REDACTED] within 12 months from the grant date, the vesting period for the first tranche shall be automatically extended until the date of the Company’s [REDACTED] (the “**First Vesting Period**”); the vesting period for the second tranche shall be the First Vesting Period plus 12 months after the expiration of the First Vesting Period (the “**Second Vesting Period**”); the vesting period for the third tranche shall be the Second Vesting Period plus 12 months after the expiration of the Second Vesting Period (the “**Third Vesting Period**”); the vesting period for the fourth tranche shall be the Third Vesting Period plus 12 months after the expiration of the Third Vesting Period. During each vesting period, the Participants may not exercise the corresponding share options granted under the 2024 Share Option Scheme.

Dilutive Effect and Impact on Earnings per Share

Subject to any adjustment as set out under the 2024 Share Option Scheme in the event of any capitalization of capital reserve, bonus shares issue, share subdivision, share split, rights issue or share reduction of our Company that may take place after the [REDACTED], the total number of shares to be issued upon exercise of share options granted under the 2024 Share Option Scheme shall not exceed [13,936,000] Shares, representing approximately [1.30]% of the total issued share capital of the Company immediately after [REDACTED] of the [REDACTED] and the Share Subdivision (assuming the [REDACTED] is not exercised and the share options granted under the 2024 Share Option Scheme are not exercised). Assuming all outstanding share options under the 2024 Share Option Scheme are exercised, our shareholders’ equity interest immediately following the [REDACTED] of the [REDACTED] and the Share Subdivision (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued under the Pre-[REDACTED] Share Option Schemes) will be diluted by approximately [REDACTED]%. There is no consequential impact on the earnings per Share for the year ended December 31, 2024 as the options would not be included in the calculation of diluted earnings per Share due to anti-dilution.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group’s results of operations or financial conditions, taken as a whole.

Sole Sponsor

The Sole Sponsor satisfies the criteria of independence applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an [REDACTED] on our behalf to the Stock Exchange for a [REDACTED] of, and permission to [REDACTED], the [REDACTED] to be [REDACTED] as mentioned in this document. Our Company has agreed to pay the Sole Sponsor the fees of USD0.5 million in total to act as the sponsor in connection with the [REDACTED].

[REDACTED]

The [REDACTED] of our Company are Covision Venture Capital, ESOP Platforms, Shanghai Semi-Tech No. 4, Hainan Qian Sai, Shenzhen He Xing, Hubble Investment, Hong Tu Shan Li, Shanghai Semi-Tech No. 3, China Internet Fund, BYD, Chuangqi Kaiying, WEIHAOYUNXUAN, SSIC Fund II, Tian Shan Zhixing, Changjiang Delta Fund, Shanghai Chengjun, Beijing Yurun, Wuxi Chong Wei, Lion Microelectronics, Hainan Semi-Tech No. 1, Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 3, Hainan Semi-Tech No. 4, Hainan Semi-Tech No. 5, Hainan Semi-Tech No. 6 Enterprise Management Partnership (Limited Partnership)* (海南賽美特六號企業管理合夥企業(有限合夥)), Hou Xue Sai Mei and G60 S&T Innovation Fund. For details of the [REDACTED] of our Company, please refer to the section headed “History, Development and Corporate Structure” in this document.

Save for the [REDACTED] and as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities, amount or benefit has been paid, [REDACTED] or given, or has been proposed to be paid, [REDACTED] or given, to any of the [REDACTED] named above in connection with the [REDACTED] or the related transactions described in this document.

Compliance Advisor

Our Company has appointed Somerley Capital Limited as our Compliance Advisor in compliance with Rules 3A.19 of the Hong Kong Listing Rules.

Preliminary Expenses

We have not incurred any material preliminary expenses.

APPENDIX VI STATUTORY AND GENERAL INFORMATION

Qualifications of Experts

The qualifications of the experts (as defined under the Hong Kong Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this Document are as follows:

Name	Qualification
Haitong International Capital Limited	A licensed corporation carrying on Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Lifeng Partners	Legal advisers to our Company as to PRC laws
China Insights Consultancy	Independent industry consultant

Consents of experts

Each of the experts named above has given and has not withdrawn their respective written consents to the issue of this Document with the inclusion of their reports and/or letters (as the case may be) and the references to their names included in the form and context in which they are respective included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Binding Effect

This Document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since December 31, 2025 (being the date to which the latest consolidated financial statements of our Group were prepared).

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the [REDACTED] of members of our Company, including in circumstances where such transactions are effected on the Hong Kong Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Miscellaneous

Save as otherwise disclosed in this Document:

- (a) within the two years preceding the date of this Document: (i) we have not [REDACTED] nor agreed to [REDACTED] any share or loan capital fully or partly paid either for cash or for a consideration other than cash; (ii) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option; and (iii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the [REDACTED] or sale of any shares of our Company;
- (b) we have not [REDACTED] nor agreed to [REDACTED] any founder shares, management shares or deferred shares;
- (c) there are no arrangements under which future dividends are waived or agreed to be waived;
- (d) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (e) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (f) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (g) no part of the equity or debt securities of our Company, if any, is currently [REDACTED] on or [REDACTED] on any stock exchange or trading system, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Stock Exchange is currently being or agreed to be sought;
- (h) our Company has no outstanding convertible debt securities or debentures; and
- (i) our Company is a joint stock limited liability company and subject to the Company Law of the PRC.

APPENDIX VII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Statutory and General Information — Other Information — Qualifications of Experts” in Appendix VI to this Document; and
- (b) a copy of each of the material contracts referred to in “Statutory and General Information — Further Information about our Business — Summary of Material Contracts” in Appendix VI to this Document.

DOCUMENTS AVAILABLE ON DISPLAY

Electronic copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at www.hkexnews.hk and our website at www.semi-tech.com during a period of 14 days from the date of this Document:

- (a) the Articles of Association;
- (b) the Accountants’ Report prepared by Ernst & Young, the text of which is set forth in Appendix I to this Document;
- (c) the audited consolidated financial statements of our Company for the years ended December 31, 2023, 2024 and 2025;
- (d) the report from Ernst & Young on the unaudited [REDACTED] financial information of our Group, the text of which is set forth in Appendix II to this Document;
- (e) the material contracts in “Statutory and General Information — Further Information about our Business — Summary of Material Contracts” in Appendix VI to this Document;
- (f) the written consents referred to in “Statutory and General Information — Other Information — Qualifications of Experts” in Appendix VI to this Document;
- (g) the service contracts referred to in “Statutory and General Information — Further Information about our Directors and Substantial Shareholders — Service Contracts” in Appendix VI to this Document;
- (h) the legal opinions issued by Lifeng Partners, our PRC Legal Advisors, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;
- (i) the industry report issued by CIC, the summary of which is set forth in “Industry Overview”;
- (j) a copy of the following PRC laws, together with their unofficial English translations: (1) the PRC Company law, (2) the Securities Law, and (3) the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies; and
- (k) the Pre-[REDACTED] Share Option Schemes.

APPENDIX VII

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE ON DISPLAY**

DOCUMENT AVAILABLE FOR INSPECTION

A full list of all the grantees under the Pre-[REDACTED] Share Option Schemes (including those persons whose details have already been disclosed in the document), containing all the particulars as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Baker & McKenzie, at 14/F, One Taikoo Place, 979 King’s Road, Quarry Bay, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this document.

APPENDIX VIII

DEFINITIONS

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

“2022 Share Option Scheme”	the share option incentive scheme adopted by our Company on December 15, 2022 and amended on April 8, 2024 and June 9, 2025, the principal terms of which are set out in the paragraph headed “Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (b) 2022 Share Option Scheme” in Appendix VI to this document
“2024 Share Option Scheme”	the share option incentive scheme adopted by our Company on April 8, 2024 and amended on June 9, 2025, the principal terms of which are set out in the paragraph headed “Further Information about our Directors and Substantial Shareholders — Equity Incentive Schemes — (c) 2024 Share Option Scheme” in Appendix VI to this document
“Accountants’ Report”	the accountants’ report of our Group for the Track Record Period as set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Anhui Haiheng”	Anhui Haiheng Fuhe Zhixin Equity Investment Fund Partnership (Limited Partnership)* (安徽省海恒阜合智新股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on December 9, 2024
“Anhui Jun’an”	Anhui Jun’an Equity Investment Fund Partnership (Limited Partnership)* (安徽浚安股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on March 28, 2025
“Anhui Semi-Tech”	Anhui Semi-Tech Information Technology Co., Ltd.* (安徽賽美特信息科技有限公司), a limited liability company incorporated in the PRC on August 15, 2025 and one of our subsidiaries
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED] Date, a summary of which is set out in Appendix V to this document
“associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules

APPENDIX VIII

DEFINITIONS

“Audit Committee”	the audit committee of the Board
“Bai Sai Fund”	Bai Jia Yun Sai Mei Te (De Qing) Di Xin Investment Partnership Enterprise (Limited Partnership)* (百家雲賽美特(德清)地信投資合夥企業(有限合夥)), a limited partnership established in the PRC on December 30, 2022, a member of a group of our Controlling Shareholders
“Beijing Yurun”	Beijing Gao Ling Yurun Equity Investment Fund Partnership (Limited Partnership)* (北京高瓴裕潤股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on October 16, 2020
“Beijing Huiliu”	Beijing Huiliu Technology Co, Ltd.* (北京慧流科技有限公司), a limited liability company incorporated in the PRC on January 24, 2018 and one of our subsidiaries
“Beijing Zhi Yang”	Beijing Zhi Yang Tong Da Technology Co., Ltd.* (北京智揚通達科技有限公司), a limited liability company incorporated in the PRC on January 16, 2014 and one of our subsidiaries
“Board” or “Board of Directors”	the board of directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“BYD”	BYD Company Limited (比亞迪股份有限公司), a joint stock company incorporated in the PRC with limited liability on February 10, 1995
“Camel Fund”	Guangdong Xing Guang No. 2 Equity Investment Partnership (Limited Partnership)* (廣東星光二號股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 11, 2022
[REDACTED]	
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Hong Kong Listing Rules
“Champion Everwise Digital Intelligence”	Champion Everwise Digital Intelligence (Beijing) Venture Capital Fund Center, L.P. (昌科知衡數智(北京)創業投資基金中心(有限合夥)), a limited partnership established in the PRC on December 26, 2024

APPENDIX VIII

DEFINITIONS

“Chanfa Kexin”	Jinan Chanfa Kexin Investment Partnership Enterprise (Limited Partnership)* (濟南產發科芯投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 18, 2024
“Changjiang Delta Fund”	Changjiang Delta (Jiashan) Equity Investment Partnership (Limited Partnership)* (長三角(嘉善)股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 4, 2021
“Chengdu Semi-Tech”	Chengdu Semi-Tech Information Technology Co., Ltd.* (成都賽美特信息科技有限公司), a limited liability company incorporated in the PRC on April 6, 2022 and one of our subsidiaries
“China” or “PRC”	the People’s Republic of China
“China Internet Fund”	China Internet Investment Fund (Limited Partnership)* (中國互聯網投資基金(有限合夥)), a limited partnership established in the PRC on March 23, 2017
“Chongqing Semi-Tech”	Chongqing Semi-Tech Information Technology Co., Ltd.* (重慶賽美特信息技術有限公司), a limited liability company incorporated in the PRC on June 24, 2022 and one of our subsidiaries, which was deregistered on 14 November 2025
“Chuang Qi Kai Ying”	Jiaxing Chuang Qi Kai Ying Venture Capital Partnership (Limited Partnership) (嘉興市創啟開盈創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 8, 2020
“CIC” or “China Insights Consultancy”	China Insights Industry Consultancy Limited, an independent global market research and consulting company
“CIC Report”	the report prepared by CIC
“close associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Semi-Tech Group Co., Ltd. (賽美特信息集團股份有限公司), a PRC company established on October 16, 2017

APPENDIX VIII

DEFINITIONS

“Compliance Advisor”	Somerley Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the compliance advisor to the Company
“connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and refers to Mr. Li Gangjiang, Ms. Ni Qiong, Covision Venture Capital, Bai Sai Fund, Shanghai Semi-Tech No. 1, Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 3, Shanghai Semi-Tech No. 5, Hainan Semi-Tech No. 2, Hainan Semi-Tech No. 4, Hainan Semi-Tech No. 5, Shanghai Jerry and Jenny, Jia Jia Holding, Covision Private Equity and Shenzhen He Xing, as further detailed in the section headed “Relationship with Our Controlling Shareholders” in this document

[REDACTED]

“core connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Covision Private Equity”	Shanghai Covision Private Equity Fund Management Co., Ltd.* (上海佳視聯私募基金管理有限公司), a limited liability company incorporated in the PRC on November 12, 2019 and a member of a group of our Controlling Shareholders
“Covision Venture Capital”	Nanjing Covision Venture Capital Center (Limited Partnership)* (南京佳視聯創業投資中心(有限合夥)), a limited partnership established in the PRC on August 10, 2020, a member of a group of our Controlling Shareholders
“CSRC”	The China Securities Regulatory Commission (中國證券監督管理委員會)
“Dalian Semi-Tech”	Dalian Semi-Tech Technology Co., Ltd.* (大連賽美特科技有限公司), a limited liability company incorporated in the PRC on April 25, 2024 and dissolved on July 16, 2025, used to be one of our subsidiaries

APPENDIX VIII

DEFINITIONS

“Ding Xin Hua Xi”	Zhuhai Ding Xin Hua Xi Equity Investment Fund Partnership (Limited Partnership) (珠海鼎信華曦股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on November 26, 2021
“Director(s)”	the director(s) of our Company
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“ESG”	environmental, social and governance
“ESOP Platforms”	Shanghai Semi-Tech No. 2, Shanghai Semi-Tech No. 1 and Shanghai Semi-Tech No. 5 and an “ESOP Platform” shall mean any one of them as the context may require
“EU”	the European Union
“Euro,” “EUR” or “€”	the lawful currency of the member states of the EU participating in the third stage of the EU’s Economic and Monetary Union
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

“G60 S&T Innovation Fund”	G60 Science and Technology Innovation Corridor of Yangtze River Delta Private Equity Fund (Shanghai) Partnership (Limited Partnership) (長三角吉六零科創走廊私募基金(上海)合夥企業(有限合夥)), a limited partnership established in the PRC on March 22, 2022
“Gaoyuan Jinxi”	Huaian Gaoyuan Jinxi Venture Capital Partnership Enterprise (Limited Partnership)* (淮安高遠錦汐創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 7, 2024

[REDACTED]

“Group,” “our Group,” “we,” “us” or “our”	our Company and our subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

APPENDIX VIII

DEFINITIONS

“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Guotou Jixin Fund”	Guotou Jixin (Beijing) Equity Investment Fund (Limited Partnership)* (國投集新(北京)股權投資基金(有限合夥)), a limited partnership established in the PRC on December 31, 2024
“H Share(s)”	ordinary shares in the share capital of our Company with a nominal value of RMB0.50 each, to be listed and traded on the Hong Kong Stock Exchange

[REDACTED]

“Hainan Qian Sai”	Hainan Qian Sai Enterprise Management Partnership (Limited Partnership) (海南謙賽企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 19, 2021
“Hainan Semi-Tech No. 1”	Hainan Semi-Tech No. 1 Enterprise Management Partnership (Limited Partnership)* (海南賽美特一號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 21, 2022
“Hainan Semi-Tech No. 2”	Hainan Semi-Tech No. 2 Enterprise Management Partnership (Limited Partnership)* (海南賽美特二號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 24, 2022, a member of a group of our Controlling Shareholders
“Hainan Semi-Tech No. 3”	Hainan Semi-Tech No. 3 Enterprise Management Partnership (Limited Partnership)* (海南賽美特三號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 22, 2022, which has been dissolved as of the date of this document
“Hainan Semi-Tech No. 4”	Hainan Semi-Tech No. 4 Enterprise Management Partnership (Limited Partnership)* (海南賽美特四號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 29, 2022, a member of a group of our Controlling Shareholders
“Hainan Semi-Tech No. 5”	Hainan Semi-Tech No. 5 Enterprise Management Partnership (Limited Partnership)* (海南賽美特五號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 1, 2022, a member of a group of our Controlling Shareholders

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DEFINITIONS

“Hainan Semi-Tech No. 6”	Hainan Semi-Tech No. 6 Enterprise Management Partnership (Limited Partnership)* (海南賽美特六號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 30, 2022, which has been dissolved as of the date of this document
“Hangzhou Guan Tian”	Hangzhou Ying Hu Guan Tian Smart Technology Co., Ltd.* (杭州銀湖冠天智能科技有限公司) a limited liability company incorporated in the PRC on April 25, 2019 and one of our subsidiaries
“HK\$,” “Hong Kong dollar,” “HKD” or “cent”	Hong Kong dollar and cent respectively, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules” or “Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

APPENDIX VIII

DEFINITIONS

[REDACTED]

“Hong Kong Stock Exchange”
or “Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Hong Kong Takeovers Code”
or “Takeovers Code”

Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“Hong Tu Shan Li”

Shenzhen Hong Tu Shan Li Private Equity Partnership (Limited Partnership)* (深圳市紅土善利私募股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on August 12, 2020

“Hou Xue Sai Mei”

Shanghai Hou Xue Sai Mei Management Partnership (Limited Partnership) (上海厚雪賽美企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 25, 2022

“Hua Xi Jin Zhi”

Chengdu Hua Xi Jin Zhi SSCI Equity Investment Partnership (Limited Partnership) (成都華西金智專精特新股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 6, 2023

“Huahai Jinpu”

Huahai Jinpu Venture Capital (Jinan) Partnership Enterprise (Limited Partnership)* (華海金浦創業投資(濟南)合夥企業(有限合夥)), a limited partnership established in the PRC on May 24, 2024

“Hubei Jiangcheng Guanggu”

Hubei Jiangcheng Guanggu Packaging Angel Equity Investment Fund Partnership (Limited Partnership)* (湖北江城光谷封裝天使股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on November 18, 2024

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DEFINITIONS

“Hubble Investment”	Shenzhen Hubble Technology Investment Partnership (Limited Partnership)* (深圳哈勃科技投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 15, 2021
“Independent Third Party(ies)”	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Hong Kong Listing Rules
“Integrated Circuit Phase III”	Shanghai Integrated Circuit Industry Investment Fund Phase III Partnership Enterprise (Limited Partnership)* (上海集成電路產業投資基金三期合夥企業(有限合夥)), a limited partnership established in the PRC on March 14, 2025

[REDACTED]

“Jia Jia Holding”	Jia Jia Holding Co., Ltd.* (佳佳控股有限公司), a limited company incorporated in the PRC on March 6, 2017 and a member of a group of our Controlling Shareholders
“Jin Zhi Mai Si”	Chengdu Jin Zhi Mai Si Enterprise Management Partnership (Limited Partnership) (成都金智勘思企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 23, 2024
“Jiaxing Jun Ying”	Jiaxing Jun Ying Equity Investment Partnership (Limited Partnership)* (嘉興浚穎股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 3, 2023

APPENDIX VIII

DEFINITIONS

“JPY”	Japanese Yen, the lawful currency of Japan
[REDACTED]	
“Langtu Xingyao”	Zibo Langtu Xingyao Equity Investment Partnership Enterprise (Limited Partnership)* (淄博朗途星耀股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 15, 2025
“Large Value Project(s) ”	our project(s) with value exceeding RMB5.0 million
“Latest Practicable Date”	March 23, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
“Lion Microelectronics”	Hangzhou Lion Microelectronics Co., Ltd.* (杭州立昂微電子股份有限公司), a joint-stock limited company incorporated in the PRC on March 19, 2002
[REDACTED]	
“Listing Committee”	the listing committee of the Hong Kong Stock Exchange
[REDACTED]	
“M&A”	mergers and acquisitions
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange
“Mainland China”	the PRC, but for the purpose of this document and for geographical reference only and except where the context requires, excluding Hong Kong, Macao Special Administrative Region of the PRC and Taiwan region of the PRC
“Mediacom”	Guangdong Mediacom Technology Co., Ltd.* (廣東美凱技術有限公司), a limited liability company incorporated in the PRC on December 28, 2023
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF” or “Ministry of Finance”	Ministry of Finance of the PRC (中華人民共和國財政部)

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DEFINITIONS

“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“MPC VII”	MPC VII Pte. Ltd., a private company limited by shares incorporated in Singapore on May 6, 2022
“MYR”	Malaysian Ringgit, the lawful currency of Malaysia
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board
“NPC”	National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

“Orino Feng Fan”	Chengdu High-Tech Orino Feng Fan Smart Manufacturing Industry Equity Investment Fund Partnership (Limited Partnership)* (成都高新策源風帆智能製造產業股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on February 9, 2022
“Orino Guang Yi”	Chengdu Orino Guang Yi Electronic Information Equity Investment Fund Partnership (Limited Partnership)* (成都策源廣益電子信息股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on May 19, 2023

[REDACTED]

APPENDIX VIII

DEFINITIONS

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the PRC, as amended, modified and/or otherwise supplemented from time to time
“PRC GAAP”	generally accepted accounting principles in Mainland China
“PRC government” or “State”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Legal Advisors”	Lifeng Partners, the legal advisors of our Company as to the PRC laws
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors pursuant to the relevant equity transfer agreement(s) and/or capital increase agreement(s), details of which are set out in the section headed “History, Development and Corporate Structure” in this document
“Pre-[REDACTED] Investor(s)”	the investor(s) who acquired interest in our Company pursuant to the relevant equity transfer agreement(s) and/or capital increase agreement(s), details of which are set out in the section headed “History, Development and Corporate Structure” in this document
“Pre-[REDACTED] Share Option Schemes”	2022 Share Option Scheme and 2024 Share Option Scheme

[REDACTED]

“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC

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DEFINITIONS

“R&D”	research and development
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Securities Law”	the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time
“Semi-Tech Technology”	Semi-Tech Technology Co., Ltd.* (賽美特科技有限公司), a limited liability company incorporated in the PRC on December 18, 2020 and one of our subsidiaries
“SFC” or “Securities and Futures Commission”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGD”	Singapore dollars, the lawful currency of Singapore
“Shanghai Foreverwin”	Shanghai Foreverwin Electronic Information Technology Co., Ltd.* (上海昊聲電子信息技術有限公司), a limited liability company incorporated in the PRC on March 6, 2006 and one of our subsidiaries
“Shanghai Chenjun”	Shanghai Gao Ling Chenjun Equity Investment Partnership (Limited Partnership)* (上海高瓴辰鈞股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on January 29, 2021
“Shanghai Jenny and Jerry”	Shanghai Jenny and Jerry Enterprise Management Consulting Partnership (Limited Partnership)* (上海佳妮佳瑞企業管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on May 5, 2022
“Shanghai Jerry and Jenny”	Shanghai Jerry and Jenny Management Consulting Partnership (Limited Partnership)* (上海佳瑞佳妮管理顧問合夥企業(有限合夥)), a limited partnership established in the PRC on August 20, 2024 and a member of a group of our Controlling Shareholders
“Shanghai Jun Shi”	Shanghai Jun Shi Venture Capital Partnership (Limited Partnership)* (上海浚勢創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 28, 2021

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DEFINITIONS

“Shanghai Semi-Tech”	Shanghai Semi-Tech Information Technology Co., Ltd* (上海賽美特信息科技有限公司), a limited liability company incorporated in the PRC on February 17, 2022 and one of our subsidiaries
“Shanghai Semi-Tech No. 1”	Shanghai Semi-Tech No. 1 Enterprise Management Partnership (Limited Partnership)* (上海賽美特一號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 8, 2020, one of our ESOP Platforms and a member of a group of our Controlling Shareholders
“Shanghai Semi-Tech No. 2”	Shanghai Semi-Tech No. 2 Enterprise Management Partnership (Limited Partnership)* (上海賽美特二號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on January 14, 2021, one of our ESOP Platforms and a member of a group of our Controlling Shareholders
“Shanghai Semi-Tech No. 3”	Shanghai Semi-Tech No. 3 Enterprise Management Partnership (Limited Partnership)* (上海賽美特三號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 16, 2021, a member of a group of our Controlling Shareholders
“Shanghai Semi-Tech No. 4”	Shanghai Semi-Tech No. 4 Enterprise Management Partnership (Limited Partnership)* (上海賽美特四號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on March 2, 2021
“Shanghai Semi-Tech No. 5”	Shanghai Semi-Tech No. 5 Enterprise Management Partnership (Limited Partnership)* (上海賽美特五號企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on August 11, 2020, one of our ESOP Platforms and a member of a group of our Controlling Shareholders
“Shanghai Saixindi”	Shanghai Saixindi Enterprise Management Partnership Enterprise (Limited Partnership) (上海賽新迪企業管理合夥企業(有限合夥)), a limited partnership incorporated in the PRC on June 11, 2025 and one of our subsidiaries
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.50 each, comprising Unlisted Share(s) and H Share(s)
“Share Subdivision”	the subdivision of the Shares by our Company where our Company subdivided its Share from one Share of RMB1.0 each into two Shares of RMB0.5 each, which will become effective immediately prior to the [REDACTED]
“Shareholder(s)”	holder(s) of our Share(s)

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DEFINITIONS

“Shen Hong Smart Manufacturing”	Foshan Shen Hong Smart Manufacturing Equity Investment Partnership (Limited Partnership)* (佛山申宏智造股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 7, 2023
“Shenzhen He Xing”	Shenzhen He Xing Venture Capital Partnership (Limited Partnership) (深圳闔興創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 26, 2021, a member of a group of our Controlling Shareholders
“Shenzhen Semi-Tech”	Shenzhen Semi-Tech Information Technology Co., Ltd.* (深圳市賽美特信息技術有限公司), a limited liability company incorporated in the PRC on June 3, 2015 and one of our subsidiaries
“Shenzhen Wei Cheng”	Wei Cheng Information Technology (Shenzhen) Co., Ltd.* (威程信息科技(深圳)有限公司), a limited liability company incorporated in the PRC on September 1, 2021 and one of our subsidiaries
“Sole Sponsor”	the sole sponsor of the [REDACTED] of the H Shares on the Hong Kong Stock Exchange as named in “Directors and Parties Involved in the [REDACTED]”
	[REDACTED]
“SSIC Fund II”	Shanghai Sci-Tech Innovation Center Capital Fund II Partnership L.P. (上海科創中心貳號私募投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on June 18, 2021
“Stabilizing Manager”	[●]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy Committee”	the strategy committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“Sungrow Ren Fa”	Hefei Sungrow Ren Fa Carbon Neutrality Investment Management Center (Limited Partnership)* (合肥陽光仁發碳中和投資管理中心(有限合夥)), a limited partnership established in the PRC on September 28, 2022
“Suzhou Vida”	Suzhou Vida Data Technologies Co., Ltd.* (蘇州威達數據科技有限公司), a limited liability company incorporated in the PRC on October 31, 2019 and one of our subsidiaries

APPENDIX VIII

DEFINITIONS

“Tian Shan Zhi Xing”	Wuhan Tian Shan Zhi Xing Venture Capital Partnership (Limited Partnership)* (武漢天善知行創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 21, 2017
“Track Record Period”	the financial years ended December 31, 2023, 2024 and 2025
“Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), promulgated by the CSRC on February 17, 2023
“U.S.,” “US” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdictions
“U.S. dollars,” “US dollars,” “USD” or “US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933 and the rules and regulations promulgated thereunder

[REDACTED]

“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB0.5 each (taking into account the Share Subdivision), which is/are not listed on any stock exchange
“VAT”	value-added tax
“WEIHAOYUNXUAN”	YIWU WEIHAOYUNXUAN PHASE I EQUITY INVESTMENT PARTNERSHIP (義烏韋豪鋆軒一期私募股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on September 7, 2021

[REDACTED]

“Wuxi Chong Wei”	Wuxi Chong Wei Management Consulting Partnership (Limited Partnership)* (無錫崇緯管理諮詢合夥企業(有限合夥)), a limited partnership established in the PRC on November 8, 2022

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DEFINITIONS

“Xiamen Wei Dao”	Wei Dao Data Technology (Xiamen) Co., Ltd.* (威導數據科技(廈門)有限公司) a limited liability company incorporated in the PRC on April 13, 2021 and one of our subsidiaries
“Xing Sheng Dong Yan”	Jiaxing Xing Sheng Dong Yan Investment Partnership (Limited Partnership)* (嘉興興晟東研投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 11, 2019
“Xinhelan”	Xiamen Xinhelan Venture Capital Partnership (Limited Partnership)* (廈門信合藍創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 6, 2022
“Yangzhou Ju Zhi”	Yangzhou Ju Zhi Equity Investment Partnership (Limited Partnership)* (揚州鉅智股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on June 4, 2025
“Yin Shi Smart Manufacturing”	Fuzhou High-Tech Zone Yin Shi Smart Manufacturing Venture Capital Partnership (Limited Partnership)* (福州高新區因時智造創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on October 28, 2024
“Yongxin Rongyan”	Taizhou Yongxin Rongyan Venture Capital Partnership Enterprise (Limited Partnership)* (泰州永鑫融堰創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on March 27, 2025
“Yuntai Capital”	Yancheng Yun Tai No. 3 New Industry Venture Capital Partnership (Limited Partnership)* (鹽城允泰三期新興產業創業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on May 31, 2023
“%”	per cent

Unless otherwise specified, in this document:

- (1) *For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.*
- (2) *Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.*

* *For identification purposes only*

APPENDIX IX

GLOSSARY OF TECHNICAL TERMS

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

“advanced industries”	high-tech-driven industrial sectors, primarily including semiconductors, electrification, electronics, automotive, display panels, photovoltaic, new energy batteries and high-end equipment manufacturing
“AI”	artificial intelligence, intelligence demonstrated by machines, in contrast to the natural intelligence displayed by humans or other animals
“AMS”	alarm management system, a software that collects real-time alarm data from individual equipment and systems to reduce the risk of quality issues
“APC”	advanced process control, a software-based solution that analyses real-time data and measurement data generated during operation for real-time optimization and control of recipe parameters
“APS”	advanced planning and scheduling, a software-based solution that optimizes production planning and scheduling on a real-time basis by building specialized engines for various manufacturing fields and developing simulation models
“application”/“software”	any set of machine-readable instructions that directs a computer’s processor to perform specific operations
“back-end”	manufacturing process consisting of cutting out semiconductor chips from wafers, packaging, assembly and inspection
“big data”	the use of advanced analytic techniques against large, diverse sets of information, which greatly exceed the capabilities of traditional database software tools in terms of data collection and analysis, to uncover hidden patterns, correlations and other useful information that can help organizations make more informed decisions
“CAGR”	compound annual growth rate, a method of assessing the average growth of a value over a certain time period
“CCMS”	cost control management system, a software-based solution that supports financial accounting, multi-dimensional analysis and cost optimization of semiconductor manufacturers
“chip probing”	the testing of various performance and functional parameters of wafer-level integrated circuits

APPENDIX IX

GLOSSARY OF TECHNICAL TERMS

“CIM”	computer integrated manufacturing, an attempt to combine existing computer technologies in order to manage and control the entire production lifecycle. A CIM system is an integrated system that encompasses all the activities in the production system from the planning and design of a product through the manufacturing system, including control
“CMMI”	Capability Maturity Model Integration, a process level improvement training and appraisal program. CMMI is the successor of the capability maturity model and Level 5 is the highest maturity level
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
“CoWoS”	Chip on Wafer on Substrate, a 2.5D/3D packaging technology widely used in high-performance computing, AI chips, graphics processing units and other fields
“customer(s)”	customer(s) for a given year/period refers to those who contributed revenue in the same year/period; in particular, in terms of the five largest customers for each year/period during the Track Record Period, an entity that contributes revenue through multiple of its subsidiaries and branch offices in a given year/period is counted as one customer in that year/period; whereas customers in other contexts, such as the number of customers, are counted on a stand-alone basis where multiple revenue-contributing subsidiaries and branch offices represent multiple customers
“digital twin”	a virtual representation of an object or system designed to reflect a physical object accurately
“DMS”	defect management system, a software-based solution for defect analysis and automated defect data processing
“DWMS”	data warehouse management system, a software-based solution that support enterprise digital transformation by integrating data across the organization and enhancing data management efficiency
“EAM”	enterprise asset management, a software system used to manage the lifecycle of an organization’s physical assets and equipment
“EAP”	equipment automation program, a software-based solution that serves as a bridge between MES (and other upstream systems) and manufacturing equipment to enhance overall efficiency in manufacturing processes

APPENDIX IX

GLOSSARY OF TECHNICAL TERMS

“epitaxial wafer”	a wafer of semiconducting material made by epitaxial growth for use in photonics, microelectronics or photovoltaics
“ERP”	enterprise resource planning, a software system used to manage and streamline core business processes across an organization to provide a unified view of business activity
“eRPA”	e-robotic process automation, a software program that simulates human behavior to automate interactions with digital systems
“fab”	a factory for making advanced electronic products
“FDC”	fault defect and classification, a software-based solution that observes changes in equipment parameters and detect any adverse trends in the equipment to prevent or reduce production scrap
“foundry”	a facility that manufactures semiconductor chips for other companies
“front-end”	manufacturing process consisting of forming several layers of thin film on the surface of a wafer and manufacturing electronic circuits
“SMS”	subcon management system, a software-based solution that integrates with data of original equipment manufacturers to streamline the outsourcing process
“GaN”/“gallium nitride”	a binary III/V direct bandgap semiconductor well-suited for high-power transistors capable of operating at high temperatures. It is acknowledged for its capability to enhance power system efficiency, performance and system cost
“GFA”	gross floor area
“IDP”	intelligent document processing, a software system used to scan, read, extract, categorize and organizes meaningful information into accessible formats from large streams of data
“IGBT”	insulated-gate bipolar transistor, a power semiconductor device primarily used as an electronic switch
“inch”	the standard unit of measurement used to denote the diameter of substrates. In the semiconductor industry, the common sizes for substrates include 2-inch (50mm), 3-inch (75mm), 4-inch (100mm), 6-inch (150mm), 8-inch (200mm) and 12-inch (300mm)

APPENDIX IX

GLOSSARY OF TECHNICAL TERMS

“integrated circuit”	integrated circuit, a type of miniature electronic device or component, manufactured using semiconductor techniques, integrating all the necessary transistors, resistors, capacitors, inductors and their connecting wires for a circuit onto a small semiconductor wafer (such as a silicon chip or substrate), which is then soldered and encapsulated within a casing to form an electronic device with the desired circuit functions
“IoT”	internet of things, the network of physical devices embedded with electronics, software, sensors and network connectivity, which enables these objects to collect and exchange data, allowing these devices to communicate with each other and with users
“ISA-95”	also known as ANSI/ISA-95 or IEC 62264, is an international set of standards aimed at integrating logistics systems with manufacturing control systems. It organizes technology and business processes into layers defined by activities taking place, and it outlines how an enterprise can set up an interface to communicate among these layers
“ISO”	the International Organization for Standardization, a worldwide federation of national standards bodies
“ISO9001”	the International Quality Management System standard published by the ISO
“ISO14001”	the Environmental Management System standard published by the ISO
“ISO20000”	the Information Technology Service Management System standard published by the ISO
“ISO27001”	the Information Security Management Systems standard published by the ISO
“ISO45001”	the Occupational Health and Safety Management System standard published by the ISO
“IT”	information technology
“KPI”	key performance indicator
“MCS”	material control system, a software-based solution to manage plant-wide material transport routes and optimize production efficiency
“memory”	a type of semiconductor device tasked with storing data

APPENDIX IX

GLOSSARY OF TECHNICAL TERMS

“MES”	manufacturing execution system, a software-based solution that integrates and manages the entire manufacturing process to ensure real-time monitoring and control
“MESA”	Manufacturing Enterprise Solutions Association. The MESA-11 model defines the 11 core MES functions: resource allocation and status, operations/detailed scheduling, dispatching production units, document control, data collection and acquisition, labor management, quality management, process management, maintenance management, product tracking and genealogy and performance analysis
“MessageBus”	an app server to enable reliable and efficient communication across systems and components within the manufacturing environment
“middleware”	software that different applications use to communicate with each other
“Monitoring”	a web standard modular software product that integrates and allows users to view various complex data and visualization components of a manufacturing facility
“MOSFET”	metal oxide semiconductor field effect transistor, used for amplifying or switching electronic signals
“neural network”	a method in AI that teaches computers to process data in a way that is inspired by the human brain. It is a type of machine learning process, called deep learning, that uses interconnected nodes or neurons in a layered structure that resembles the human brain
“OEE”	overall equipment effectiveness, a metric used to measure the effectiveness and performance of manufacturing processes or any individual piece of equipment
“package”/“packaging”	a process wherein a semiconductor chip is packaged in a form suitable for the electronic device
“PlantU”	Plant to You, the core brand of the Company
“power semiconductor”	a type of semiconductor device that is used as a switch or rectifier in power electronics, and serves as the core component of power supplies
“Pytest”	a Python testing framework
“Python”	a programming language that is widely used in web applications, software development, data science and machine learning

APPENDIX IX

GLOSSARY OF TECHNICAL TERMS

“RCM”	remote control management, the use of remote centralized monitoring and control to enable direct management across multiple manufacturing facilities
“Report”	a system that supports multiple report creation modes and allows for flexible combinations of different layouts and formats using grid and chart components
“RFID”	radio-frequency identification, a form of wireless communication that uses radio waves signaled from electronic tags attached to objects to automatically identify and track such objects
“RMS”	recipe management system, a software that centralizes the management of production line equipment programs
“RPA”	robotic process automation, the use of software robots to automatically handle a large number of repetitive and rule-based workflow tasks
“RTD”	real time dispatch, a software-based solution that combines real-time work-in-progress status, equipment and process conditions as well as bottleneck situations to provide the optimal production sequence
“SEMI”	SEMI standards are voluntary technical agreements for the semiconductor, flat panel display, micro-electromechanical systems, photovoltaic and high-brightness LED industries
“silicon carbide”/“SiC”	a wide bandgap semiconductor material used in various electronic applications
“SEMI-E84 protocol”	SEMI E84 Specification for Enhanced Carrier Handoff Parallel I/O Interface, an international standard promulgated by Semiconductor Equipment and Materials International (SEMI)
“SPC”	statistical process control, a software-based solution to systemically monitor and regulate production processes
“virtual private network”	an encrypted connection to ensure that sensitive data is safely transmitted when using public network
“wafer”	a thin slice of semiconductor material, such as a silicon crystal, on which arrays of integrated circuits or discrete devices are fabricated during the manufacturing process
“WFA”	workflow automation, a visual workflow development platform to automate production business processes

APPENDIX IX

GLOSSARY OF TECHNICAL TERMS

“WMS”	warehouse management system, a software-based solution to automate, manage, control and optimize warehouse business processes
“YMS”	yield management system, a software-based solution that analyses yield data to identify and address root causes of defects
“2.5D/3D”	packaging methodologies for including multiple integrated circuit inside the same package. In 2.5D structure, two or more active semiconductor chips are placed side-by-side on a silicon interposer to achieve extremely high die-to-die interconnect density. In 3D structure, active chips are integrated by die stacking for shortest interconnect and smallest package footprint
“5G”	the fifth-generation technology standard for cellular networks in telecommunications