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 commercial aerospace company in China, with a strategic focus on satellite and related services and satellite-based solutions. Leveraging our core strengths in commercial aerospace and artificial intelligence ("AI"), we design and produce commercial satellites, ensuring stable operations and management, and deliver customized satellite-based solutions to meet the diverse needs of our customers. According to Frost & Sullivan, in terms of revenue in 2025, we ranked second among all China's private commercial aerospace companies that manage the full satellite industry value chain.

As an AI satellite pioneer, we launched China's first AI application satellite in December 2018 and successfully developed and launched China's first AI large model computing satellite in September 2024, according to Frost & Sullivan. On May 14, 2025, we successfully developed and launched the world's first AI computing satellite constellation comprising 12 AI computing satellites, marking a critical milestone in our efforts to develop space computing satellite constellations and build an integrated AI space computing system. As of the Latest Practicable Date, we independently developed six AI payloads, four AI application satellites and 18 AI computing satellites, while successfully completing 14 space missions.

Leveraging our proprietary Lingjing Engine, we have expanded into satellite-based solution services. Through the application of AI and commercial aerospace technologies, we offer scenario-specific solutions across diverse sectors such as space intelligence and computing services, digital city applications, urban governance and cultural, tourism and gaming applications.

Mainly driven by (i) our key advancements in the in-orbit validation and our space AI technology, and (ii) the upgrade and enhancement of our satellite design and development capabilities, we have strengthened our product competitiveness. These two major factors have jointly propelled the rapid expansion of our business, enhanced our ability to secure high-value orders, broaden our customer base and resulted in robust revenue growth. Our revenue increased from RMB507.5 million in 2023 to RMB553.5 million in 2024, and further increased to RMB702.7 million in 2025.

Our Technologies

Through years of dedicated R&D, we have developed core technologies in satellite R&D and production and satellite-based solutions. Our core technologies include: (i) AI satellite R&D and production technology adapted to the space environment; (ii) rapid satellite development based on modular satellite platforms; (iii) high-power flat-panel satellite platform and constellation networking; (iv) AI-empowered additive manufacturing capabilities for satellite component production; and (v) automated spatial dimension enhancement for remote sensing imagery based on the Lingjing engine. See "Business — Our Technologies."

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success: (i) commercial aerospace company specializing in AI satellites supported by strong frequency spectrum and orbital resources; (ii) efficient satellite-based solutions for diverse application scenarios; (iii) business coverage over satellite production, management and utilization, providing efficient and products and solutions; and (iv) visionary management with innovative and technology-driven corporate culture. See "Business — Our Strengths."

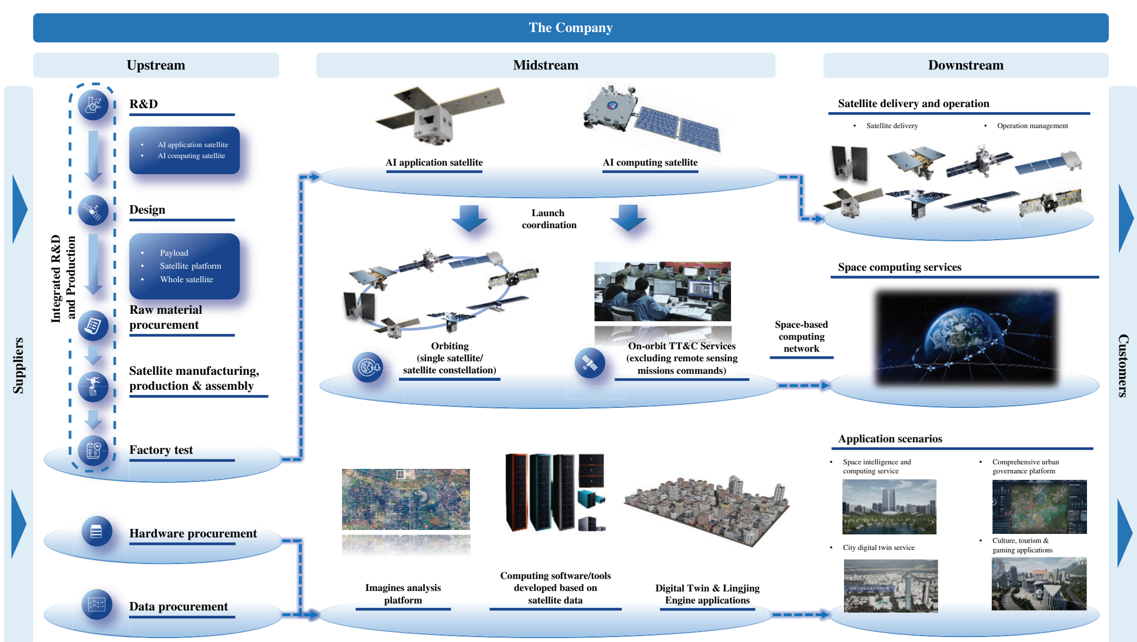
OUR STRATEGIES

We have formulated the following strategies in line with our mission and vision: (i) enhancing economies of scale and improving cost efficiency to advance the Star-Compute Project; (ii) increasing R&D efforts for AI computing satellites; (iii) expanding and exploring satellite application scenarios; (iv) strengthening strategic cooperation, supply chain integration and business synergy; and (v) continuously attracting talent for technological innovation. See "Business — Our Strategies."

OUR BUSINESS MODEL

Our business model spans across satellite design, production, management and utilization, which is designed to support the large-scale deployment and operation of satellite constellations, while transforming satellite-based capabilities into commercially deployable services for customers across multiple application scenarios.

The following chart illustrates our business model across the value chain of the satellite industry:



Our satellites and related services cover the entire satellite lifecycle, from payload, platform and whole satellite R&D, assembly and testing, launch coordination and on-orbit delivery to post-launch compliant operation and control management. Our full-lifecycle services ensure customized satellite R&D, efficient satellite delivery and specialized satellite operation and control management, ensuring optimal performance and longevity of the satellites. Our satellites design typically takes around three weeks, while the satellite R&D and production generally spans approximately four months, subject to the satellite specifications and customer requirements. The timing of the satellite launch is contingent upon various factors, including the launch schedule and regulatory approvals. Typically, the satellite is launched within one year of the signing of the launch contract.

We also provide customized satellite-based solutions. Through automated spatial dimension enhancement algorithms, we provide scalable, digitalized satellite-based solutions that support applications across space intelligence and computing services, digital city development, urban governance and immersive cultural, tourism and gaming sectors.

OUR PRODUCTS AND SOLUTIONS

We offer a comprehensive suite of products and services across two business lines: (i) satellites and related services, and (ii) satellite-based solutions.

Satellites and Related Services

Satellite and related services form the foundation of our entire business. We develop, produce and sell satellites based on our modular satellite platforms, which can be customized according to customers' specific requirements, while offering related satellite TT&C services for customers opting for our operational services post-launch. For details of satellite production, management and utilization, see "Business — Our Products and Solutions — Satellites and Related Services." We primarily focus on the design and production of LEO satellites, particularly AI satellites. Our satellites generally have a designed lifecycle ranging from three to five years.

We have advanced through multiple stages of development, steadily expending the depth and scope of our technological capabilities. From inception through 2022, we focused on the in-house development of AI payloads to validate the deployment of AI technologies on satellites operating in complex space environments. We had successfully completed 14 space missions with 27 satellites and six payloads successfully launched, as of the Latest Practicable Date.

AI Application Satellites

We have developed AI application satellites which are equipped with AI payloads and can provide AI-driven data analysis and computing services to deliver enhanced functions compared to traditional satellites. As of the Latest Practicable Date, we had jointly developed one AI application satellite with our partner and independently developed four AI application satellites.

AI Computing Satellites

Building on the success of our AI application satellites, we have developed and deployed AI computing satellites in space which can provide advanced AI-driven data analysis and computing services not only for themselves but also for other spacecraft and ground-based applications. Such upgraded functions are achieved by onboard computing resources and sophisticated algorithms designed to handle complex data analysis tasks. As of the Latest Practicable Date, we had developed 18 AI computing satellites.

Satellites-Based Solutions

We provide satellite-based solutions by integrating space-based computing capabilities and proprietary software and hardware platforms to deliver commercially deployable products and services for a range of application scenarios. Our solutions are designed to transform satellite-based capabilities into actionable insights and operational tools, supporting customers' digital and intelligent transformation needs. Leveraging our proprietary date processing technologies, we focus on the processing, integration and application of satellite-derived data and computing outputs. During the Track Record Period, we provided satellite data and products at different processing levels to meet customer needs, which were primarily delivered through: (i) direct sales of satellite imagery; (ii) satellite-based solutions generated by using our proprietary technologies and equipment, and (iii) software-hardware tools integrated with our proprietary technologies that enable customers to process satellite imagery to meet their own demands.

During the Track Record Period, for the development of satellite-based solutions, we obtained 2D satellite remote sensing data primarily from our self-operated satellites and, pursuant to data-sharing arrangements, from satellites owned by customers. Under such arrangements, we generally retain the right to use, license and commercialize the satellite remote sensing data, and all results and intellectual property developed by us based on such data are solely owned by us. Following the surrender of our Surveying and Mapping Qualification Certificate in February 2026, we formally ceased to offer direct sales of satellite imagery under delivery form (i). With respect to delivery form (ii), where customer demand arises, we subsequently purhcased satellite remote-sensing data from qualified third-party providers on a market basis. See "Business — Permits, Licenses and Approvals."

In light of the [**REDACTED**] and the [**REDACTED**], we have ceased to provide satellite-based solutions involving 3D reality mapping compilation under delivery form (ii). See "Business — Arrangement for Business Activities on the Negative List."

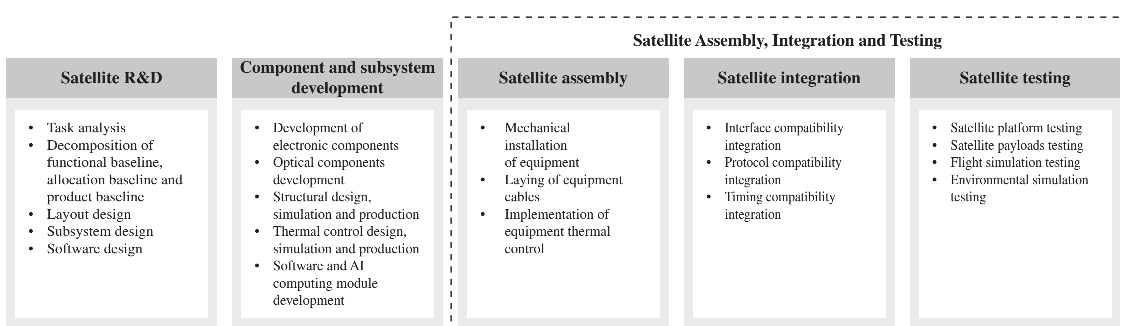
Other Services

During the Track Record Period, we provided certain other services, primarily including the provision of new energy intelligent charging terminals and supporting facilities, the development of information systems, network systems and management systems, as well as the resale of software and hardware. Since 2024, we have been progressively and strategically streamlining our other services, as we plan to optimize our business operations and enhance our focus on core business activities in satellite development. We will formally cease operation of such services after we fulfill all existing contractual obligations.

INTEGRATED SATELLITE R&D AND PRODUCTION MODEL

We are one of the few commercial aerospace companies in China with integrated capability for satellite R&D and production, according to Frost & Sullivan. We were also the earliest commercial aerospace company in China to develop, produce and launch AI application satellites and AI computing satellites, according to Frost & Sullivan. Our satellite operations employ an integrated model that seamlessly combines satellite R&D and production to address the specialized customization needs of the industry. Compared to conventional models that separate these processes, our approach ensures closer alignment between R&D and production, enabling us to effectively translate R&D outputs into high-quality and tailor-made products while maintaining production efficiency.

The following diagram sets forth the key steps of our satellite R&D and production process:



To support our satellite design and development activities across different stages of the satellite lifecycle, we operate multiple specialized R&D and production facilities in Sichuan and Zhejiang provinces in China, namely the Chengdu AIT Center, Jiaxing Testing Base, Taizhou Center and Chongzhou AI-empowered Additive Manufacturing Base. Together, these facilities enable us to efficiently design, develop and test satellites under 500 kg and related satellite components. Moreover, our Shenzhen Center had obtained the construction approval from the Bao'an District Development and Reform Bureau ("BDRB") and was under design as of the Latest Practicable Date. Upon commencing operation, our Shenzhen Center will focus on satellite design, development and testing activities according to the approval.

The following table sets forth our major facilities as of the Latest Practicable Date:

Facility	Location	Commencement of operations	Primary functions	GFA
Chengdu AIT Center	Chengdu, Sichuan Province	2021	Satellite design and development	1,493.00 sq.m.
Jiaxing Testing Base	Jiaxing, Zhejiang Province	2024	Space environmental testing of satellites, including vacuum, vibration and residual magnetism testing	3,980.00 sq.m.
Chongzhou AI-empowered Additive Manufacturing Base	Chongzhou, Sichuan Province	October 2025	Additive manufacturing of satellite structural components	16,032.18 sq.m.
Taizhou Center	Taizhou, Zhejiang Province	February 2026	Satellite design, development and testing	4,432.12 sq.m.
Shenzhen Center (under design)	Shenzhen, Guangdong Province	N/A (under design)	Intended for satellite design, research and develop	30,828 sq.m.

As of the Latest Practicable Date, our facilities — including Chengdu AIT Center, Jiaxing Testing Base and Taizhou Center — had been operating on a project-by-project basis, undertaking the design, research and development and testing of satellites in accordance with customer requirements. In addition, our Chongzhou AI-empowered Additive Manufacturing Base, which commenced initial operation in October 2025, is dedicated to the production of satellite structural components utilizing additive manufacturing technologies. See "Business — Overview — Our Technologies — Additive Manufacturing Capabilities for Satellite Component Production." The Chongzhou AI-empowered Additive Manufacturing Base has a designed annual production capacity of approximately 200 sets of satellite structural components, and its actual output for the two months ended December 31, 2025 was 30 sets, representing a utilization rate of 90.0% during the two-month period.

See "Business — Integrated Satellite R&D and Production Model."

OUR CUSTOMERS

We primarily sell our products and solutions to customers in the PRC across sectors such as aerospace, AI technology electronic products and software development and digital cultural applications. Our customers primarily include technology companies, government agencies, research institutions, communications service providers and universities. Revenue from our five largest customers in each year during the Track Record Period amounted to RMB284.5 million, RMB428.8 million and RMB547.9 million, respectively, accounting for 56.1%, 77.5% and 78.0% of our total revenue for the same years, respectively. Revenue from our largest customer in each year during the Track Record Period amounted to RMB109.1 million, RMB173.3 million and RMB185.2 million, respectively, accounting for 21.5%, 31.3% and 26.4% of our total revenue for the same years, respectively. See "Business — Our Customers."

OUR SUPPLIERS

Our suppliers primarily comprise (i) software and hardware providers for satellite-based solutions, (ii) satellite material providers for satellite design and production, and (iii) launch service providers. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB490.6 million, RMB309.3 million and RMB473.6 million, respectively, representing 60.5%, 64.3% and 57.2% of our total purchases for the same years, respectively. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB294.1 million, RMB148.8 million and RMB166.2 million, respectively, representing 36.3%, 31.0% and 20.1% of our total purchases for the same years, respectively.

COMPETITION

We compete with a number of domestic companies focusing on the R&D, production, and application of satellites, including those with extensive marketing and sales networks and strong industry experience. According to Frost & Sullivan, we ranked seventh among China's private commercial aerospace companies with satellite-related businesses by revenue in 2025, with a market share of 2.1%. We ranked second among all China's private commercial aerospace companies that manage the full satellite industry value chain by revenue in 2025. In addition, in terms of the cumulative number of AI satellites launched as of the Latest Practicable Date, we ranked first among all private commercial aerospace companies in China. We believe our robust AI satellite technologies and sophisticated talent pool allow us an advantageous position among existing and incoming industry players. See "Industry Overview" and "Business — Competition."

SUSTAINABILITY

Benefiting from supportive national policies, continued advancements in aerospace technologies and our sustained investment in the development of AI satellite technologies, as well as growing market demand for satellite-enabled applications, our revenue increased steadily during the Track Record Period, rising from RMB507.5 million in 2023 to RMB553.5 million in 2024 and further increased to RMB702.7 million in 2025.

However, during the Track Record Period, our revenue growth had not fully offset the costs and expenses incurred. The net losses primarily stemmed from our position in the early ramp-up stage, where we concentrated on developing core technologies to enhance our AI algorithms and computing power, alongside the R&D and launch of AI satellites. These efforts were essential for establishing a space-based computing network to support our long term growth. At this stage, we strategically prioritized customer acquisition and relationship development while also focusing on talent retention through competitive compensation packages. These early-stage investments, while necessary for long-term growth, have delayed our ability to realize the economic benefits of AI satellites and to fully leverage the economies of scale expected from mass production.

As we move forward, we anticipate improved profitability in our AI satellite business through the following measures: (i) advancing AI satellite technology and full value chain integration to expand customer base and increase order value; (ii) enhancing production processes to achieve cost efficiencies; (iii) advancing mass production to achieve economies of scale; (iv) reducing satellite launch cost; (v) enhancing operating leverage; and (vi) enhancing the management of working capital. See "Business — Sustainability."

PERMITS, LICENSES AND APPROVALS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisor, in compliance with PRC laws and regulations governing satellite production, launch and operation, we are primarily required to obtain (i) project approval from the NDRC; and (ii) radio frequency use permit and radio station license issued by the MIIT for each satellite before their respective launches. As advised by our PRC Legal Advisor, save for the disclosure under "Business — Legal Proceedings and Compliance — Compliance — Approval of the Relevant National Ministry for Satellites," we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations during the Track Record Period and up to the Latest Practicable Date. For the approval requirements, corresponding timeframe to obtain the radio frequency use permit and radio station license and renewal of these permits or licenses, see "Regulatory Overview — Regulations Related to the Commercial Space Industry — Regulations on Radio Frequency Allocation." In addition, our subsidiary Chengdu Xingshidai had previously held a Surveying and Mapping Qualification Certificate (測繪資質證書) during the Track Record Period. In February 2026, considering our strategic focus on our principal business and the associated management time and resources to maintain such qualification, we voluntarily surrendered the Surveying and Mapping Qualification Certificate. Following such surrender, we have ceased to conduct business activities which require such qualification, primarily including satellite remote sensing image acquisition, satellite-to-ground transmission and decoding. Instead, we purchase satellite remote sensing data from third-party data providers at fair prices reached through arm's length negotiation in good faith. As advised by Frost & Sullivan, the market price of such data generally ranges from RMB10 to RMB200 per square kilometer of raw imagery data. Based on our current order backlog of satellite-based solutions as of the Latest Practicable Date and our reasonable estimation of future business demand, we expect that our total cost per year of procuring satellite remote sensing data would be less than RMB5.0 million. Our Directors believe that the impact of such cost increases can be effectively mitigated through pricing adjustments and ongoing improvements in cost efficiency, including standardized delivery formats and strengthened lean management of our research and development activities, and that such cost increases would not have a material adverse effect on our profitability, business, financial condition or results of operations. See "Business — Permits, Licenses and Approvals."

ARRANGEMENT FOR BUSINESS ACTIVITIES ON THE NEGATIVE LIST

During the Track Record Period, certain application scenarios of our satellite-based solutions fell within the "prohibited category" in the Special Administrative Measure (Negative List) for the Access of Foreign Investment (2024 Version) issued by the NDRC and MOFCOM (the "Negative List"), namely, (i) 3D reality mapping, and (ii) geology-related services. During the Track Record Period, we lawfully conducted our business activities related to the 3D reality mapping and geology-related services, as advised by our PRC Legal Advisor.

During the Track Record Period, we provided satellite-based solutions to customers across a range of application scenarios. Certain of such solutions were delivered in the form of 3D solutions generated from satellite data processed using our proprietary technologies and equipment. This delivery form involved the preparation of true 3D reality maps, which constitutes "3D reality mapping," a category of activities prohibited for foreign investment under the Negative List. To comply with the Negative List upon [**REDACTED**], we have ceased this specific delivery form. In 2025, the contract value related to such delivery form was only RMB6.6 million, accounting for 0.9% of our revenue, which we do not consider to be material to our business operations. Despite such business arrangement, we experienced steady business growth from 2024 to 2025, where our revenue increased by 27.0% from RMB553.5 million in 2024 to RMB702.7 million in 2025. Based on the above, we do not expect such business arrangement to impose any material adverse effect on our business, financial condition and results of operations.

We have ceased all business concerning the geology-related services in April 2024. Considering (i) the financial contribution of geology-related services was not significant in terms of the contract value which was RMB20.3 million, RMB3.4 million and RMB nil, respectively, in 2023, 2024 and 2025; and (ii) we had fulfilled all outstanding contract liabilities with respect to geology-related services as of the Latest Practicable Date and do not intend to enter into new contracts in this regard going forward, our Directors are of the view that the cessation of geology-related services will not impact our relationships with existing customers and would not have any material adverse impact on our business, financial condition and results of operations.

As advised by our PRC Legal Advisor, the cessation of providing satellite-based solutions involving 3D reality mapping compilation and geology-related services constitute a lawful business arrangement to comply with the Negative List, which are legally valid and enforceable and does not constitute a circumvention of the relevant laws and regulations. As advised by our PRC Legal Advisor, based on the above cessation and our commitment to complying with applicable laws and regulations in relation to foreign investments, and no longer to engaging in all business prohibited under the Negative List and other applicable laws and regulations relating to foreign investment, we do not and will not violate any applicable laws and regulations relating to foreign investment.

See "Business — Arrangement for Business Activities on the Negative List."

APPROVAL OF THE RELEVANT NATIONAL MINISTRY FOR SATELLITES

We had not obtained the requisite approval from the relevant national ministry prior to the production of five satellites that we produced prior to December 2023, for which we had obtained the radio frequency use permits and radio station licenses (the "Relevant Satellites").

Over the past decade, China's commercial aerospace industry has experienced a period of rapid early-stage development, marked by significant technological advancements largely driven by the dedicated efforts of technical experts. We have established a team primarily composed of our R&D and production experts who have been pivotal in advancing our technological capabilities. The technical experts have concentrated their efforts on enhancing the commercial aerospace industry and improving the R&D and production capacities for satellites, and could be relatively slow in their adaptation to the regulatory development. Our Company was established during this nascent development phase of China's commercial aerospace industry with relatively short history. Therefore, we had limited past experience or established industry practices for reference and did not fully understand the requirements of the relevant PRC laws and regulations, resulting in the failure to timely obtain the approval from the relevant national ministry for the Relevant Satellites. We have reported the above incidents to the NDRC in our subsequent application submission for the approval of additional 60 satellites and undertook to strictly comply with and implement subsequent approval procedures in accordance with national policies and regulations.

As of the Latest Practicable Date, we had obtained the NDRC approval for 60 additional satellites. Considering that (i) as confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, neither we nor our PRC subsidiaries were subject to any material administrative penalties for violations of Measures and Notice; (ii) we have received the NDRC approval for our additional 60 satellites and the written confirmation from the Chengdu Development and Reform Commission (成都市發展和改革委員會) (the "CDDRC"); (iii) the maximum fine that could be imposed on us would be 0.5% of the total project investment, amounting to RMB0.3 million in aggregate, which our Directors consider would not have a material adverse impact on our financial position; and (iv) the warrantors have issued written confirmations mentioned above, our Directors are of the view that the aforementioned incident would not have any material adverse effect on our business, financial condition and results of operations.

We are committed to continuously strengthening compliance management throughout the entire satellite sales, R&D, production, launch and management process. We have implemented enhanced internal control measures to ensure future compliance with regulatory requirements. See "Business — Legal Proceedings and Compliance — Compliance — Approval of the Relevant National Ministry for Satellites."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in the section headed "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to [**REDACTED**] in our Shares. Some of the major risks we face include: (i) any change in launch schedules or failure of our launch service providers to successfully launch our satellites into space could materially and adversely affect our results of operations; (ii) the satellite industry is subject to extensive regulations and government policies, and failure to obtain and maintain the required licenses and approvals for our satellite operations could adversely impact our results of operations; (iii) we relied on a limited number of customers during the Track Record Period, which exposes us to customer concentration risks; (iv) if the market for satellites and satellite-based solutions does not continue to grow as expected, it could materially and adversely affect our results of operations; and (v) our business requires significant capital expenditure and ongoing funding, and any inability to secure sufficient financing on acceptable terms could adversely affect our results of operations and future prospects. See "Risk Factors."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following sets forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this document. These summary financial data should be read together with our consolidated financial statements included in the Accountant's Report in Appendix I to this document, including the accompanying notes, as well as the section headed "Financial Information."

Summary of Results of Operations

The following table sets forth a summary of our results of operations for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	**507,541**	**553,473**	**702,703**
Cost of sales	(436,476)	(343,299)	(559,530)
Gross profit	**71,065**	**210,174**	**143,173**
Selling and marketing expenses	(41,984)	(24,080)	(14,950)
General and administrative expenses	(131,226)	(174,379)	(172,186)
Research and development expenses	(53,478)	(142,030)	(151,656)
Net impairment loss on financial assets and contract assets	(20,758)	(43,434)	(94,975)
Loss for the year	**(139,300)**	**(177,173)**	**(255,945)**

See "Financial Information — Description of Major Components of Our Results of Operations."

Non-IFRS Measures

We use adjusted net loss (non-IFRS measure) in evaluating our operating results during the Track Record Period, which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements, which are presented in accordance with IFRS. We define adjusted net loss (non-IFRS measure) as net loss for the year adjusted by adding back share-based payments and **[REDACTED]** expenses. The following table reconciles our adjusted net loss (non-IFRS measure) for the year presented in accordance with IFRS, which is net loss for the year:

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Loss for the year	**(139,300)**	**(177,173)**	**(255,945)**
Add:			
Share-based payments(1)	48,610	91,528	93,156
[REDACTED] expenses(2)	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	**(90,690)**	**(69,047)**	**(156,597)**

Notes:

(1) Share-based payments represented the non-cash expenses in relation to our share award to certain senior management members, employees and third-party consultant. See Note 32 of Appendix I to this document.

(2) **[REDACTED]** expenses represented non-recurring expenses relating to this **[REDACTED]**. See "Financial Information — **[REDACTED]** Expenses."

We had a net loss of RMB139.3 million, RMB177.2 million and RMB255.9 million in 2023, 2024 and 2025, respectively. Our loss-making position is primarily as a result of (i) our relatively high research and development expenses, (ii) the gross profit margin fluctuations primarily related to satellite-based solutions, and (iii) the relatively high general and administrative expenses mainly including share-based payments. Our adjusted net loss (non-IFRS measure) amounted to RMB90.7 million, RMB69.0 million and RMB156.6 million in 2023, 2024 and 2025, respectively. Despite an increase in our revenue throughout the Track Record Period, our adjusted net loss increased from 2024 to 2025, primarily attributable to (i) the decrease in gross profit margin for satellite-based solutions, which primarily reflected changes in the delivered solution mix, as approximately 50% of our gross profit from satellite-based solutions in that year was generated from certain projects involving standalone sales of standardized satellite data and application software, which typically carry relatively higher gross profit margins, and the contribution from such sales decreased in 2025, and (ii) the relatively higher net impairment loss on financial assets and contract assets recorded in 2025. Such impairment loss mainly arose from the increase in trade and notes receivables aged over two years. We continue to enhance our trade receivables management. See "Financial Information — Discussion of Selected Items From The Consolidated Statements of Financial Position — Trade and Notes Receivables" for the details of our collection efforts. During the same period, our operating efficiency continued to improve, as evidenced by a decline in the ratios of operating expenses to revenue from 61.5% in 2024 to 48.2% in 2025. See "Financial Information — Year-to-Year Comparison of Results of Operations."

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

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Satellites and related services	3,221	0.6	90,971	16.4	256,674	36.5
AI application satellites	2,655	0.5	12,490	2.3	–	–
AI computing satellites	–	–	77,656	14.0	224,801	32.0
Others(1)	566	0.1	825	0.1	31,873	4.5
Satellite-based solutions	460,328	90.7	440,947	79.7	443,778	63.2
Other services(2)	43,992	8.7	21,555	3.9	2,251	0.3
Total	**507,541**	**100.0**	**553,473**	**100.0**	**702,703**	**100.0**

Notes:

(1) Others mainly represented our sales of (i) satellite structural components, (ii) satellites materials, components and models for research and educational purposes, and (iii) satellite-related naming and branding services.

(2) Other services primarily included intelligent parking solutions and software and hardware agency services.

Our revenue increased by 9.0% from RMB507.5 million in 2023 to RMB553.5 million in 2024, primarily due to the increase in revenue from satellites and related services, primarily attributable to the full or partial revenue recognition for the six AI satellites launched in 2024. The increase in such satellite sales reflects customer recognition of our technological advancement and capabilities, particularly in AI computing satellites. Our revenue increased by 27.0% from RMB553.5 million in 2024 to RMB702.7 million in 2025, primarily due to the increase in revenue from satellites and related services following the launch of the 12-satellite AI computing satellite constellation in May 2025.

The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit/ (loss)	**Gross profit/ (loss) margin**	**Gross profit/ (loss)**	**Gross profit/ (loss) margin**	**Gross profit**	**Gross profit margin**
	(RMB in thousands, except for percentages)					
Satellites and related services	(3,450)	(107.1)	11,321	12.4	35,159	13.7
AI application satellites	(3,450)	(130.0)	(887)	(7.1)	–	–
AI computing satellites	–	–	12,208	15.7	17,131	7.6
Others	–	–	–	–	18,028	56.6
Satellite-based solutions	56,896	12.4	197,343	44.8	107,282	24.2
Other services	17,619	40.1	1,510	7.0	732	32.5
Total	**71,065**	**14.0**	**210,174**	**38.0**	**143,173**	**20.4**

Our gross profit increased from RMB71.1 million in 2023 to RMB210.2 million in 2024, and decreased to RMB143.2 million in 2025, representing a gross profit margin of 14.0%, 38.0% and 20.4%, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin." We recorded relatively higher gross profit margin of 44.8% for satellite-based solutions in 2024, primarily due to the aforementioned reasons.

We recorded an improving profitability from satellites and related services during the Track Record Period mainly driven by the advancement of our AI satellite technologies and successful market validation. The gross loss margin for AI application satellites in 2023 and 2024 was mainly due to (i) relatively low pricing adopted for certain satellites to attract customers and expand market presence, and (ii) the fact that our AI application satellites were transitional products used primarily for in-orbit technology verification, rather than for generating economic returns. We recorded gross profit margin of 15.7% and 7.6% for our AI computing satellites in 2024 and 2025, respectively. The decrease was primarily due to write-down of inventories in relation to one project where the contract value fell below our carrying cost. This project represented a key milestone while also serving as a testing initiative for our satellite computing capabilities, under which we launched our first satellite, which featured a flat, stackable design and high computing power. Our initiative about this design required significant investment, reflecting our ongoing technological advancements aimed at enabling future batch launches and reducing average launch costs.

Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the date indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets	418,551	513,349	853,117
Current assets	1,038,722	1,525,528	1,742,190
Total assets	**1,457,273**	**2,038,877**	**2,595,307**
Non-current liabilities	18,293	222,962	219,172
Current liabilities	614,438	546,613	798,806
Total liabilities	**632,731**	**769,575**	**1,017,978**
Net current assets	**424,284**	**978,915**	**943,384**
Total equity/net assets	**824,542**	**1,269,302**	**1,577,329**

Our net current assets remained relatively stable at RMB978.9 million and RMB943.4 million, respectively, as of December 31, 2024 and 2025. Our net current assets increased by 130.7% from RMB424.3 million as of December 31, 2023 to RMB978.9 million as of December 31, 2024, primarily due to (i) an increase in cash and cash equivalents of RMB463.7 million mainly resulting from an increase in our Pre-[**REDACTED**] proceeds, (ii) an increase in trade and notes receivables of RMB127.4 million in line with the expansion of our business and revenue growth, and (iii) a decrease in trade and other payables of RMB159.8 million, partially offset by (i) a decrease in financial assets at fair value through profit or loss of RMB150.9 million, and (ii) an increase in current portion of borrowing of RMB82.7 million.

Our net assets increased by 24.3% from RMB1,269.3 million as of December 31, 2024 to RMB1,577.3 million as of December 31, 2025, primarily attributable to capital contribution from shareholders of RMB474.4 million, partially offset by the loss for the year of RMB255.9 million in 2025. Our net assets increased by 53.9% from RMB824.5 million as of December 31, 2023 to RMB1,269.3 million as of December 31, 2024, primarily attributable to capital contribution from shareholders of RMB524.2 million, partially offset by the loss for the year of RMB177.2 million in 2024.

See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position."

Summary of the Consolidated Statements of Cash Flow

The following table sets forth our cash flow for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows generated from/(used in) operating activities	(313,474)	(212,526)	8,206
Net cash flows used in investing activities	(121,262)	(83,397)	(287,797)
Net cash flows generated from financing activities	521,302	759,668	402,129
Net increase in cash and cash equivalents	86,566	463,745	122,538
Cash and cash equivalents at beginning of the year	38,025	124,591	588,336
Cash and cash equivalents at end of year	**124,591**	**588,336**	**710,874**

Our net cash outflow from operating activities decreased from RMB313.5 million in 2023 to RMB212.5 million in 2024, and then shifted to a net cash inflow from operating activities of RMB8.2 million in 2025. See "Financial Information — Liquidity and Capital Resources — Cash Flow."

Key Financial Ratios

The following table sets out our key financial ratios for the years/as of the dates indicated:

	Year ended/As of December 31,		
	2023	2024	2025
Gross profit margin (%)	14.0	38.0	20.4
Net loss margin (%)	(27.4)	(32.0)	(36.4)
Adjusted net loss margin (non-IFRS measure) (%)	(17.9)	(12.5)	(22.3)
Current ratio	1.7	2.8	2.2
Gearing ratio (%)	9.1	24.6	18.7

See "Financial Information — Key Financial Ratios."

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Lu was entitled to exercise the voting rights attaching to an aggregate of 30.77% of the total issued Shares through controlling the voting rights attaching to (i) 22.83% of the total issued Shares by virtue of his role as the sole general partner of each of (A) Beijing Xingrong Yuhang, (B) Beijing New Era Space, and (C) Haikou Xingsuan, and (ii) 7.95% of the total issued Shares controlled by Beijing Xingrong Yuhang pursuant to the Voting Arrangements. As disclosed in "History, Development and Corporate Structure — Voting Arrangements", the Voting Arrangements will continue to be effective up until the time immediately prior to the [**REDACTED**].

Therefore, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised), Dr. Lu, through Beijing New Era Space, Beijing Xingrong Yuhang and Haikou Xingsuan, shall be entitled to exercise the voting rights attaching to [**REDACTED**]% of the total issued Shares. Accordingly, Dr. Lu, Beijing New Era Space, Beijing Xingrong Yuhang and Haikou Xingsuan will not be regarded as a group of controlling shareholders, but will remain as our Single Largest Group of Shareholders upon [**REDACTED**] for the purpose of the Listing Rules.

See "Relationship with our Single Largest Group of Shareholders."

[REDACTED] STATISTICS

	Based on [REDACTED] of HK$[REDACTED] per H Share	Based on [REDACTED] of HK$[REDACTED] per H Share
Market capitalization of our Shares(1)	[**REDACTED**]	[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets attributable to equity holder to our Company per Share(2)	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] and the [**REDACTED**] are not exercised).

(2) The unaudited [**REDACTED**] net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [**REDACTED**] Shares were in issue, assuming that the [**REDACTED**] had been completed on December 31, 2025, but takes no account of (i) the 17,213,390 ordinary shares (represents the number of ordinary shares before the Share Subdivision) issued to certain investors with the contribution amount of RMB3,553,440,000 in 2026 or (ii) any Shares which may fall to be issued upon the exercise of the [**REDACTED**]. Had such issuance of 17,213,390 ordinary share in 2026 been taken into account, the unaudited [**REDACTED**] adjusted net tangible assets per Share would be HK$[**REDACTED**] and HK$[**REDACTED**], assuming the indicative [**REDACTED**] of HK$[**REDACTED**] per share and HK$[**REDACTED**] per Share respectively.

DIVIDENDS

No dividends have been paid or declared by our Company during the Track Record Period. Currently, we do not have a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. As advised by our PRC legal Advisor, no dividend shall be declared or payable except out of our 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, 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. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] commissions and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**] and assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**]), we estimate that we will receive net [**REDACTED**] approximately HK$[**REDACTED**] million (equivalent to RMB[**REDACTED**] million) from the [**REDACTED**]. We intend to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- approximately [**REDACTED**]% of the net [**REDACTED**], or RMB[**REDACTED**] million, will be used for the construction of the Shenzhen Center;

- approximately [**REDACTED**]% of the net [**REDACTED**], or RMB[**REDACTED**] million, will be used for enhancing our R&D capabilities;

- approximately [**REDACTED**]% of the net [**REDACTED**], or RMB[**REDACTED**] million, will be used for selectively pursuing strategic investment and acquisition opportunities to enhance our products, diversify our satellite-based solutions, and broaden our customer base as part of our long-term growth strategy;

- approximately [**REDACTED**]% of the net [**REDACTED**], or RMB[**REDACTED**] million, will be used for the repayments of the bank borrowings; and

- approximately [**REDACTED**]% of the net [**REDACTED**], or RMB[**REDACTED**] million, will be used for working capital and other general corporate purposes.

See "Future Plans and Use of [**REDACTED**]."

[REDACTED] EXPENSES

We recorded [**REDACTED**] expenses of [**REDACTED**], [**REDACTED**] and [**REDACTED**] for the years ended December 31, 2023, 2024 and 2025, respectively. We expect to incur a total of approximately [**REDACTED**] ([**REDACTED**]) of [**REDACTED**] expenses in connection with the

[**REDACTED**], representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] range and assuming that the [**REDACTED**] is not exercised), including (i) [**REDACTED**] commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all [**REDACTED**] of approximately [**REDACTED**] ([**REDACTED**]), and (ii) [**REDACTED**] related expenses of approximately [**REDACTED**] ([**REDACTED**]), which consist of (a) fees and expenses of sponsor, legal advisors and accountants of approximately [**REDACTED**] ([**REDACTED**]), and (b) other professional fees of approximately [**REDACTED**] ([**REDACTED**]). Approximately [**REDACTED**] ([**REDACTED**]) is expected to be charged to our consolidated statements of profit or loss, and approximately [**REDACTED**] ([**REDACTED**]) is expected to be deducted from equity. The [**REDACTED**] expenses above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [**REDACTED**] of, and permission to deal in, our H Shares to be issued pursuant to the [**REDACTED**] (including any additional H Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the [**REDACTED**] and the H Shares 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.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

As of the Latest Practicable Date, we had secured customer orders for 37 AI satellites pending delivery, with a total contract value of RMB1,231.2 million and a project backlog of RMB103.6 million for satellite-based solutions.

In January 2026, a rocket carrying two of our experimental satellites experienced a launch failure due to rocket technical issues, resulting in the loss of both satellites. The satellites comprised (i) one experimental 3D-printed satellite to be sold to a customer, with a cost of approximately RMB2.4 million and a contract value of approximately RMB2.5 million, and (ii) one experimental satellite for our internal R&D testing purposes, with a cost of approximately RMB6.0 million. Given the experimental nature of the satellites, the relatively limited contract value and the budget requirements of the project, the launch was conducted using a maiden launch vehicle with a launch fee of approximately RMB0.2 million. For maiden launch vehicles, insurance coverage is typically unavailable and the launch service provider generally does not assume compensation liability for launch failure. As a result, the loss of the two satellites was not covered by insurance and we do not expect to receive compensation from the launch service provider in connection with this incident. We have reached an agreement with our customer for the manufacturing of a replacement satellite, the manufacturing cost of which is estimated to be approximately RMB2.4 million.

As (i) both satellites were experimental in nature and the launch was conducted as a joint experimental verification, (ii) the costs and contract value of the satellites involved were relatively limited, and (iii) our maximum payment obligation in respect of the delivery failure is contractually capped at a fixed amount, our Directors are of the view that this incident is not considered to have had a material adverse impact on our customer relationship, business, financial condition or results of operations.

In February 2026, our Taizhou Center commenced operations, focusing on satellite research and development to further build up our satellite development capabilities in line with growing customer demand.

In March 2026, we entered into an agreement with a launch service provider which scheduled the launch of eight of our AI computing satellites in 2026, marking concrete progress in our launch activities for the year.

In April 2026, our Company completed the Series Pre-[**REDACTED**]+++ Financing for our technical R&D, and the development and operation of our business, with an aggregate amount of RMB3.55 billion raised and a post-money valuation of approximately RMB11,553.6 million. See "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments."

Our Directors have confirmed that up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the date of our latest audited financial statements) and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this document.