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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:

AI Satellite R&D and Production Technology Adapted to the Space Environment. To address the unique challenges of the space environment, such as launch vibrations, space radiation, extreme temperatures, space power supply and thermal dissipation in orbit, we have developed comprehensive reliability designs tailored for these conditions, including thermal design, power system design, radiation-resistant design, mechanical adaptability design and redundancy design.

Rapid Satellite Development Based on Modular Satellite Platforms. To meet the diverse needs of satellite applications, we have developed a series of modular satellite platforms, including the low-cost scientific platform, the rapid-response verification platform, the agile maneuverable platform, the integrated sensing and computing platform and the high-power flat-panel computing platform. Each platform is designed with a modular approach, utilizing standardized components and optimized assembly, integration and testing (“AIT”) processes. Our modular satellite platforms enable rapid and cost-effective satellite development, while providing flexibility for the specific requirements of our customers across industries.

High-Power Flat-Panel Satellite Platform and Constellation Networking. To meet the unique requirements of our AI computing satellites, we developed the high-power flat-panel satellite platform that ensures sufficient electrical power supply, making it more suitable for

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launching multiple satellites with a single rocket, facilitating formation of space-based computing network. We have designed, developed, launched and networked an AI computing satellite constellation comprising 12 satellites deployed within a single orbital plane, with an aggregate onboard computing capability of up to five POPS, according to Frost & Sullivan.

AI-empowered Additive Manufacturing Capabilities for Satellite Component Production.

We are an early mover in the industrialized application of AI-empowered additive manufacturing technologies for satellite primary structures and the first satellite manufacturer in China to establish dedicated large-scale, multi-specification SLM production lines for satellite structural component, according to Frost & Sullivan. Our AI-empowered additive manufacturing technologies significantly shorten production cycles, reduce overall satellite weight and improve material utilization, overcoming the limitations of traditional satellite manufacturing and enabling rapid, low-cost mass production. These technologies have been widely applied to core satellite components, we have established an AI-empowered additive manufacturing base in Chongzhou, which commenced comprehensive operation in October 2025, providing end-to-end capabilities from process development to mass production to support both our internal needs and external aerospace customers.

Automated Spatial Dimension Enhancement for Remote Sensing Imagery Based on the Lingjing Engine. Our Lingjing Engine is a cutting-edge tool for transforming 2D remote sensing imagery into 3D digital models. By accurately identifying ground features, it generates digital models efficiently. This technology significantly expands the application potential of satellite remote sensing imagery, offering valuable services for a wide range of commercial uses.

OUR STRENGTHS

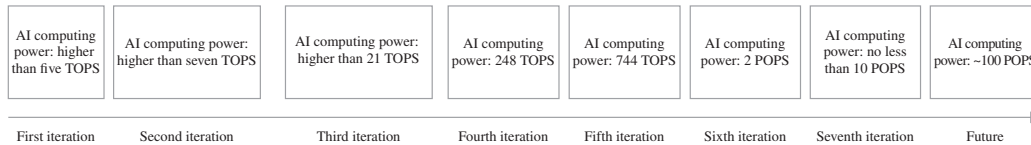
Commercial Aerospace Company Specializing in AI Satellites Supported by Strong Frequency Spectrum and Orbital Resources

We are a commercial aerospace company with a strategic emphasis on the research, development and application of AI satellites. AI satellites refer to satellites that are equipped with onboard AI capabilities, enabling them to perform data processing, analysis and decision-making functions directly in orbit, rather than relying primarily on ground-based processing. Compared to traditional satellites, which typically transmit raw data to ground stations for post-processing, AI satellites are capable of conducting intelligent processing at the source, reducing data transmission requirements, shortening response times and enhancing operational efficiency. In addition, by integrating AI computing capabilities into satellite systems, AI satellites support more autonomous, real-time and scenario-specific applications, particularly in complex or time-sensitive use cases, and provide a scalable foundation for advanced satellite-based services.

Designed from the ground up as AI-native satellite systems, we embed AI capabilities at the core of satellite architecture, rather than treating AI as a peripheral or post-processing function. Our long-term commitment to AI satellites has enabled us to accumulate technical know-how across both spaceborne AI payloads and satellite-level AI computing systems, forming a technology stack tailored for operation in complex space environments. By continuously advancing from AI payloads to AI application satellites and further to AI computing satellites, we have established a scalable and forward-looking development path that aligns with the evolving demand for intelligent satellite-based solutions.

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In the early stages of our development, we focused on the in-house development of AI payloads to validate the deployment and reliability of AI technologies in complex space environments. Our AI payloads had undergone seven iterations as of the Latest Practicable Date, with our latest seventh-generation AI payloads equipped with a computing power of no less than 10 POPS, which are expected to be equipped in our AI satellites to be launched in 2026. The following diagram illustrates the iterations of our AI payloads as of the Latest Practicable Date:



Building on this technological foundation, we launched our first AI application satellite in December 2018. Equipped with AI payloads, our AI application satellites are capable of performing AI-driven data analysis and computing for its own operations, enhancing remote sensing efficiency and data processing capabilities. Since 2023, we have further expanded our capabilities into AI computing satellites. Our AI computing satellites leverage are capable of supporting both their own operations and those of other spacecraft and ground applications. Our technological advancement has been validated through multiple industry milestones. On May 14, 2025, we successfully launched the world’s first AI computing satellite constellation comprising 12 AI computing satellites, according to Frost & Sullivan, marking our first step in building space computing satellite constellations.

As of the Latest Practicable Date, we had successfully completed 14 space missions, with an aggregate of 21 AI satellites successfully launched. Based on the cumulative number of AI satellites launched, we ranked first among all private commercial aerospace companies in China, according to Frost & Sullivan.

Leveraging the capabilities of our AI computing satellites, we are progressively advancing the Star-Compute Project, our long-term initiative to build a dynamically maintained space-based computing network composed of interconnected AI computing satellites, each operating as an independent in-orbit computing node. As additional satellites are deployed and integrated, the network is designed to progressively expand its overall computing capacity and coverage without reliance on a fixed deployment scale or a single launch milestone. The Star-Compute Project is designed to provide cost-effective, comprehensive and sustainable space-based computing resources through a network-centric, system-level approach covering satellite development, launch, operation and life-cycle management. As the computing capability of each satellite node improves and the network expands, cluster-level effects are expected to enhance overall efficiency and improve unit economics in serving customer workloads. The distributed structure also supports broad geographic coverage and enables computing services across a wide range of application scenarios spanning various industries. Through rolling deployment, planned replenishment and intelligent task scheduling, supported by space-based energy supply, the network is designed to maintain continuity of service and support the long-term provision of space-based computing services as it evolves.

While satellite frequency spectrum and orbital resources are inherently limited due to spectrum and orbital slot constraints in space, we have obtained the ITU approval of 3,156 satellites. We plan to launch the first 100 AI computing satellites under the Star-Compute Project by 2028. In February 2025, we obtained approval from the NDRC for the development and launch of 60 additional satellites, which serves as a necessary regulatory prerequisite for satellite production and launch. According to the approval from the NDRC, we are required to commence satellite production within two years, and to complete the production of the 60 approved satellites within 30 months from the commencement date. Following the receipt of such approval, we commenced production and successfully launched 12 satellites on May 14, 2025. Building on the regulatory approvals obtained to date and our initial execution progress, we expect, subject to further approvals from the NDRC, to continue deploying the first batch of 100 satellites for the Star-Compute Project on a phased basis from 2025 to 2028. The pace and scale of deployment are intended to be aligned with regulatory approvals, launch schedules and overall project execution, forming a commercially executable rollout plan for network deployment.

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Efficient Satellite-Based Solutions for Diverse Application Scenarios

We transform satellite data into structured spatial information and application-ready digital models, enabling scalable, data-driven satellite-based solutions. These solutions enhance decision-making, optimize resource allocation and support digital and intelligent transformation across a range of application scenarios, including space intelligence and computing services, digital city development, urban governance and immersive cultural, tourism and gaming applications.

Across key application scenarios, our satellite-based solutions translate complex spatial data into actionable insights and commercially deployable solutions. In space intelligence and computing services, we have developed satellite-based digital twin systems for digital creative customers, enabling the rapid generation of metaverse-ready 3D scenes and significantly reducing modelling and computing costs for gaming and cultural creative projects. For digital city applications, we have delivered integrated city digital twin solutions, enhancing operational visibility and data-driven management. In urban governance, we have deployed AI satellite-based intelligent governance platforms for multiple local governments, integrating satellite imagery, monitoring data and operational indicators to improve urban monitoring, grid-based management and governance efficiency. In the cultural, tourism and gaming sector, our “Star Tour (星遊)” digital twin applications, such as “Star Tour Qingdao (星遊青島),” provide immersive and cost-effective 3D city experiences, revitalizing urban tourism and enabling new forms of interactive content and brand engagement.

Lingjing Engine is one of our proprietary technologies supporting certain satellite-based solutions, particularly in applications involving large-scale 3D modelling and visualization. The Lingjing Engine utilizes multi-source data fusion and AI algorithms to enable the efficient transformation of 2D satellite remote sensing data into highly accurate 3D digital models, addressing inconsistencies across different data sources and ensuring smoother scene transitions and visual continuity. Compared to conventional techniques used in generating 3D models, the Lingjing Engine ensures smooth scene transitions and consistent visual continuity, delivering an immersive user experience with higher speed and significantly lower cost, according to Frost & Sullivan. Since its introduction, the Lingjing Engine has been applied across selected use cases, including space intelligence and computing services, digital city applications, urban governance and cultural tourism, supporting the scalable commercialization of our satellite-based solutions.

Pursuant to the relevant PRC laws and regulations relating to foreign investment, we have ceased to provide satellite-based solutions involving 3D reality mapping compilation. See “—Arrangement for Business Activities on the Negative List.”

Business Coverage Over Satellite Development, Management and Utilization, Providing Efficient and Integrated Products and Solutions

Our business operations span the entire satellite value chain from satellite production and management to utilization, allowing us to deliver comprehensive and high-quality satellite-related services and satellite-based solutions tailored to diverse customer needs. By unifying satellite R&D, production, operation and satellite-based applications, we effectively coordinate technical resources to provide efficient, reliable and cost-effective services, ensuring a seamless and cohesive customer experience.

Satellite Development. We are one of the few commercial aerospace companies in China with integrated capability for satellite R&D and production, according to Frost & Sullivan. Leveraging our in-house modular satellite platforms, we provide customized satellite design, component and subsystem development, AIT services based on customer requirements. As of the Latest Practicable Date, we independently developed six AI payloads, four AI application satellites and 18 AI computing satellites.

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Satellite Management. Following satellite launch, we assist customers in transitioning to operational control of their satellites, providing corresponding compliant satellite TT&C services as well as comprehensive operational training. For customers opting for our satellite management services, we continue to deliver proficient support to ensure consistent and optimal performance throughout the satellite’s lifecycle.

Satellite Utilization. We offer customers satellite-based solutions that align with their specific requirements. Each satellite is customized for its intended use, and we continuously refine its functionality and data output based on customer feedback. This thorough and detailed approach provides customers with a reliable, precise and efficient user experience.

Visionary Management with Innovative and Technology-Driven Corporate Culture

With a profound understanding of the commercial dynamics of the commercial aerospace and satellite industries, we are committed to leveraging advanced space technology as a cornerstone to drive market expansion and meet diverse customer needs.

Led by our visionary management team, we have built a highly skilled and experienced workforce with expertise from leading academic, research, industry and internet technology institutions. This blend of technical innovation and industry insight drives the commercialization of aerospace technology, supporting our strategic objectives and competitive position.

As our leader with a strong research and management background, Dr. LU Chuan (“Dr. Lu”) founded our Company in 2018. Dr. Lu is a distinguished recipient of the National High-Level Talent Special Support Program (國家高層次人才特殊支持計劃入選者) and holds the position of senior engineer. With nearly 20 years of experience in AI, aerospace and communications engineering, he has received multiple provincial and ministerial technology achievements. Our team is further strengthened by professionals with extensive experience from leading industry application units, such as our CEO, Dr. WANG Lei (“Dr. Wang”). With over 15 years’ experience in space technology applications, investment and management, Dr. Wang has played a key role in satellite data utilization as a deputy researcher of the Ministry of Civil Affairs of the PRC (中華人民共和國民政部) (“MCA”). As the former Deputy Director of the Satellite Remote Sensing Department of the National Disaster Reduction Center (國家減災中心衛星遙感部) under the MCA. His practical insights into industry applications have enabled us to create tailored solutions that address the diverse needs of customers, ensuring that our technologies are both impactful and commercially viable. See “Directors, Supervisors and Senior Management — Board of Directors.”

We primarily focus on the development of AI satellites to validate the application of artificial intelligence in complex space environments. Our founding team — comprising Dr. Lu Chuan, Dr. Wang Lei, Dr. Zhao Hongjie and Mr. Huang Ruoliang (who joined us in 2018 and has been continuously employed since) — provided critical research, development and production expertise during our early stages of growth. Dr. Lu has been responsible for overall strategic planning and R&D; Dr. Wang has overseen day-to-day operations; Dr. Zhao has led project management, quality control and public relations; and Mr. Huang has managed human resources, supply chain, asset management and sales. Drawing on their combined backgrounds in aerospace engineering and information technology, the founding team has shaped our technology roadmap and business strategy, driving R&D initiatives, customer expansion and ongoing engagement with regulatory authorities. Under their leadership, we have been progressively advancing towards our goal of establishing the space computing network steadily.

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OUR STRATEGIES

Enhancing Economies of Scale and Improving Cost Efficiency to Advance the Star-Compute Project

We plan to continue to enhance economies of scale recognizing the growth potential of our industry. In recent years, the Chinese government has rolled out a series of targeted policies, including the “Action Plan of the China National Space Administration for Advancing the High-Quality and Safe Development of Commercial Aerospace (2025-2027)” (《國家航天局推進商業航天高質量安全發展行動計劃(2025-2027年)》) to promote the high-quality development of commercial aerospace. As a result, the number of in-orbit satellites has grown rapidly. Data from the Union of Concerned Scientists Satellite Database shows that satellites developed and produced by Chinese entities rose from 410 at the end of 2020 to about 1,166 by the end of 2025, with commercial satellites accounting for a rapidly increasing share. Since 2026, the accelerated deployment of national LEO constellations such as the GW Constellation and Qianfan Constellation has driven a sharp surge in China’s satellite launch frequency. LEO satellites, as core infrastructure for China’s satellite internet and digital economy, increased from 312 at end-2020 to around 1,013 by end-2025, with their share in total in-orbit satellites rising from 78.0% to over 86.9%, further consolidating the industrial structure, according to Frost & Sullivan. Driven by national development strategies and supportive policies, China’s satellite industry has entered a phase of accelerated expansion. According to Frost & Sullivan, the revenue from private commercial aerospace companies with satellite-related business in China increased from approximately RMB19.2 billion in 2021 to approximately RMB34.0 billion in 2025 at a CAGR of 15.4% and is expected to further grow at a CAGR of 50.7% to RMB264.1 billion by 2030.

In addition, AI satellites with onboard processing enable space-ground coordinated operations, improving operational efficiency. Their development, alongside the Space-Air-Ground-Sea Integrated Network, will further fuel industry growth. To capture opportunities, we will strengthen satellite production and advance the Star-Compute Project to enhance our market position. Through structured coordination among multiple facilities including our Chengdu AIT Center, Jiaxing Testing Base, Chongzhou AI-empowered Additive Manufacturing Base, Taizhou Center and Shenzhen Center (under design), we are steadily building up our capacities of production at scale to meet the growing market demand and support our business growth.

Increasing R&D Efforts for AI Computing Satellites

We plan to enhance R&D in AI satellites, aiming to make AI a core capability to support our future development. Through in-house development and collaborations with leading domestic and international universities and research institutions, we plan to build integrated satellite design and development capabilities, developing key software and hardware for our AI computing satellites.

We will design and upgrade AI computing satellite hardware, including chips, payloads, processors and sensors, to handle complex AI tasks. We will also design and upgrade operating systems to improve command execution efficiency, strengthen satellite status monitoring, onboard software management, data processing and ground station communication. Additionally, we will design and upgrade the satellite cluster operating and controlling system to optimize management and coordination of multiple satellites, enabling resource sharing, synchronization and intercommunication.

We will fully integrate hardware and operating systems to enhance AI satellite capabilities, offering more comprehensive, efficient and cost-effective AI satellite system. We plan to train AI algorithms and models on the ground before deploying them in space, and develop high-speed inter-satellite payloads to facilitate in-orbit data transmission and seamless connectivity. Leveraging integrated systems, well-trained AI algorithms and efficient connectivity, our satellites will process data in space and provide computing services for other spacecraft.

Furthermore, we will leverage accumulated satellite data to optimize satellite design, orbital positions and network architecture. Historical remote sensing data on atmospheric conditions, space weather and orbital debris will be used to design more robust structures, while orbital data will be analyzed to optimize deployment and coverage. This continuous optimization will enable us to build and manage an AI computing satellite network, enhancing our ability to deliver advanced AI satellites and solutions.

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Expanding and Exploring Satellite Application Scenarios

We plan to further broaden application scenarios across the satellite industry by extending satellite capabilities beyond traditional data services into space-based computing and integrated application use cases. In particular, we intend to advance the development of space-based AI computing, enabling the on-orbit deployment and operation of artificial intelligence models to support complex analytical, decision-support and autonomous processing tasks. These capabilities are designed to allow computing workloads to be executed directly in space, as well as to support closed-loop coordination between space-based computing systems and terrestrial intelligent terminals, facilitating integrated task execution, real-time feedback, and adaptive computing workflows across space- and ground-based infrastructures.

At the same time, we aim to deepen customer collaboration by delivering tailored satellite-based solutions to boost loyalty and long-term partnerships. We will use our AI computing satellites, algorithms and proprietary technologies to develop educational programs alongside Star Tour, including interactive experiences, gaming modules, marketing and demonstration tools, and aerospace education solutions, with a view to deepening public understanding of satellite technologies and expanding the commercial and social value of satellite-enabled applications.

Strengthening Strategic Cooperation, Supply Chain Integration and Business Synergy

We plan to strengthen strategic R&D collaborations with academic institutes and aerospace companies to drive sustainable innovation and stay abreast of industry trends and latest technologies. We have established partnerships with leading Hong Kong universities on joint R&D in satellite technologies, leveraging academic expertise to advance satellite technology research. Additionally, we aim to enhance supply chain integration and business synergy to maximize operational efficiency. We may consider strategic investments or acquisitions of upstream/downstream companies with complementary strengths to strengthen R&D, production and customer-facing capabilities. As of the Latest Practicable Date, we had not identified or pursued any such targets or set a definitive timeframe. Our goal is to integrate industry resources to enhance our competitiveness, profitability and market influence, ensuring long-term sustainable growth.

Continuously Attracting Talent for Technological Innovation

We believe our industry thrives on advanced technology, and to maintain our competitive edge, we adhere to a long-standing talent philosophy focused on retaining a diverse talent pool. We intend to attract individuals with extensive experience from leading academic and research institutions, industry application units and AI technology companies, equipping our team with robust scientific knowledge, deep industry insights and a comprehensive understanding of satellite application scenarios, and driving our R&D efforts. To attract and retain such talent, we plan to establish clear career paths with defined development potential, offer competitive remuneration packages including salary, benefits and performance incentives, align our corporate vision with employees’ career aspirations and personal values, and provide training to enhance professional competence, supporting their career growth.

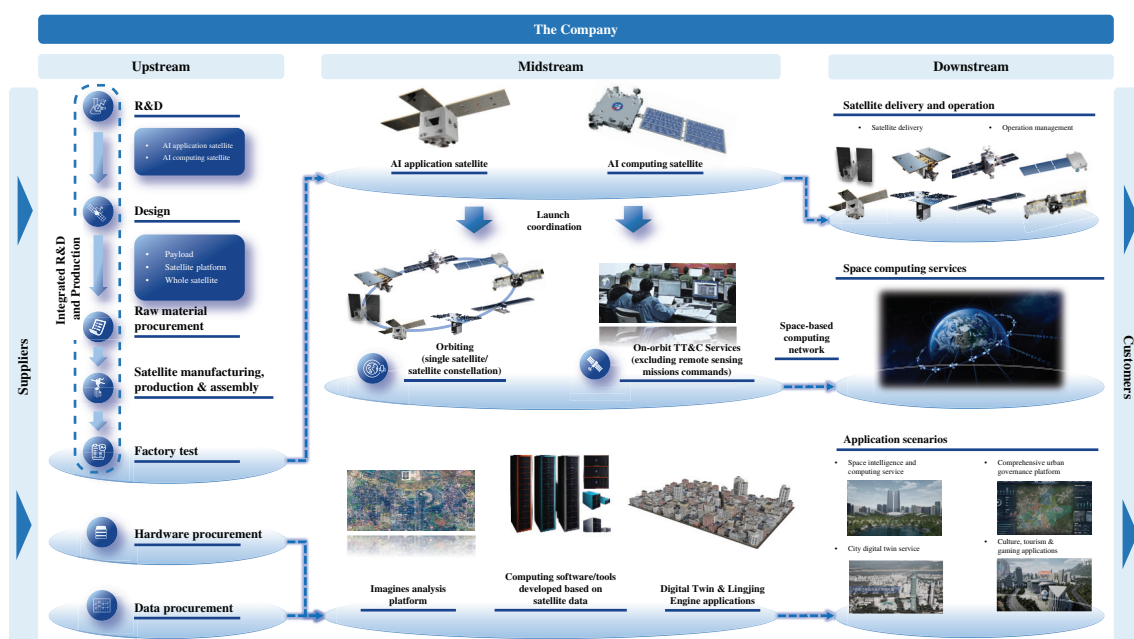
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OUR BUSINESS MODEL

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.

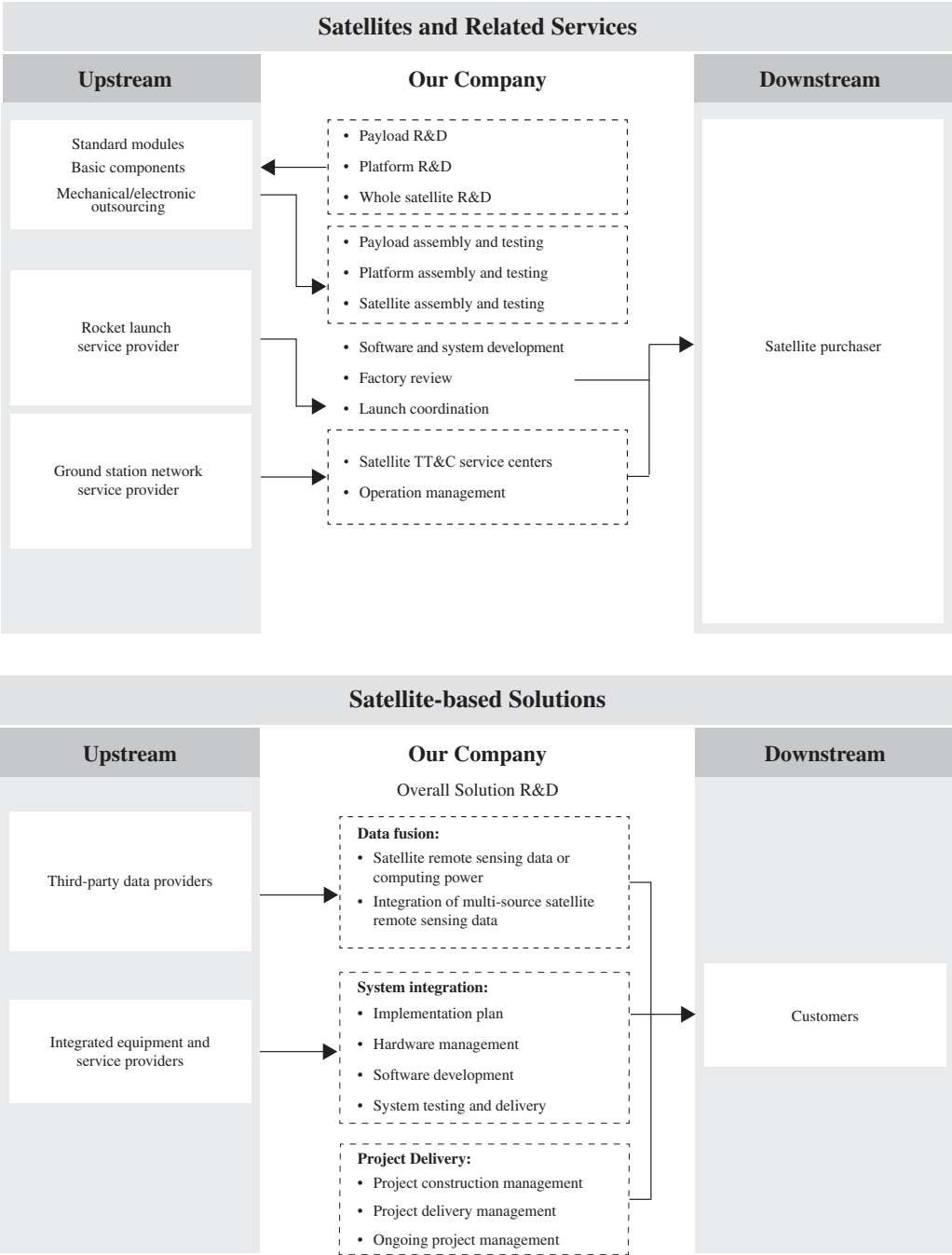
- Satellite design and production.** At the upstream level, we focus on the R&D and AIT AI computing satellites and related systems. Our satellite design process typically takes approximately three weeks, while satellite research, development and production generally span around four months, subject to satellite specifications. By adopting standardized satellite platforms and modular designs, we support scalable satellite production and cost-efficient deployment, providing a stable technical and operational foundation for downstream satellite operations and applications.
- Satellite launch coordination.** The timing of satellite launch is subject to various factors, including rocket launch schedules and regulatory approvals. According to Frost & Sullivan, satellites are typically launched within two years of the signing of customer contracts and within one year of the signing of launch contracts, subject to launch availability and scheduling. This production-to-launch cadence allows us to align production progress with launch planning in an orderly and commercially executable manner.
- Satellite management.** Following launch, we undertake TT&C services of satellites for customers who opt for such services, including health monitoring, performance optimization and lifecycle management — which generally ranges from three to five years for each satellite in line with its designed lifecycle. Through intelligent TT&C services, we support the stable and efficient functioning of satellite constellations at scale. These capabilities enable us to ensure service continuity, optimize resource utilization and support long-term constellation deployment without reliance on fragmented third-party coordination.
- Satellite utilization.** Building on stable satellite operations, we focus on the utilization of satellite-based computing resources and satellite-derived data outputs. We transform space data into value-added products and solutions for customers in areas such as space intelligence and computing services, digital city development, urban governance and immersive digital applications.

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



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The following chart illustrates our business model for satellites and related services and satellite-based solutions:



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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. Our satellites and related services cover the entire satellite lifecycle, including payload, platform and whole satellite design, assembly and testing, launch coordination, on-orbit delivery and TT&C services. Supported by our robust R&D and production capabilities — underpinned by modular satellite platforms, our satellite design and development facilities — we enable efficient and customized satellite design and development to meet diverse customer needs. In addition, our satellite-based solutions leverage satellite remote sensing data, space-based computing and AI algorithms to deliver customized applications, addressing diverse needs in space intelligence and computing, digital cities, urban governance, and cultural, tourism and gaming industries, empowering customers to make informed decisions and drive sustainable growth.

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	%
<i>(RMB in thousands, except for percentages)</i>						
Satellites and related services	3,221	0.6	90,971	16.4	256,674	36.5
Satellite-based solutions	460,328	90.7	440,947	79.7	443,778	63.2
Other services ⁽¹⁾	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

Note:

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

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. We primarily focus on the design and production of LEO satellites, particularly AI satellites. During the Track Record Period, our revenue from satellite and related services increased significantly from RMB3.2 million in 2023 to RMB91.0 million in 2024 and further to RMB256.7 million in 2025.

Satellite Design and Production

We have advanced through multiple stages of development, steadily expanding 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. Building on this foundation, we successfully launched a number of AI payloads and conventional remote sensing satellites that we independently or jointly developed, enabling us to receive positive market validation.

Since 2023, we have entered a new phase marked by the development and commercialization of AI satellites and have successfully evolved from AI application satellites to AI computing satellites. The evolution from conventional remote sensing satellites to AI application satellites, and further to AI computing satellites, reflects the increasing complexity of downstream applications and the need for more efficient utilization of space-based resources. As satellite constellations expanded and application scenarios became more data-intensive and latency-sensitive, the industry progressed from a data-delivery-centric model to application-oriented processing, and ultimately toward integrated space-based computing architectures. Each generation of satellites represents a

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distinct stage in this evolution, with differing technical characteristics, application focus and commercial value propositions. For key differences and advantages among these satellite types, see “— Our Products and Solutions — Satellites and Related Services — Satellite Design and Production.”

Our technological advancement has been validated through multiple industry milestones. In May 2025, we successfully launched the world’s first AI computing satellite constellation comprising 12 AI computing satellites, further strengthening our ability to deliver stable and scalable satellite-based computing services on a commercial basis. As of the Latest Practicable Date, we had jointly developed six conventional remote sensing satellites and one AI application satellite with our partners, and independently developed six AI payloads, four AI application satellites and 18 AI computing satellites.

Our satellites generally have a designed lifecycle ranging from three to five years. Satellites that have reached the end of their lifespan or have de-orbited will, in accordance with pre-defined de-orbit mechanics and procedures, gradually leave their original orbit due to gravitational forces. As their orbital altitude decreases, they will slowly descend and disintegrate completely upon re-entering the atmosphere. As of the Latest Practicable Date, we had successfully completed 14 space missions with 27 satellites successfully launched, including 15 AI computing satellites remaining in orbit. The following table sets forth key information on our satellites that remained in-orbit as of the Latest Practicable Date:

Name	Type	Launch Time	Feature(s)/Usage
XSD-18	AI computing satellite	February 3, 2024	• AI computing • AI super-resolution
XSD-21	AI computing satellite	September 24, 2024	• AI computing • AI large model algorithm • Star Screen • Inter-satellite laser communication
XSD-22	AI computing satellite	September 24, 2024	• AI computing • AI large model algorithm • Star Screen • Inter-satellite laser communication
XSD-27 to XSD-36.	ten AI computing satellites	May 14, 2025	• AI computing • Inter-satellite laser communication
XSD-37	AI computing satellites	May 14, 2025	• AI computing • Inter-satellite laser communication
XSD-38	AI computing satellites	May 14, 2025	• AI computing • Inter-satellite laser communication

All satellites remaining in-orbit as of the Latest Practicable Date were independently developed by us. In addition, with respect to XSD-18 and XSD-27 to XSD-36, we held data rights pursuant to data-sharing agreements with the relevant customers, which remained effective until our surrender of the Surveying and Mapping Qualification Certificate in February 2026.

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AI Application Satellites

We have developed AI application satellites by integrating AI payloads with AI algorithms into our satellite systems. These AI application satellites were primarily used to verify the in-orbit performance, reliability and scalability of our AI payloads and onboard AI algorithms. Our AI application satellites offer AI-driven data analysis and computing services for its own operations, with enhanced data processing capabilities. These satellites can autonomously and efficiently execute high-intensity tasks such as data analysis and intelligent decision-making in space. In addition, they can continuously update their onboard AI algorithms through in-orbit reconfiguration, improving performance and expanding application scope. Therefore, without the satellite returning to Earth, we can modify, update or replace its internal software, firmware or algorithms through remote commands. This enables the satellite to load specific processing software in real-time based on our needs, directly perform analysis in space and transmit the required results back to Earth. As of the Latest Practicable Date, we had jointly developed one AI application satellite with our partner and independently developed four AI application satellites.

Our AI application satellites feature the following key characteristics:

- *Enhanced Data Quality.* Due to variable and unpredictable weather conditions, some satellite remote sensing data may be of sub-optimal quality and of limited use for satellite-based solutions. Our AI application satellites are capable of intelligently processing satellite remote sensing data and determining its validity to enhance data quality before transmission to ground stations. For example, our AI application satellites can automatically identify and discard images completely obscured by clouds, denoise images through our AI algorithms to maintain spectral consistency and improve image resolution.
- *In-Orbit Decision Making.* Conventional remote sensing satellites need to transmit in-orbit satellite remote sensing data back to the ground, relying on ground-based data processing and analysis capabilities to make decisions. Our AI application satellites are equipped with in-orbit decision-making algorithms such as target recognition and mission assessment, enabling space-edge computing technology that allows for simultaneous imaging and decision-making, achieving swift decision-making. For example, when our AI application satellite captures images of a forest fire, it can determine in orbit that a fire has occurred at a specific geographic location and quickly transmit clear and simple information such as the fire alert and geographic coordinates back to the ground, without the need to send the complete satellite remote sensing data, thus speeding up the ground response to the fire.
- *High Transmission Efficiency.* Our AI application satellites can identify invalid and low-quality remote sensing data in orbit, efficiently eliminate redundant data and compare current images with historical images from the same geographic location to identify unchanged data. Based on the mission configuration, our AI application satellites can selectively choose to forgo transmitting all or part of this data, focusing the transmission bandwidth on high-quality data. This approach conserves bandwidth and reduces power consumption for both the satellite and the ground station.
- *Efficient Satellite Management.* Our AI application satellites integrate advanced machine learning algorithms, enabling them to make decisions and adjust functionalities for autonomous fault isolation. In addition, we can update the algorithms of the AI application satellites to meet the evolving needs of our customers. Compared to conventional remote sensing satellites, which are limited to executing pre-programmed algorithms and software after deployment, our AI application satellites can update their onboard AI algorithms through in-orbit reconfiguration, continuously improving their performance.

AI Computing Satellites

Building on the success of our AI application satellites, we have developed and deployed AI computing satellites in space by integrating AI payloads with AI computing power, which represents a significant advancement in space-based computing processing capabilities. Our AI computing satellite is capable of intelligent on-orbit data processing and filtering. It prepositions computing tasks in space, enabling the satellite to directly process raw data, extract valuable information and transmit only high-value results to the ground. Compared to AI application satellites limited to

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processing their own satellite remote sensing data, our AI computing satellites offer advanced AI-driven data analysis and computing services not only for themselves but also for other spacecraft and ground applications. As of the Latest Practicable Date, we had developed 18 AI computing satellites.

Our AI computing satellites feature the following key characteristics:

- *High Computing Power.* We have designed, researched and developed, launched and networked an AI computing satellite constellation comprising 12 satellites deployed within a single orbital plane, with an aggregate onboard computing capability of up to five POPS according to Frost & Sullivan. Based on such advanced computing capabilities, our AI computing satellite has further been technically validated to support the in-orbit operation of large-scale AI models.
- *Low Energy Cost.* Compared to conventional ground-based computing centers, which necessitate the construction of physical facilities, incur electricity costs and require data transmission to the ground for processing, our space-based computing network, comprised of AI computing satellites, is able to process data directly in orbit, thereby significantly reducing construction expenses. Furthermore, our AI computing satellites harness solar energy as a power source, eliminating the electricity costs typical of ground-based centers.
- *Network Collaboration Capability.* Leveraging inter-satellite communication capability, our AI computing satellites have transcended the conventional single-operation mode, now offering advanced multi-satellite collaboration. In our Star-Compute Project, each AI computing satellite will function as a core computing node and achieve interconnectivity through high-speed laser communication. Once networked, this will facilitate (i) global distributed computing capability through a network of satellites, interconnected via laser communication, which weaves a computational web in space, ensuring that every corner of the Earth is within reach of an on-demand satellite, and (ii) resource sharing where satellites can share computing power, storage and AI algorithms with one another, both providing support for our customers and our own satellite-based solutions.

Leveraging the advanced capabilities of our AI computing satellites, we are developing the Star-Compute Project, our long-term initiative to establish a dynamically maintained space-based computing network supported by frequency spectrum and orbital resources of up to 2,800 AI computing satellites. The Star-Compute Project will offer cost-effective, comprehensive and sustainable space-based computing resources to address the requirements of space-edge computing technology and specific specialized AI computing scenarios on the ground, facilitating the global intelligent transformation.

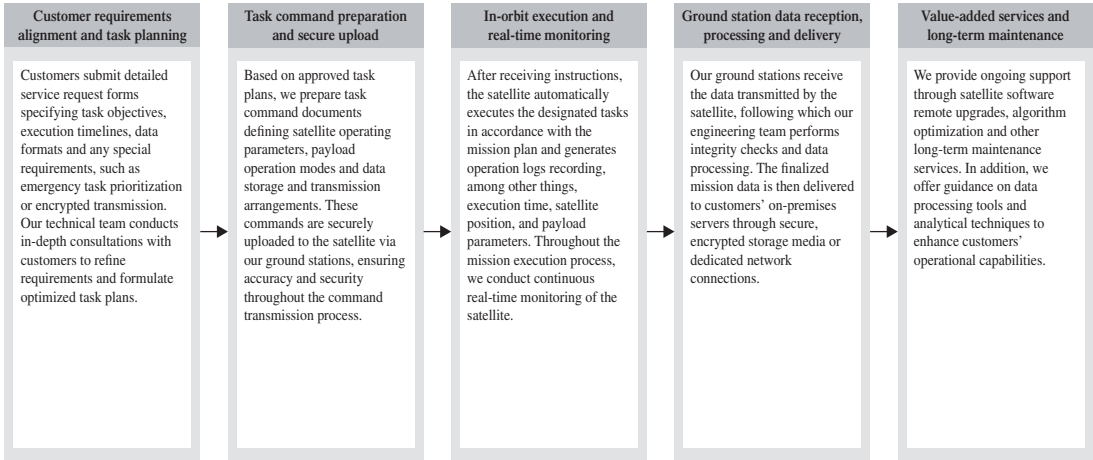
Others

In addition to the above, we also provide satellite structural components, satellite for research and educational and training purposes, and satellited based marketing services. Our satellite component sales saw substantial growth in 2025.

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Satellite Telemetry, Tracking and Command

After selling the satellite to the customer, we provide related compliant satellite TT&C services for customers opting for such services. Satellite measurement, operation and control refers to the monitoring of on-orbit satellite status, command uplink and operational management to ensure safe and stable satellite operations. After the surrender of our Surveying and Mapping Qualification Certificate in February 2026, the satellite remote sensing image acquisition, satellite-to-ground transmission and decoding, will be carried out by a qualified third party, which our customers will engage directly. See “Business — Permits, Licenses and Approvals.” The detailed service process is as follows:



Satellite-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 data processing technologies, we focus on the reception, processing, integration and application of space-derived data and computing outputs. Our technologies support a full processing workflow from raw satellite signals to higher-value information products, tailored to customer requirements. This includes the decoding and decompression of raw signals, subsequent data structuring and quality optimization to mitigate sensor- and environment-related interferences, and algorithm-driven calibration to enhance data consistency, stability and usability. Building on these foundational processes, we apply advanced analytical and computational techniques to transform processed data into analysis-ready and application-oriented outputs, enabling the extraction and utilization of key environmental features and change information for downstream industry applications.

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Based on such computing resources, we develop value-added products and solutions tailored to specific application requirements, 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 technology that enable customers to process satellite imagery to meet their own demands. Throughout the development of our satellite-based solutions, we have established internal measures and policies to ensure that our data handling processes strictly comply with laws and regulations concerning state secrets. See “—Data Privacy and Security.”

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 purchased 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.”

Our satellite-based solutions are deployed across multiple application scenarios. In space intelligence and computing services, we enable customers to access space-based computing resources and AI-enabled processing capabilities for data analysis, modeling and simulation. In digital city and infrastructure applications, we support the development of digital twins and visualization platforms by integrating satellite-derived data. In urban governance applications, our solutions integrate satellite-derived outputs with monitoring and operating activities to support intelligent analysis, visualization and decision-making. In cultural, tourism and immersive digital applications, we deliver interactive and visually rich digital experiences by transforming satellite-derived data into 3D digital content. By converting satellite-derived data into actionable insights and immersive digital content, we help customers enhance decision-making, optimize operations and create new digital experiences.

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.

OUR TECHNOLOGIES

With 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 application satellite R&D and production technology adapted to the space environment, (ii) modular satellite platforms that support rapid satellite customization, (iii) automated spatial dimension enhancement for remote sensing imagery, (iv) AI computing satellite R&D and production technology based on a high-power flat-panel satellite platform, and (v) AI-empowered additive manufacturing technology for rapid, low-cost and scalable production of satellite structural components capable of reducing overall satellite weight and improving material utilization. These technologies enable us to provide quality and cost-effective products and solutions for our customers.

AI Application Satellite R&D and Production Technology Adapted to the Space Environment

We have undertaken adaptive satellite design for the space environment, including thermal, radiation-resistant, mechanical adaptability, redundancy design, space power supply and thermal dissipation in orbit. These reliability designs are intended to address key environmental challenges such as launch vibrations, space radiation, extreme temperatures and constrained power and heat dissipation conditions in orbit. To address high device temperatures, we use high heat capacity

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phase change energy storage modules and rapid thermal exchange technology to control operating temperatures. Radiation hardening is implemented for core chips, and finite element simulation optimizes mechanical properties, validated via vibration and noise tests. Multi-mode redundancy, distributed storage and AI fault-handling algorithms eliminate single points of failure, while ECC verification ensures data integrity. A distributed power management system balances real-time computing power usage, improving energy efficiency and module longevity. In addition, a distributed power management system dynamically allocates power resources based on real-time computing workloads, improving overall energy efficiency and extending module service life.

Our AI payload hardware uses a heterogeneous FPGA+GPU architecture: FPGAs handle telemetry, control, data pre-processing and AI algorithm reconstruction, while GPUs provide high-density AI computing power. The hardware also supports communication protocols (TLK2711, GTX, CAN, RS422, LVDS) and onboard storage.

The AI payload software consists of FPGA software, GPU software, and AI algorithms, supporting onboard data transmission, system control, high-performance computing, and intelligent processing. FPGA software manages control and data transmission functions, while GPU software operates in a multi-threaded environment to handle interface communication, AI processing and storage operations. AI algorithms focus on data fusion, pattern recognition and quality enhancement, enabling in-orbit processing to improve the clarity and usability of data outputs.

Rapid Satellite Development Based on Modular Satellite Platforms

Our satellite development capabilities integrate R&D, production, assembly and testing, with a customized satellite production cycle of six to nine months. We have developed a series of modular satellite platforms, including low-cost scientific, rapid-response verification, agile maneuverable, integrated sensing and computing, and high-power flat-panel platforms, to support standardized and customized development, using modular design, standardized components and optimized AIT processes for rapid, cost-effective customization. We had also established a Chengdu AIT Center, a Jiaxing Testing Base and a Taizhou Center as of the Latest Practicable Date, with testing capabilities built on standardized telemetry and remote control interfaces, and intelligent automation has significantly improved testing efficiency.

In addition, we have built a robust IP portfolio with 102 patents, including 96 invention patents, as of the Latest Practicable Date, covering satellite platforms, communication units, energy systems, de-orbiting mechanisms, solar wings, imaging sensors and remote data applications, forming comprehensive protection for whole satellites, subsystems and components. This IP foundation supports innovation, and our platform-based approach, supported by advanced AIT and IP, enables us to deliver cost-effective, reliable, high-performance satellites tailored to customer needs.

Automated Spatial Dimension Enhancement for Remote Sensing Imagery Based on the Lingjing Engine

Our proprietary Lingjing Engine, an advanced ground-based infrastructure, integrates AI technology, satellite remote sensing and multi-source data fusion to produce 3D digital models of cities. As the first engine in the world to achieve cross-disciplinary integration of AI, satellite remote sensing and gaming aesthetics, according to Frost & Sullivan, the Lingjing Engine addresses key challenges in processing satellite remote sensing data by harmonizing inconsistencies.

The Lingjing Engine operates at a highly efficient rate, generating 3D city models at one square kilometer per minute to ensure smooth scene transitions and visual continuity. According to Frost & Sullivan, it offers significantly lower costs and shorter processing times than conventional 3D modeling techniques while maintaining comparable quality. Our advanced AI algorithms enhance satellite imagery resolution, identify changes in spatial environments, and enable seamless transitions from 2D satellite imagery to dynamic 3D models. Widely applied across industries, the Lingjing Engine leverages AI-powered remote sensing data processing and procedural generation to efficiently interpret ground objects and construct digital surface models with refined urban elements such as buildings and roads, making it a preferred solution for cost-effective 3D modeling in urban planning and infrastructure development.

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High-Power Flat-Panel Satellite Platform and Constellation Networking

To meet the needs of our AI computing satellites, we developed the high-power flat-panel satellite platform, which ensures sufficient power supply for multiple satellites launched on a single rocket, facilitating space-based computing network formation. Compared to conventional satellites, its regular shape and simple structure enable unified R&D and production standards, laying the groundwork for mass production. This platform reduces structural weight while enhancing mechanical properties: comprehensive modeling minimizes redundancy, foldable solar wings maximize charging efficiency, and the flat-panel configuration improves heat dissipation, cutting mass, material use and launch costs.

Moreover, we have developed an integrated computing system that pools satellite computing capabilities. On the hardware side, we use off-the-shelf high-performance computing modules with redundant backup for reliability and low cost; on the software side, we employ time-sharing and partitioning to host a cloud OS, addressing migration and testing of satellite operations in a shared system. We also introduced an integrated payload-platform thermal design, combining payload thermal dissipation with the satellite platform to reduce thermal challenges, lighten weight and lower costs, focusing on lightweight thermal bracket design.

AI-empowered Additive Manufacturing Technology for Satellite Component Production

We are an early mover in the industrialized application of AI-empowered additive manufacturing technologies for satellite primary structures and have established dedicated large-scale, multi-specification SLM production lines for satellite structural components according to Frost & Sullivan. By overcoming the limitations of traditional satellite manufacturing characterized by high customization, long production cycles and high costs, we have significantly shortened the production cycle of satellite structural components from weeks to days, reduced the structural component weight of satellites by more than 30%, establishing a benchmark in China’s commercial aerospace sector for rapid iteration and low-cost mass production, according to Frost & Sullivan.

Our AI-empowered additive manufacturing technologies have been widely applied to core satellite structural components, including primary structures, thermal control components and antenna brackets. Applying this technology, we have established an AI-empowered additive manufacturing base in Chongzhou, which commenced operation in October 2025. The Chongzhou AI-empowered Additive Manufacturing Base is designed to provide end-to-end capabilities covering process development, material adaptation, structural design and mass production and is currently the largest ultra-meter-class satellite AI-empowered additive manufacturing base in China, according to Frost & Sullivan. The Chongzhou AI-empowered Additive Manufacturing Base is intended to support our internal production needs and provide AI-empowered additive manufacturing services to other aerospace enterprises in China.

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. In addition, as we operate under a project-based business model, we currently employ a flexible satellite development strategy tailored to the specific requirements of each project supported by our Chengdu AIT Center, Jiaxing satellite testing base, Chongzhou AI-empowered Additive Manufacturing Base and Taizhou Center.

Satellite R&D and Production Team

We have assembled a satellite R&D and production team with extensive industry experience in leading academic and research institutions, industry application units and AI technology companies. This unique blend of expertise enables us to integrate cutting-edge technological innovation with deep industry insights, fostering a collaborative environment that drives the commercialization of aerospace technology. As of December 31, 2025, our R&D and production team comprised 221 employees, of whom 92.3% held a bachelor’s degree and above, including a

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satellite R&D and production subteam of 148 employees, more than 90% holding a bachelor’s degree and above. In addition, we have instituted a thorough internal talent development system, providing regular training and establishing an R&D knowledge-sharing mechanism for employees at all levels.

The following table sets out the profile of our core R&D team members:

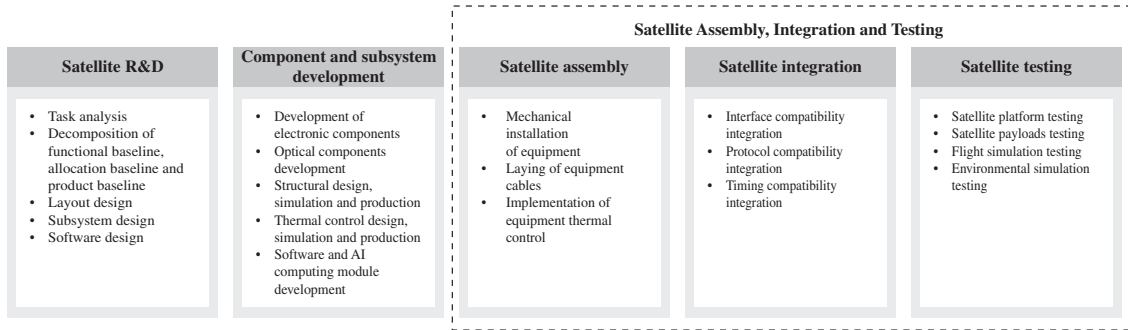
- **Dr. Lu Chuan (陸川).** Dr. Lu found our Company in May 2018. He is our executive Director and chairman of the Board. He is responsible for the overall strategic planning and major business decisions of our Group, supervising the operational efficiency of the management system and product R&D. Dr. Lu has nearly 20 years of research experience in AI and communications engineering. He was also a distinguished recipient of the National High-Level Talent Special Support Program (國家高層次人才特殊支持計劃入選者). See “Directors, Supervisors and Senior Management — Board of Directors — Executive Directors.” As the overall head of the Company’s technology direction, Dr. Lu has taken responsibility for leading the design and implementation of core technologies system architecture. He has spearheaded the top-level planning and rapid deployment of the AI satellite led the team to establish our advanced AI algorithm platform, which continues to drive our technological advancement and product innovation.
- **Dr. Wang Lei (王磊).** Dr. Wang joined our Company in June 2018 and serves as executive Director and chief executive officer. See “Directors and Senior Management — Board of Directors — Executive Directors.” With over 15 years of experience in space technology applications, investment, and management, he is a selected talent under Chengdu’s “Rongpiao Plan (蓉漂計劃)” and a core member of the innovation and entrepreneurship team project under Sichuan Province’s “Tianfu Emei Plan (天府峨眉計劃).” Since joining, Dr. Wang has led the design and development of multiple satellite-based solutions that support diverse application scenarios and customized projects.
- **Dr. Zhao Hongjie (趙宏傑).** Dr. Zhao joined our Company in May 2018 and serves as executive Director and executive vice president. See “Directors and Senior Management — Board of Directors — Executive Directors.” He has over ten years of experience in aerospace communications technologies and was selected as a young talent under Sichuan Province’s “Tianfu Emei Plan (天府峨眉計劃)” and an innovative leading talent under Chengdu’s “Rongpiao Plan (蓉漂計劃).” He has contributed to China’s spacecraft tracking, telemetry and command ground systems and has published 19 papers and holds 36 PRC invention patents. He has led our early satellite and payload R&D and now leads the R&D of our data processing technologies and constellation systems.
- **Mr. Guo Tao (郭濤).** Mr. Guo joined our Company in October 2020 and serves as chief technical officer. He is a senior engineer with around 15 years of experience in satellite system R&D and technical management. He is a selected talent under Chengdu’s “Rongpiao Plan (蓉漂計劃)” and a core member of Sichuan Province’s “Tianfu Emei Plan (天府峨眉計劃).” See “Directors and Senior Management — Senior Management.” Mr. Guo is responsible for the design and development of certain types of AI satellites and payloads, and the planning of satellite mass production lines. Since joining, he has led breakthroughs in rapid satellite customization based on modular platforms and developed multiple satellite platforms, including low-cost scientific experimental, rapid-response technology verification, agile maneuverable, and integrated communication-sensing-computing networking platforms. Notably, Mr. Guo led the development and delivery of 18 satellites.
- **Mr. Liu Shanwu (劉善伍).** Mr. Liu currently serves as our Chief Engineer of the Shanghai Research Institute. He has nearly 20 years of experience in the aerospace sector and previously worked at the Shanghai Institute of Microsystem and Information Technology of the Chinese Academy of Sciences. Over the course of his career, he has participated in the development and successful launch of multiple satellites across scientific, remote sensing, communication and navigation missions. Mr. Liu has received provincial-level science and technology progress awards on multiple occasions, has published over 20 academic papers and has applied for 20 patents.

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- **Mr. Wang Yabo (王亞波).** Mr. Wang joined our Company in August 2022 and serves as executive vice president. He oversees our satellite business, satellite frequency application and coordination, and satellite additive production. See “Directors and Senior Management — Senior Management.” With over 15 years of experience in satellite project design and management, he is a leading talent in Chengdu’s Satellite Internet and Satellite Application Industry Chain (成都市衛星互聯網與衛星應用產業鏈主人才). In 2025, he led the development of our AI-empowered Additive Production System (AI增材製造系統), which applies an aerospace design AI large model and AI-driven intelligent algorithms to enable efficient R&D and production of complex spacecraft components, achieving over 35% weight reduction in spacecraft structural components.
- **Dr. Zhang Heng (張恒).** Dr. Zhang currently serves as our Chief Technology Officer for AI Technology and is a senior expert in chip algorithms and architecture. He has led the formulation of medium-term technology roadmaps and strategic planning for multimedia-oriented chip development, and coordinated external technical collaborations and frontier technology deployment in the chip domain. Dr. Zhang obtained his Ph.D. in Computational Biochemistry from Imperial College London in 2018. He has published over 10 papers as first author or co-author in international journals and top-tier conferences including CVPR, ICCV and ACM MM, and holds more than 15 patents. His research focuses on large-scale digital twins, generative AI, multimodal large language models, low-level vision enhancement and next-generation image signal processing systems. From 2023 to 2025, he led his team to achieve a total of five championship titles across two consecutive years in CVPR competitions. He has previously been awarded the Marie Skłodowska-Curie Actions Fellowship by the European Commission and the MIT–Imperial College Global Scholars Program, and has been recognized as a Shenzhen Overseas High-Level Talent.
- **Mr. Lei Zifan (雷子帆).** Mr. Lei joined our Company in June 2021 and is a technical expert in the AI computing power product department, with over 20 years of experience in product R&D and technical management and deep expertise in satellite data applications. In recent years, he led the development of (i) an AI satellite fusion system that integrates LEO satellite communications, remote sensing, and integrated space-ground networks to enable autonomous perception, decision-making, and navigation for low-altitude aircraft, enhancing flight safety and operational efficiency; and (ii) a satellite IoT terminal that combines narrowband communications and satellite technology to enable global remote data collection and command transmission, which are ideal for remote and maritime applications. The terminal also features multi-network convergence and low-power design for cost-effective, reliable IoT connectivity.

Satellite R&D and Production Capabilities

We have built robust end-to-end satellite R&D and AIT capabilities that enable high-quality, efficient satellite R&D and production. Our overall satellite R&D and AIT process typically takes six to nine months. The following diagram sets forth the key steps of our satellite R&D and production process:



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Satellite R&D

Our satellite R&D process generally comprises the following phases: (i) task analysis to understand and define the project; (ii) baselining by function, allocation, and product to breakdown the system into manageable components and establish clear specifications for each element; (iii) layout design to plan the spatial arrangement of components to optimize satellite functionality and overall efficiency; (iv) subsystem design to develop the constituent subsystems of the satellite; and (v) software design to build control and operations software that integrate with the hardware to achieve desired performance outcomes.

To meet the diverse needs of our satellites, we have developed a series of modular satellite platforms. For our AI application satellites, we developed agile maneuverable platform for 3D attitude maneuver imaging and high-resolution imaging, and integrated sensing and computing platform for constellation networking with inter-satellite laser and microwave communication. For our AI computing satellite, we developed high-power flat-panel platform. See “— Our Technologies — High-Power Flat-Panel Satellite Platform and Satellite Networking.”

Component and Subsystem Development

Our modular satellite platform is built on a standardized architecture that integrates key subsystems, providing a unified foundation for our platform R&D. Our R&D process combines autonomous modularization. This approach ensures flexibility in satellite platform, reduces procurement costs and shortens development timelines, supporting efficient satellite customization and scalability.

The table below sets forth the key subsystems comprising our standardized satellite platform:

Subsystem	Key features and function
Structural subsystem . . .	Provides structural support and ensures all hardware and software components withstand the launch and remain stable in space
Thermal control subsystem	- Safeguards instruments from thermal damage using insulation and heat-exchange systems - Uses AI algorithms to manage thermal-control energy consumption and optimize energy distribution across operating modes - Maximizes the use of inherent heat generation and exposure areas to balance onboard temperature requirements, maintaining thermal equilibrium amid extreme space temperature fluctuations
Integrated electronics subsystem	- Facilitates onboard data processing and communication interfaces through integrated electronic hardware, which generally include on-board computers, data storage systems, transponders, and processing units - Integrates with the satellite operations module using our AI algorithms to enable dual modes of autonomous management and ground control - Incorporates a satellite-ground digital twin model to synchronize data and algorithms with ground stations
Telemetry and transmission subsystem	- Enables communication between the satellite and ground stations for data transmission and receipt of control commands - Uses AI algorithms to optimize data volume and priority to enhance the efficiency of remote sensing, tracking, and command operations
Power subsystem	- Comprises solar panels and batteries - Uses AI algorithms to optimize satellite power management, enabling high-current charging and discharging, battery pack balancing and precise energy allocation, thereby ensuring that our satellites have continuous and reliable power supply

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Subsystem	Key features and function
Attitude and Orbit Control subsystem (“AOCS”).	- Controls satellite attitude and orbital position - Counters disturbance torques during standard operations and enables swift attitude maneuvers, providing operational agility to adapt to changes in customer demand, space environment changes, and mission objectives - Enables constellation formation and reconfiguration for collaborative operations - Integrated AI enables autonomous fault detection and correction, optimizes fuel consumption for attitude adjustments, and predicts and mitigates effects of external forces such as solar radiation and micrometeoroids - Machine learning technology enables more precise attitude and orbit control accuracy over time, resulting in higher quality data capture and improved operational efficiency

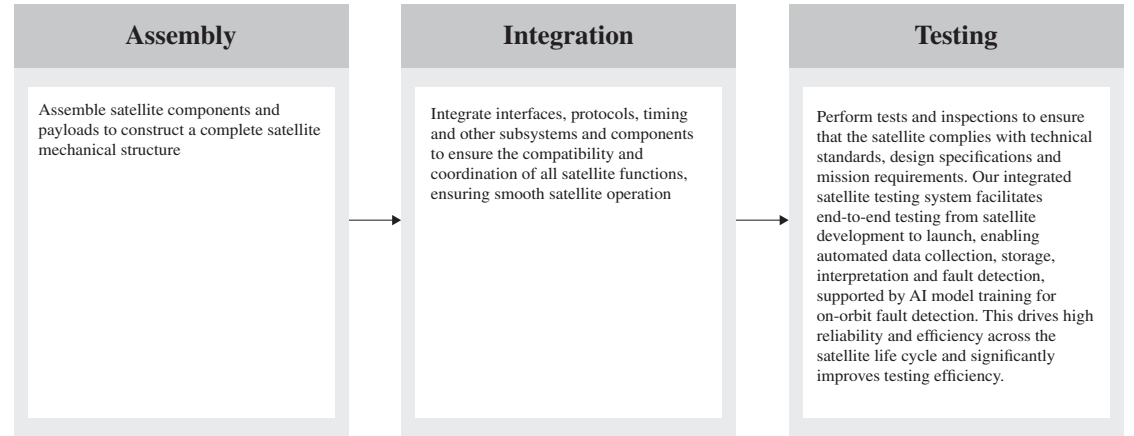
In addition, our modular satellite platforms incorporate advanced satellite software, which is categorized into three key areas:

- (i) *Intelligent Control Software*, which includes multi-task scheduling operating systems, high-stability attitude control software, orbit maintenance and phase adjustment software, autonomous energy and thermal management software and intelligent multi-cycle operational logic control software.
- (ii) *AI Computing Software*, which features standardized AI algorithm migration interfaces, containerized AI algorithm images and in-orbit cloud computing and service system deployment.
- (iii) *AI Computing Application Software*, which supports advanced functionalities such as data parsing, CCD image stitching, remote sensing data segmentation, radiometric correction, band registration, image fusion, cloud detection, object recognition and super-resolution imaging.

Furthermore, our satellite telemetry and control systems are equipped with autonomous mission analysis software, mission planning software, intelligent remote control software, automated telemetry interpretation software, ground transmission systems and precise orbit determination software. These systems ensure comprehensive mission planning, control and precise orbit adjustments.

Satellite Assembly, Integration and Testing

Our satellite production follows the AIT processes for each modular platform, ensuring controlled development time, processes and quality. The flowchart below illustrates our standard AIT procedures:



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Satellite R&D and Production Facilities

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. In addition, our Shenzhen Center was under design as of the Latest Practicable Date. Together, these facilities enable us to efficiently design, develop and test satellites at scale to meet growing customer demand. 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 development	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 specific 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 AI-empowered additive manufacturing technologies. See “— 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.

Machinery and Equipment

Our production machinery and equipment are essential for enhancing satellite quality and cost competitiveness. Our key production equipment includes: (i) experimental equipment, including thermal vacuum, vibration, magnetic, and high/low temperature test systems; (ii) testing equipment, including attitude control simulators, energy simulation arrays; and (iii) process equipment, including satellite flipping devices, deployment trusses. In 2025, we successfully developed our proprietary AI-empowered Additive Production system and have established an AI-empowered additive manufacturing base in Chongzhou for manufacturing satellite structural components, which commenced operations in October 2025. Leveraging algorithms, the system enables AI-empowered design, additive production, and inspection and analysis, allowing for efficient R&D and production of complex spacecraft components and assemblies. Compared to traditional production processes, our AI-empowered Additive Production System significantly reduces structural component weights and development cycles, meeting the R&D and production needs of various types of spacecraft and supporting customized, low-cost and mass production demands.

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Quality Control

We have established a quality control system covering production process and technology control, machinery inspection and testing evaluation, with product and process monitoring and measurement control procedures for raw materials, components, work-in-progress and finished products to ensure compliance with inspection standards. We have set up full quality control standards for the satellite industry and obtained ISO 9001 certification for our quality management system. For each project, a dedicated quality control team oversees overall R&D and production quality management, and we have comprehensive policies and procedures to ensure component and raw material quality from suppliers, including pre-engagement screening and performance evaluations, supported by a comprehensive supplier management system for admission and qualified supplier management. See “— Our Suppliers — Procurement.” During the Track Record Period, we did not encounter any material quality problems or supply shortages that materially and adversely affected our business, financial condition or results of operations.

R&D Collaborations

From our inception to July 2021, our satellite development activities were primarily conducted in collaboration with partners, during which we focused on the in-house development of AI payloads while jointly developing conventional remote sensing satellites and AI application satellites. Since then, we have transitioned to independently developing AI satellites and, as of the Latest Practicable Date, had not engaged third parties in satellite R&D.

As of the Latest Practicable Date, we had jointly developed a total of seven satellites with our partners, comprising six conventional remote sensing satellites and one AI application satellite. Among these satellites, XSD-10 had been sold, and we were entitled to all proceeds from the sale. The remaining satellites were not sold, with the related rights set out in the table below. As of the Latest Practicable Date, all the jointly developed satellites had been de-orbited. The following table sets forth key information on the satellites we jointly developed with our partners:

Name	Type	Launch time	Partner	Intellectual Property	Data Right
XSD-4 . . .	Conventional remote sensing satellite	October 29, 2018	A commercial aerospace company established in the PRC in 2015, primarily engaging in the development of space systems and payloads for the commercial market.	The partner owns all intellectual property rights, while we are granted the right to use such intellectual property.	Jointly owned, and each party has right to use such data.
XSD-7 . . .	Conventional remote sensing satellite	December 7, 2018	Same as XSD-4	The partner owns all intellectual property rights, while we are granted the right to use such intellectual property.	Jointly owned, and each party has right to use such data.
XSD-9 . . .	AI application satellite	December 7, 2018	Same as XSD-4	Both parties have the right to use and transfer the technical know-how. Each party is entitled to apply for patents for results arising from the R&D it conducts.	We are entitled to hold and use the data.

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Name	Type	Launch time	Partner	Intellectual Property	Data Right
XSD-5 . . .	Conventional remote sensing satellite	August 17, 2019	A commercial aerospace company established in the PRC in 2017, primarily engaging in the R&D and manufacturing of satellite and satellite constellation systems, and satellite in-orbit delivery services.	Both parties jointly hold the right to apply for patents and own the ownership of technical know-how.	Jointly owned, and each party has right to use such data.
XSD-8 . . .	Conventional remote sensing satellite	December 20, 2019	Same as XSD-5	We own all intellectual property rights.	We are entitled to hold and use the data.
XSD-11 . . .	Conventional remote sensing satellite	November 6, 2020	Same as XSD-5	Both parties have the right to use and transfer the technical know-how. Each party is entitled to apply for patents for results arising from the R&D it conducts.	We are entitled to hold and use the data.
XSD-10 . . .	Conventional remote sensing satellite	July 3, 2021	A commercial aerospace company established in the PRC in 2014, primarily engaging in the R&D and production of satellite and payload system, R&D of satellite detection system and equipment and satellite ground system development and construction.	Both parties have the right to use and transfer the technical know-how. Each party is entitled to apply for patents for results arising from the R&D it conducts.	We are entitled to hold and use the data.

The salient terms of the joint development agreements set forth below:

- ***Duration.*** Within one year.
- ***Responsibilities.*** The agreement specifies the responsibilities of both parties for the joint development. While we are generally required to provide satellite design or satellite technology requirements, the partner is generally tasked with designing the satellite platform, developing the satellite platform system software, integrating and testing the satellite modules, among others. Upon delivering the technological outcomes, the partner shall provide us with complimentary technical support free of charge.
- ***Payments.*** We make a fixed total price for the contract. We shall make payments in installment according to the agreed-upon milestones. We make an initial proportion of the total contract value payable upon signing the contract, followed by subsequent installments tied to the achievement of key milestones, including the satellite platform's components having been assembled, completing satellite integration and factory

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acceptance review, and achieving in-orbit delivery. This fixed total price encompasses all associated costs, including but not limited to R&D, raw materials, and testing expenses. The partner is contractually prohibited from requesting additional payments beyond this agreed amount.

- ***Application.*** We shall be responsible for applying for the radio frequency use permits, radio station license and launch authorization. However, the partner shall provide necessary documentation and related support.
- ***Satellite Launch.*** The partner shall be responsible for satellite delivery to the designated launch site, whereas all launch costs shall be borne by us.
- ***Intellectual Property and technical secrets.*** Depending on the specific terms of the agreement, either (i) both parties shall have rights to the intellectual property arising from the R&D activities; or (ii) the intellectual property shall be owned by the partner, while we shall have the right to use it solely for the project, and with the written consent of the partner, we may utilize the technological outcomes from the project for further development, with any new technological outcomes from such development being jointly owned by both parties.
- ***Ownership.*** The ownership of the conventional remote sensing satellites and AI application satellite jointly developed was determined by the specific joint development agreements.

We engage in strategic R&D collaborations for sustainable technology innovations with academic institutes and other commercial aerospace companies, empowering us to gain deep insights into industry trends and keep up with latest technologies. For example, in November 2024, we initiated the Star-Compute Project and entered into joint R&D collaboration with a number of companies, universities and research institutions, to promote the development of the Star-Compute Project by harnessing the collective expertise and resources of all involved parties. In addition, we have also established collaborations with leading universities in Hong Kong, including the University of Hong Kong and the Hong Kong Polytechnic University, focusing on joint R&D of satellite technologies, such as production technologies, remote sensing technologies and satellite image processing technologies. These partnerships aim to foster innovation and advance research in satellite technology, leveraging the academic expertise and cutting-edge resources available at these institutions.

In October 2023, we entered into a cooperation framework agreement with the University of Hong Kong to promote the establishment of the joint R&D team and industry collaboration in satellite R&D and STEM education, among others. In 2024, we initiated an industry-academia-research collaboration with the Laboratory for Space Research of the University of Hong Kong, dedicated to continuously advancing technology transfer and commercialization of relevant research outcomes. Based on R&D and project progress, we will invest in professional experimental equipment for satellite use.

In June 2024, we entered into a cooperation framework agreement with the Hong Kong Polytechnic University to explore the possibility of establishing a joint remote sensing satellite technology laboratory, among others. In addition, in recognition of our technological capabilities and product excellence, the Hong Kong Polytechnic University procured on-orbit AI visual enhancement, intelligent analysis experimental payload development and satellite accommodation services from us in July 2025.

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In July 2024, we entered into a strategic framework agreement focusing on space computing development with research institution in Zhejiang Province, establishing a strategic partnership for the Star-Compute Project. Under this collaboration, we jointly engage in the R&D of key space computing technologies and the formulation of standard systems. As of the Latest Practicable Date, we had secured orders from this platform for two AI computing satellites, payload services for ten AI computing satellites and a set of integrated satellite telemetry, tracking and command equipment.

In April 2025, we engaged in a strategic R&D collaboration with Xingyao Guangyu (Changzhou) Technology Co., Ltd. (星遙光宇(常州)科技有限公司) (“Xingyao Guangyu”), a leading company in the R&D of space laser communication terminals in China and a strategic cooperation partner under the Star-Compute Project, to deepen cooperation in fields such as space computing. The core team of Xingyao Guangyu has been extensively involved in several significant aerospace projects, including the “Mozi (墨子)” quantum satellite, the imaging spectrometer for the Lunar Exploration Program and the Tiangong quantum communication payload. We are of the view that this collaboration is able to leverage Xingyao Guangyu’s expertise in space laser communication and quantum communication optical transmission and enhance space computing capacity. We expect to engage in comprehensive collaboration with Xingyao Guangyu in relation to the following satellite constellation.

In December 2025, we entered into a cooperation agreement with Shanghai Jiaotong University to establish the first space computing university-industry joint laboratory in China, according to Frost & Sullivan. The laboratory will focus on the R&D in areas such as space-based computing chips, robotic satellites and in-orbit additive manufacturing. Drawing on the strengths of China’s leading university in AI innovation and our established industrial foundation in AI space computing, the laboratory is committed to building a technologically leading and independently controllable space computing network.

In January 2026, we entered into a cooperation agreement with a national-level public service institution. According to the agreement, we will utilize our space computing constellation to provide a cloud service platform which will facilitate the overseas expansion of small and medium-sized enterprises.

To the knowledge of our Directors, none of these academic institutes, commercial aerospace companies and leading universities had any past or present relationship (business, employment, financing, family, trust or otherwise) with our Company, our subsidiaries, their directors, shareholders and senior management, and any of their respective associates.

We generally enter to strategic framework agreements with our R&D partners. The salient terms of such framework agreements are set forth below:

- **Duration.** Three years, five years or indefinite, depending on the project.
- **Right and Responsibilities.** The framework agreement specifies the rights and responsibilities of both parties for the R&D collaborations, including the work scope and requirement, communication mechanism and collaboration objectives.
- **Intellectual Property.** Generally, each party retains ownership of the intellectual property arising from its respective scope of work. The ownership of technological achievements and resulting intellectual property jointly developed by both parties, as well as the distribution of rights, shall be determined through a separate agreement between the parties.
- **Confidentiality.** All confidential information provided by either party shall generally not be disclosed to any third party without prior written consent.

We have also entered into a R&D framework agreement with a third-party technology service provider for its R&D services of AI computing modules. The salient terms of such collaboration agreement are set forth below:

- **Duration.** One year.

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- ***Rights and Responsibilities.*** We agree to procure AI computing module development services and related software from our technology service provider. We are responsible for timely payment of the service fees. If we fail to make the payments as agreed, the technology service provider has the right to suspend services until the fees are settled. The technology service provider is obliged to accept our feedback and oversight, promptly informing us of any significant issues. Furthermore, the technology service provider must deliver quality after-sales service and support, and assist us in addressing customer complaints concerning the AI computing modules and related software.
- ***Intellectual property.*** Once we settle the payment, we obtain a non-exclusive and non-transferable right to use the intellectual property of the R&D results, restricted to mainland China.
- ***Termination.*** The agreement may be terminated (i) by mutual consent, (ii) in the event of a material breach by either party, or (iii) if, following a written reminder, either party fails or refuses to fulfil its contractual obligations without a reasonable excuse within ten days.
- ***Confidentiality.*** All confidential information provided by either party shall be used solely for cooperation purposes pursuant to the agreements and shall generally not be disclosed to any third party.

LOGISTICS AND INVENTORY MANAGEMENT

We engage qualified third-party logistics service providers to deliver satellites from our warehouses to locations specified by customers or launch service providers. We set stringent transportation standards and evaluate provider compliance and performance to ensure smooth delivery.

Under our integrated satellite R&D and production model, we primarily formulate our procurement plan based on the sales demand. To effectively manage inventories, which comprise work-in-progress and finished goods, we operate a system that records and monitors raw material movements to maintain an optimal inventory level to meet customer demand while minimizing waste and avoiding obsolescence.

MARKETING AND SALES

We have assembled an experienced sales and marketing team strategically located across Chengdu, Beijing, Shenzhen and Shanghai, enabling us to effectively cover diverse regions while proactively identify market opportunities. We primarily engage in direct sales, gaining customer orders through brand reputation and the advanced nature of our products and solutions. See “— Our Customers — Salient Terms of Agreements with Customers.” Our marketing strategies include engagement with potential customers, participation in industry forums, conferences and expositions, collaboration with industry media and offline promotion. We believe the synergy between our advanced offerings and optimized marketing channels drives sustained brand exposure and attracts potential customers.

Pricing

We determine the price of our products and solutions based on a number of factors, including (i) our cost structure, including the cost of raw materials and purchased goods consumed, satellite material costs, satellite launch costs and research and development expenses; (ii) the level of customization and technical requirements of each product and solution, such as the functions required of the satellites and the complexity of the satellite-based solutions; and (iii) the comparable market prices in light of the competitive landscape. We maintain open pricing communications with customers to deliver competitive pricing.

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After-Sales and Warranty

We are committed to quality and customer satisfaction and have established after-sales service and warranty management procedures to ensure that our customers receive reliable support and solutions tailored to their needs. Upon receiving customer complaints, our after-sales service team promptly initiates an investigation to understand the issue. If the issue is due to a quality issue with the software or hardware for which we are responsible and falls within the warranty terms, we provide the necessary repairs, where possible, at no additional cost to the customer. If the issue is not covered by the warranty, we offer repair services for a fee and work closely with the customer to minimize any disruption to their operations. We generally offer a one- to five-year warranty for satellites after in-orbit delivery, and a one- to three-year warranty for satellite-based solutions after delivery. During the Track Record Period and up to the Latest Practicable Date, we did not receive any complaint from consumers that had a material and adverse effect on our operations and business reputation. Our warranty expenses incurred during the Track Record Period were insignificant.

OUR CUSTOMERS

We primarily sell our products and solutions to customers in the PRC across sectors such as aerospace, AI, 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 “Risk Factors — Risks Relating to Our Business and Industry — We relied on a limited number of customers during the Track Record Period, which exposes us to customer concentration risks.”

The tables below set forth the basic information of our top five customers during the Track Record Period:

Year ended December 31, 2023

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
<i>(RMB'000)</i>							
Customer A . . .	A public company located in Beijing, China and listed on the Shenzhen Stock Exchange, primarily engaging in digital cultural creativity, content production and technical services.	Satellite-based solutions	109,087	21.5%	2023	Within 12 months after inspection and acceptance of the satellite-based solutions	Bank transfer
Customer B . . .	A state-owned company located in Sichuan, China, primarily engaging in the survey and design of construction engineering.	Satellite-based solutions	66,745	13.2%	2023	Within eight months after inspection and acceptance of the satellite-based solutions, and receipt of invoice	Bank transfer

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Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
			(RMB'000)				
Customer C . . .	A limited liability company located in Hubei, China, primarily engaging in providing smart city solutions through big data, AI large model, space information, digital twin technologies and cloud computing.	Satellite-based solutions	38,379	7.6%	2021	Within 30 days after receiving the invoice or within 210 days upon the acceptance of our satellite-based solutions	Bank transfer
Customer D . . .	A state-owned company located in Sichuan, China, primarily engaging in gas production and supply.	Satellite-based solutions	35,575	7.0%	2023	N/A	Bank transfer
Company E . . .	A limited liability company located in Guangdong, China, primarily engaging in the R&D and sales of electronic products, satellite communication products and computer software.	Satellites and related services and satellite-based solutions	34,707	6.8%	2022	N/A or before January 31, 2024	Bank transfer
Total			284,493	56.1%			

Year ended December 31, 2024

Customers	Background	Products provided	Revenue	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
			(RMB'000)				
Customer F . . .	A limited liability company located in Sichuan, China, primarily engaging in R&D and promotion of technologies.	Satellite-based solutions	173,315	31.3%	2024	Within five business days after inspection and acceptance of the satellite-based solutions	Bank transfer
Customer G . . .	A limited liability company located in Guangdong, China, primarily engaging in the technology development and services.	Satellites and related services	92,818	16.8%	2024	Within 12 months after inspection and acceptance of the satellite	Bank transfer
Customer H . . .	A state-owned company located in Sichuan, China, primarily engaging in the software and IT services.	Satellite-based solutions	65,289	11.8%	2023	Within 60 business days after inspection and acceptance of the satellite-based solutions, and receipt of invoice	Bank transfer

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Customers	Background	Products provided	Revenue (RMB'000)	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
Customer I . . .	A state-owned company located in Sichuan, China, primarily engaging in the R&D and promotion of technologies.	Satellite-based solutions	61,948	11.2%	2024	One year after the inspection and acceptance of the satellite-based solutions	Bank transfer
Company J . . .	A limited liability company located in Shanghai, China, primarily engaging in laser communication solutions.	Satellites and related services	35,437	6.4%	2023	Within 11 months after receiving the invoice	Bank transfer
Total			428,808	77.5%			

Year ended December 31, 2025

Customers	Background	Products provided	Revenue (RMB'000)	% of total revenue	Year of commencement of business relationship	Credit terms	Payment method
Customer K . . .	A limited liability company located in Sichuan, China, primarily engaging in the application of AI technology.	Satellite-based solutions	185,213	26.4%	2025	Within nine months after inspection and acceptance of solutions	Bank transfer
Company L . . .	A state-owned company located in Sichuan, China, primarily engaging in the scientific and technological promotion and application services.	Satellites and related services	120,045	17.1%	2024	Before December 31, 2026	Bank transfer
Customer M . . .	A state-owned company located in Sichuan, China, primarily engaging in the operation of data.	Satellite-based solutions	96,826	13.8%	2024	Payment by installment with final payment to be made within 90 days upon customer acceptance	Bank transfer
Customer N	A state-owned enterprise located in Anhui, China, primarily engaging in the development and application of artificial intelligence technologies and the technology promotion services.	Satellite-based solutions	92,208	13.1%	2025	Payment by installment with final payment to be made within six months upon customer acceptance	Bank transfer
Customer O	A state R&D institution located in Zhejiang, China, focusing on the R&D of intelligent computing.	Satellites and related services	53,612	7.6%	2024	Payment by installment with final payment to be made within 15 days after final inspection of the satellite	Bank transfer
Total.			547,905	78.0%			

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As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each period during the Track Record Period.

The changes in our customer base during the Track Record Period mainly reflected the project-based and customized nature of the satellite and related services as well as satellite-based solutions. As project cycled and application scenarios and customer requirements evolved, the composition of major customers varied across periods. See “— Sustainability.” The table below set forth the number of our customers and customer retention rate by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Number of customers ⁽¹⁾	Customer retention rate ⁽²⁾	Number of customers ⁽¹⁾	Customer retention rate ⁽²⁾	Number of customers ⁽¹⁾	Customer retention rate ⁽²⁾
Satellites and related services ⁽³⁾	2	—	8	50.0%	14	12.5%
Satellite-based solutions ⁽⁴⁾	48	20.0%	17	6.2%	19	5.9%

Notes:

- (1) The customer number is calculated as the sum of retained customers from the previous year and new customers from contracts engaged in the current year.
- (2) Customer retention rate is calculated by dividing the number of customers retained from the previous year by the total customer number in the previous year.
- (3) The number of customers for our satellites and related services increased during the Track Record Period, primarily as a result of the technological upgrade and commercialization of our AI computing satellites, which enabled us to expand and scale our cooperation with a broader range of customers. The customer retention rate of our satellites and related services decreased from 50.0% in 2024 to 12.5% in 2025, mainly because (i) such satellite products and services are typically provided under project-based contracts covering multiple stages over extended periods, and (ii) as our satellite capabilities continued to mature and customer relationships further deepened, customers have increasingly shifted from single-satellite procurement to multi-satellite procurement within a single project. As a collective result, customers typically do not place repeat orders on an annual basis.
- (4) The decrease in the number of customers for our satellite-based solutions was primarily due to our strategic focus on allocating resources to serve key customers. The customer retention rate decreased from 20.0% in 2023 to 6.2% and 5.9% in 2024 and 2025, respectively, primarily because our satellite-based solution contracts are subject to customers’ specific business scenario requirements and typically span one to two years, as a result, customers typically do not place repeat orders on an annual basis.

Salient Terms of Agreements with Customers

Satellite Sales Agreement

We typically enter into sales agreements with our customers for the sales of satellites, the salient terms of which are set forth below:

- *Duration.* The deployment of the satellite in space is expected to occur within two years from the date of signing. The parties may mutually agree to extend the term if necessary.
- *Rights and Responsibilities.* We are responsible for the R&D, production and deployment of the satellite(s) in accordance with the specifications and standards agreed by the parties. Depending on the contract, we are responsible for obtaining the required regulatory approvals for launching the satellite into orbit and we or the customer may be responsible for engaging third-party service providers for the launch into the satellite.
- *Transfer of Risk.* Risks are generally transferred to the customer upon on-orbit delivery, or, in some cases, upon the date the satellite passes the factory review. In the latter case, to facilitate the satellite launch, we typically assume responsibility for the satellite’s custody from the factory review date until the launch, during which the customer retains control of the satellite. If the satellite is damaged due to our fault during this custody period, we shall compensate the customer.

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- *Price and Payment.* We generally charge a fixed total price for the contract. The customer shall make payments in installment according to the agreed-upon milestones. Customers typically make an initial proportion of the total contract value payable upon signing the contract, followed by subsequent installments tied to the achievement of key milestones, including technical validation at the ground-level acceptance stage and final in-orbit acceptance testing. The remaining balance is paid upon full satisfaction of contractual obligations. Revenue from sales of satellites is recognized upon the transfer of control, typically at the completion of production and/or upon on-orbit delivery.
- *Warranty.* The warranty period generally lasts for one to five years after in-orbit delivery.
- *Intellectual Property.* Each party shall retain the intellectual property rights with respect to the technologies or components that they contribute to the R&D, production and deployment of the satellite.

Finance Lease Agreement

In 2025, one of our customers (“Customer L”) acquired ten AI computing satellites from us through a finance lease arrangement in order to better manage its capital expenditures and align payment obligations with its operational needs. We accepted this arrangement to support the customer’s financing requirements and secure the sales order, which also enables us to receive the sales proceeds upfront and reduce our exposure to credit risk. Without such arrangement, customers may opt for installment payments, which could prolong the revenue recognition period and heighten our credit risk. By utilizing a finance lease arrangement, we are able to accelerate cash collection and strengthen our working capital position.

Under this arrangement, the finance lease companies, acting as purchasers, acquired the satellites directly from us based on the customer’s specifications and leased them to the customer under the finance lease agreements. We delivered the satellites directly to the customer L, while ownership remains with the finance lease companies until all lease payments under the finance lease agreements between the customer and the finance lease companies are settled. Pursuant to our sales agreement with Customer L, as of the Latest Practicable Date, we had delivered ten satellites and had received 77.8% of the proceeds pursuant to the sales agreement with Customer L, with the remaining proceeds expected to be received by the end of 2026.

Prior to entering into the finance lease arrangement, we conducted thorough assessments of the financial lease companies’ qualifications, financial stability, and ability to perform their obligations under the agreements. As confirmed by our Directors, we do not have any past or present relationships (including family, employment, financing or otherwise) with the finance leasing companies, their ultimate beneficial owners, shareholders, directors, senior management and their respective associates. According to Frost & Sullivan, the use of finance leasing arrangements for satellite acquisitions is not uncommon in our industry. See “Risk Factors — Risks Relating to Our Business and Industry — We are subject to credit risk related to delays in payment and defaults of customers.”

The salient terms of the finance lease agreements among the customer, the finance lease companies and us are set forth below:

- *Obligations of the finance lease companies.* The finance lease companies pay us the full purchase prices for the satellites, as designated by the customer, for the purpose of leasing such satellites to the customer.

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- *Delivery.* The finance lease companies lease the satellites to the customer and authorize us to deliver the satellites directly to the customer. The customer is entitled to inspect the satellites prior to acceptance and provides written notices to the finance lease companies upon acceptance.
- *Ownership.* Ownership of the satellites transfers to the finance lease companies upon the customer’s inspection and written acceptance.
- *Risk allocation.* All risks of loss or damage to the satellites remain with us until delivery is completed. Upon the customer’s written acceptance of the satellites, such risks transfer to and are borne solely by the customer.

TT&C Service Agreement

The salient terms of agreements for the provision of satellite TT&C services with our customers opting for such services are set forth below:

- *Cooperation.* We are responsible for providing satellite TT&C services for customers free of charge during the satellite’s in-orbit period.
- *Satellite Data and Intellectual Property.* In consideration, we are entitled to joint satellite data rights with our customers. We have the sole discretion to use, license or sell the satellite data, and any resulting income will be exclusively owned by us. All results and intellectual property arising from the development of satellite data will also be solely owned by us.

Satellite-based Solution Provision Agreement

The salient terms of the agreements for the provision of satellite-based solutions with our customers are set forth below:

- *Duration.* The duration of the contract is typically two years and is renewable upon mutual agreement.
- *Intellectual Property.* We generally retain all intellectual property rights in any work product, materials or deliverables that we create or develop in the course of providing services to our customers. We generally grant our customers non-exclusive licenses to use such intellectual property for the duration of the contract and solely for the purpose of receiving the services.
- *Warranty.* We generally provide a warranty period of one to three years during which we provide technological troubleshooting, customer service and maintenance services.

During the Track Record Period, we did not experience any material breach of agreements with our customers.

OUR SUPPLIERS

Our suppliers primarily comprise (i) software and hardware providers for satellite-based solutions, (ii) satellite material providers for satellite 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. See “Risk Factors — Risks Relating to Our Business and Industry — We relied on a limited number of suppliers during the Track Record Period, which exposes us to supplier concentration risks.”

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The tables below set forth the basic information of our top five suppliers during the Track Record Period:

Year ended December 31, 2023

Suppliers	Background	Products/ services purchased	Purchase amount (RMB'000)	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
Supplier A . . .	A state-owned company located in Sichuan, China, primarily engaging in real estate development.	Headquarter building	294,108	36.3%	2023	Within 365 days after the signing of the agreement	Bank transfer
Supplier B . . .	A limited liability company located in Guangdong, China, primarily engaging in the R&D of AI platforms.	Hardware	93,140	11.5%	2023	Within ten business days after inspection and acceptance of the hardware, and receipt of invoice	Bank transfer
Supplier C . . .	A limited liability company located in Sichuan, China, primarily engaging in the consulting, development, implementation, operation and maintenance services of information systems.	Software and hardware	55,590	6.9%	2023	Within 15 business days after inspection and acceptance of the software and hardware, and receipt of invoice	Note settlement and bank transfer
Supplier D . . .	A limited liability company located in Sichuan, China, primarily engaging in digital economy big data platform operation and AI computing center construction.	Software and hardware	25,003	3.1%	2023	Within ten business days after delivery, inspection and acceptance of the software and hardware, and receipt of invoice	Bank transfer
Supplier E . . .	A limited liability company located in Sichuan, China, primarily engaging in real estate development.	Construction engineering and decoration	22,725	2.7%	2023	Within two years	Note settlement and bank transfer
Total			490,565	60.5%			

Year ended December 31, 2024

Suppliers	Background	Products/ services purchased	Purchase amount (RMB'000)	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
Supplier F . . .	A limited liability company located in Chongqing, China, primarily engaging in R&D and promotion of technologies.	Software and hardware	148,829	31.0%	2024	Within five business days after final inspection and acceptance of the software and hardware, and receipt of invoice	Bank transfer

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Suppliers	Background	Products/ services purchased	Purchase amount <i>(RMB'000)</i>	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
Supplier G . . .	A state-owned company located in Guangdong, China, primarily engaging in the cloud computing equipment manufacturing and technical services.	Software and hardware	49,558	10.3%	2024	One year after the inspection and acceptance of the software and hardware	Bank transfer
Supplier H . . .	A limited liability company located in Sichuan, China, primarily engaging in AI computing infrastructure and solutions.	R&D services	46,887	9.8%	2024	Within ten days after the signing of the agreement of the R&D services	Bank transfer
Supplier I . . .	A state-owned company located in Beijing, China, primarily engaging in commercial spacecraft launch services.	Rocket launch service	32,750	6.8%	2023	Within ten days upon agreed milestones of the software and hardware	Bank transfer
Supplier E . . .	See above.	See above.	31,257	6.5%	2023	Within two years	Note settlement and bank transfer
Total			309,281	64.3%			

Year ended December 31, 2025

Suppliers	Background	Products/ services purchased	Purchase amount <i>(RMB'000)</i>	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
Supplier J . . .	A limited liability company located in Guangdong, China primarily engaging in AI-related R&D and service.	Software and hardware	166,221	20.1%	2025	Within five days to three months upon agreed milestones of the service	Bank transfer
Supplier K . . .	A SOE headquartered in Shanghai, China, primarily engaging in commercial spacecraft launch services and commercial spacecraft R&D.	Rocket launch service	112,000	13.5%	2024	Within ten days upon agreed milestones of the service	Bank transfer
Supplier L . . .	A state-owned company located in Sichuan, China, primarily engaging in AI system.	Software and hardware	79,386	9.6%	2024	Within seven to ten days upon agreed milestones of the service and software	Bank transfer
Supplier M . . .	A limited liability company located in Jiangsu, China, primarily engaging in AI algorithm and IoT application services.	Software and hardware	72,009	8.7%	2024	Within five days or six months upon the agreed milestone of the service and software	Bank transfer

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Suppliers	Background	Products/ services purchased	Purchase amount (RMB'000)	% of total purchases	Year of commencement of business relationship	Credit terms	Payment method
Company L.	A state-owned company located in Sichuan, China, primarily engaging in the scientific and technological promotion and application services.	Property leasing	44,000	5.3%	2024	Prepayment of rent prior to the commencement of each subsequent year after initial payment	Bank transfer
Total			473,615	57.2%			

As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of the Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each period during the Track Record Period.

Procurement

We procure certain raw materials and components from qualified suppliers to maintain quality standards, optimize our cost structure and achieve desired scale of production. Our procurement is generally based on our customized production plan and internal strategic stocking. We have a team dedicated to procuring raw materials and components to meet the specific requirements of our products. The key raw materials and components used for our production include metal materials, electronics and optical cameras.

Selection and Engagement of Suppliers

When selecting suppliers, we consider factors including background, technical capability, quality, cost, production capability and delivery efficiency. We have implemented a comprehensive supplier management system overlooking supplier admission, qualified supplier management and termination of unqualified suppliers. We conduct annual supplier performance assessments, informing suppliers of the assessment results and rectification requirements. We also inspect delivered raw materials and components to ensure quality consistency, and may request returns if they fail to meet our standards. We collaborate with multiple suppliers for core raw materials and components to ensure supply stability, and raise entry standards and regularly evaluate supplier qualifications to ensure their supply capacity. During the Track Record Period and up to the Latest Practicable Date, we did not experience quality and shortage with our raw materials and components that materially affected our operations.

Salient Terms of Agreements with Suppliers

We typically enter into supply agreements with major suppliers, the salient terms of which are set forth below:

- *Product Specifications.* We specify the product name, specification, price, quantity and other detailed items.
- *Payment and Delivery.* We are responsible for timely payment to suppliers according to the agreement, who are responsible for the delivery of products to our designated location.
- *Quality Control.* We inspect the products upon receipt and have the right to reject and return any products that do not meet our requirements, or to request free product replacement or maintenance at the expense of the suppliers. The suppliers generally offer a warranty period ranging from 12 to 36 months.

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- *Confidentiality.* All confidential information provided by either party shall be used solely for cooperation purposes pursuant to the agreements and shall generally not be disclosed to any third party.

Launch Service

We engage launch service providers to launch the satellites into space. We design and manufacture satellites for our customers and, as part of the overall project delivery, are responsible for organizing and managing launch services through a competitive bidding or commercial selection process. Consistent with industry practice, reliance on third-party launch service providers is inherent and inevitable for satellite industry participants that do not operate proprietary launch vehicles.

The salient terms of our agreements with our launch service providers are set forth below:

- *Payments.* The payment for the launch cost shall be made in several instalments by milestone.
- *Risks.* The launch service providers are responsible for risks of the satellite associated with the transportation, assembly and other preparations of the rocket before ignition. We shall be liable for any risks of the satellite associated with the ignition, lift-off and launch of the rocket and the separation of the satellite from the rocket. We may purchase launch insurances to safeguard against any potential launch failures considering the value of the satellites to be launched and the insurance premium costs, among other factors. See “— Insurance.”
- *Liability.* The launch service providers are generally responsible for any delays in providing launch services, subject to certain conditions. We are generally responsible for delays in payments for the launch cost.
- *Confidentiality.* All confidential information provided by either party shall be used solely for cooperation purposes pursuant to the agreements and shall not be disclosed to any third party without prior written consent.

During the Track Record Period, we did not experience any material breach of agreements with our suppliers.

China’s aerospace industry is undergoing rapid development, during which rocket launch technologies continue to advance through repeated testing, iteration and operational experience. Given the complex and highly technical nature of rocket launches, occasional launch delays or failures may occur due to a combination of factors, including weather conditions, technical performance of launch vehicles, regulatory coordination and mission scheduling constraints. As a participant in the satellite industry, our satellite development and delivery activities may therefore be affected by such launch-related events from time to time.

In practice, launch delays or failures may result in varying degrees of impact on us, launch service providers and our customers. We typically recognize partial revenue upon successful in-orbit delivery of satellites. Accordingly, launch delays may defer revenue recognition, while launch failures may result in the inability to recognize revenue for the affected satellites and, depending on the contractual arrangements with customers, may require us to produce replacement satellites and arrange subsequent launches. We have experienced such situations in the past. See “Risk Factors — Risks Relating to Our Industry and Business — 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” and “Financial Information — Major Factors Affecting Our Results of Operations — Company-Specific Factors — Our ability to manage sales, delivery and acceptance cycles for our satellites.”

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While the risk of launch delays or failures cannot be entirely eliminated, we seek to manage and mitigate such risks through structured launch procurement, project execution and customer communication processes, including the following measures:

- *Launch service provider selection.* During the early stages of customer engagement, we work closely with customers to understand their expectations with respect to launch arrangements, which typically involve multiple considerations such as budget, launch vehicle performance, mission compatibility and schedule requirements. Based on such expectations, we conduct bona fide commercial selection or bidding processes, subject to customer consent, to identify suitable launch service providers. In doing so, we generally prioritize providers with established launch records and relatively mature technologies, taking into account overall mission requirements and risk profiles. As of December 31, 2025, there were approximately 50 registered commercial launch services providers in China. The commercial launch service industry in China is entering a stage of accelerated development, with a steady increase in success rate. The share of private commercial launch services providers in orbital launch missions is increasing, and the number of satellites placed into orbit continues to rise. The technologies such as multi-satellite launches and reusable systems have achieved ongoing breakthroughs. As of December 31, 2025, China conducted a total of 731 rocket launches, with a success rate of over 95%.
- *Proactive coordination with regulatory authorities and launch service providers.* We maintain ongoing communication with launch service providers and relevant regulatory authorities regarding potential launch windows, regulatory approvals and ride-share arrangements, which allows us to identify potential scheduling issues at an early stage and adjust project planning where appropriate.
- *Advance project execution arrangements and purchase of launch insurance.* We structure project timelines, milestones and internal execution plans with appropriate lead times and buffer periods to accommodate potential launch-related uncertainties. Such arrangements are designed to reduce the likelihood that minor schedule changes will materially disrupt overall project delivery. In addition, we will maintain close communication with customers to assess the potential risks relating to launch activities and purchase launch insurance according to customers’ requirements.
- *Transparent customer communication and contingency arrangements.* We maintain open and transparent communication with customers regarding launch-related risks and potential impacts on delivery schedules. Where launch delays or failures occur, we work with customers to implement agreed contingency solutions in accordance with contractual arrangements, including revised delivery timelines or replacement production where applicable.

Through these measures, while launch-related risks remain an inherent aspect of the satellite industry, we believe we are able to manage such risks in a commercially reasonable manner and limit their impact on our operations and customer relationships.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Company E, one of our five largest customers in 2023, was also our supplier in 2023. Company J, one of our five largest customers in 2024, was also our supplier in 2024. Company L was both one of our five largest customers and suppliers in 2025. Company E primarily engaged in sales of electronic products, satellite communication products and computer software. Company J primarily engages in laser communication solution development. Company L primarily engaged in scientific and technological promotion and application services.

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During the Track Record Period, we provide satellites and related services and satellite-based solutions to Company E, satellites and related services to Company J and satellite and related services to Company L. Our aggregate sales to Company E, Company J and Company L amounted to RMB34.7 million, RMB36.3 million and RMB120.9 million in 2023, 2024 and 2025, respectively, representing 6.8%, 6.6% and 17.2% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, the gross profit margin for sales to Company E, J and L was 34.0%, 31.7% and 4.7%, respectively.

We purchased software services from Company E for solution development, purchased satellite-borne laser communication terminals from Company J and leased properties from Company L for exhibition hall and office purposes, during the Track Record Period. Our aggregate purchases from Company E, Company J and Company L amounted to RMB19.3 million, RMB20.1 million and RMB44.0 million in 2023, 2024 and 2025, respectively, representing 2.4%, 4.2% and 5.3% of our total purchases for the same years, respectively.

Negotiations of the terms of sales to Company E, J and L and purchases from them were conducted separately, and the sales and purchases were neither connected nor inter-conditional upon each other. Our Directors are of the view that such arrangements are mutually beneficial, given that we negotiated with such Company E, J and L on an arm’s-length basis. In addition, the terms of transactions with Company E, J and L are in line with market practice and similar to those with our other customers and suppliers. According to Frost & Sullivan, such arrangements are in line with industry norm. Saved as disclosed, to the best of our knowledge, none of our five largest customers during each year of the Track Record Period was a supplier of ours and vice versa.

SUSTAINABILITY

Overview

We mainly operate two business lines. Our satellite and related services business focuses on the design, manufacturing, launch coordination and post-launch TT&C services of satellites. Our satellite-based solutions business focuses on transforming satellite data into practical solutions for customers across a wide range of application scenarios. Benefiting from supportive national policies, continued advancements in aerospace technologies, our sustained investment in the development of AI satellite technologies, customers’ increasing recognition of our products and 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 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.

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Analysis on Historical Losses

The following table sets forth our certain key financial data for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands, except for percentages)</i>		
Revenue			
Satellite-based solutions	460,328	440,947	443,778
Satellite and related services	3,221	90,971	256,674
Other services	43,992	21,555	2,251
Gross Profit/(Loss)			
Satellite-based solutions	56,896	197,343	107,282
Satellite and related services	(3,450)	11,321	35,159
Other services	17,619	1,510	732
Gross Profit/(Loss) Margin (%)			
Satellite-based solutions (%)	12.4	44.8	24.2
Satellite and related services (%)	(107.1)	12.4	13.7
Other services (%)	40.1	7.0	32.5
Loss for the year	(139,300)	(177,173)	(255,945)
Adjusted net loss (non-IFRS measure)	(90,690)	(69,047)	(156,597)

Our loss-making position is primarily as a result of (i) our relatively high research and development expenses associated with our early-stage technological advancements, (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 aimed at incentivizing key employees, the details of which are discussed below.

- Investment in R&D.** We recognize that technological capabilities are fundamental to the development and sustainability of our business. As such, we have consistently prioritized R&D to enhance our core technological capabilities and deliver advanced solutions that meet customer needs and align with evolving market trends. In the initial phase of our development, we successfully launched conventional remote sensing satellites and AI application satellites, providing us with space-based data source to train and develop relevant algorithms that underpinned the foundation for our satellite-based solutions. In the subsequent phase, we successfully developed AI computing satellites. Our commitment to R&D has resulted in a steady increase in research and development expenses during the Track Record Period, which are critical to maintaining our technological competitiveness and ensuring long-term growth. In 2023, 2024 and 2025, our research and development expenses amounted to RMB53.5 million, RMB142.0 million and RMB151.7 million, respectively, representing 10.5%, 25.7% and 21.6% of total revenue in the same respective periods.
- General and Administrative Expenses.** We have incurred considerable general and administrative expenses during the Track Record Period, primarily attributable to (i) the share-based payments aimed at driving performance and aligning the interests of key personnel with the long-term growth of the business, (ii) the depreciation of charges of property, plant and equipment related our headquarters acquired in 2024 and (iii) the [REDACTED] expenses incurred in 2024 and 2025, all of which was necessary to support the continued growth of our business and enhance our satellite AIT capabilities. In 2023, 2024 and 2025, our general and administrative expenses amounted to RMB131.2 million, RMB174.4 million and RMB172.2 million, respectively, representing 25.9%, 31.5% and 24.5% of our total revenue in the same respective periods.

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Our gross profit margin experienced fluctuations during the Track Record Period, primarily driven by margin volatility in our satellite-based solutions segment. We recorded a higher gross profit margin for satellite-based solutions in 2024, primarily reflecting changes in the delivered solution mix, as approximately half of our satellite-based solutions sold in that year was related to certain projects involving standalone sales of standardized satellite data and application software, which typically carry relatively higher gross profit margins, while the contribution from such sales was relatively lower in 2023 and 2025. Variations in the contribution of these high-margin projects therefore had a pronounced impact on our overall gross profit margin.

Meanwhile, our satellite and related services segment showed a clear improvement in profitability during the Track Record Period, turning from a gross loss in 2023 to a gross profit position in 2024 and 2025. Notwithstanding this improvement, we incurred relatively higher initial costs during the early stages of business development. In particular, our cost of sales remained elevated due to (i) significant launch costs paid to launch service providers, and (ii) the use of specialized components, which are necessary to ensure satellite quality, reliability and performance. In addition, during the early stage of customer acquisition, we primarily adopted a single-satellite sales model, resulting in higher unit production costs relative to negotiated project values. Limited pricing flexibility at that stage further constrained satellite pricing.

During the Track Record Period, we incurred losses exceeding RMB1.0 million on four satellite and related services projects and four satellite-based solution projects, primarily because, during the ramp-up phase, we offered lower prices for certain projects to facilitate customer acquisition and project execution.

We believe that the ramp-up period is an essential phase for companies in our industry. The commercial aerospace industry is characterized by high upfront capital investment, technical complexity and extended development and validation cycles. During the early stage of satellite market development, customer demand is inherently mission-driven and project-based, as satellites are typically designed and deployed to meet specific technical and operational objectives over defined mission lifecycles, according to Frost & Sullivan. As a result, procurement and revenue are closely linked to individual projects and their execution timelines, rather than continuous or repetitive purchasing behavior.

Accordingly, companies are required to establish technical credibility and operational track records before achieving more stable and scalable growth. While the necessary upfront investments during the ramp-up stage have temporarily impacted our profitability, they are critical for positioning us to capture future opportunities in the satellite and related services market. As our technology continues to mature and we leverage our modular satellite platforms to transition toward standardized, scalable production, we expect to benefit from economies of scale, improved operational efficiency and enhanced pricing power, which are expected to gradually strengthen our gross margins and overall profitability over time.

Path to Profitability

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.

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Advancing AI Satellite Technology and Full Value Chain Integration to Expand Customer Base and Increase Order Value

The expansion of our customer base and the increasing value of projects are at the heart of our long-term strategy. We mainly operate two business lines, namely, satellite and related services and satellite-based solutions, which collectively support a business model encompassing the full satellite lifecycle from satellite design, R&D and production, launch coordination and in-orbit TT&C services to satellite-based solution delivery.

The demand for our products and solutions is supported by structural growth drivers in China’s satellite industry, including sustained policy support, the increasing participation of private enterprises in commercial aerospace, the accelerated deployment of LEO satellite constellations and ongoing technological advancements. In particular, the PRC government has actively encouraged private enterprises to engage in the satellite industry, while continuous improvements in satellite technologies and the rapid layout of LEO constellations have expanded application scenarios for satellite-based services. As a result, private commercial aerospace companies have assumed an increasingly important role in the industry and are expected to continue to contribute to industry-wide scalability and innovation. Against this backdrop, revenue generated by private commercial aerospace companies with satellite-related businesses in China is expected to further grow at a CAGR of 50.7% from 2025, reaching approximately RMB264.1 billion by 2030, with private companies accounting for 36.3% of total satellite industry revenue in China in 2026 and expected to increase to 45.0% by 2030, according to Frost & Sullivan, providing a supportive demand environment for our satellite and related services and satellite-based solutions as our business develops and scales.

We are committed to capturing such growing market demand by adopting differentiated development approaches across our two business lines, with a continued focus on expanding and enhancing our solution offerings to address a broader range of application scenarios and customer needs.

Satellite and Related Services

In our satellite and related services business, the development and deployment of AI satellites constitute a core growth driver. By continuously accelerating satellite production and launches, we aim to enhance satellite computing capabilities, improve data transmission efficiency, enable in-orbit computing and autonomous decision-making, and foster inter-satellite collaboration. These efforts underpin the formation of a scalable and sustainable space-based computing network that strengthens global computing capacity and supports the AI transformation and global operations of businesses across industries.

During the Track Record Period, we laid a solid foundation in satellite manufacturing and delivery. We secured three, five and nine new contracts for four, 21 and 17 satellites in 2023, 2024 and 2025, respectively, with corresponding contract values of RMB44.4 million, RMB390.7 million and RMB709.3 million. Subsequent to the Track Record Period and up to the Latest Practicable Date, we secured additional customer orders for 13 AI satellites, with a total contract value of RMB450.8 million. 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.

Based on the launch schedule, we delivered nil, six and 12 satellites in 2023, 2024 and 2025, respectively. In 2023, due to the inherent satellite manufacturing and delivery cycle as well as the timing and availability of rocket launch schedules, satellites XSD-18, XSD-19 and XSD-20 manufactured during the year were not launched until February 2024 and therefore were not delivered to customers in 2023. As a result, we only launched one satellite, XSD-16, in 2023 for R&D purposes. See “Financial Information — Major Factors Affecting Our Results of Operations — Company-specific Factors — Our Ability to Manage Sales, Delivery and Acceptance Cycle for Our Satellites.” In 2024, we delivered six satellites, all of which were AI satellites. On May 14,

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2025, we successfully launched the world’s first AI computing satellite constellation comprising 12 AI computing satellites, according to Frost & Sullivan, marking our first step in developing AI computing satellite constellations to build an integrated space-ground AI infrastructure. In addition, in 2024, our AI computing satellite had been technically validated to support the in-orbit operation of large-scale AI models.

The following table sets forth the number of satellites delivered and their average selling prices and costs for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number of satellites delivered	–	6	12
Number of AI application satellites delivered	–	2	–
Number of AI computing satellites delivered	–	4	12
Average selling prices of satellites delivered ⁽¹⁾⁽³⁾ (RMB in thousand)	–	15,466.7	18,733.5
Average costs of satellites delivered ⁽²⁾⁽³⁾ (RMB in thousand)	–	14,155.0	17,305.9

Notes:

- (1) The average selling prices of satellites delivered increased from RMB15.5 million in 2024 to RMB18.7 million in 2025, primarily due to a change of satellite mix, as all 12 satellites delivered in 2025 were AI computing satellites, which generally command higher unit prices due to their enhanced onboard computing capabilities.
- (2) Average costs of satellites delivered primarily include the launch costs and raw material costs. The average costs of satellites delivered increased from RMB14.2 million in 2024 to RMB17.3 million in 2025, primarily due to the higher manufacturing cost of AI computing satellites as compared to AI application satellites, as well as the enhanced computing capacity of the AI computing satellites delivered in 2025 relative to those delivered in 2024.
- (3) The average selling price and manufacturing cost of satellites are calculated based on the number of satellites successfully delivered during the relevant year, together with the corresponding revenue and costs attributable to those satellites. However, as the recognition of such revenue and costs is milestone-based, involving satellite completion, launch and delivery, which may span across years, the relevant revenue and costs may not be fully reflected in our profit or loss for a single year.

We plan to launch the first batch of 100 satellites under the Star-Compute Project by 2028. Specifically, we have launched 12 satellites in 2025 and, subject to NDRC’s approval, customer orders and launch schedule, expect to launch 24, 36 and 60 satellites in 2026, 2027 and 2028, respectively. As the computing capacity of our AI computing satellites continues to improve, the average selling price per satellite is estimated at approximately RMB28.0 million, based on (i) the average satellite pricing of the current orders on hand as of the Latest Practicable Date, (ii) the industry average quote for launching price and (iii) the industry average production cost, according to Frost & Sullivan. We set out below a summary of the execution plan for the first batch of 100 AI computing satellites:

- **Global satellite frequency spectrum and orbit resources.** As of the Latest Practicable Date, the orbits and spectrum of the 3,156 satellites, including 2,800 AI computing satellites to support the Star-Compute Project, had been officially approved and announced by the ITU. See “Industry Overview — The Satellite Industry in China — Entry Barriers of the Satellite Industry in China.”
- **NDRC approval.** All satellites are required to obtain approval from the NDRC prior to their launch. The NDRC typically takes into account several factors, including (i) the technical feasibility and maturity of the proposed satellite project; (ii) the applicant’s technical capability and resources; and (iii) the applicant’s track record, particularly the number of the satellites approved under a prior application have been successfully

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manufactured and launched, when considering subsequent applications. See “Regulatory Overview — Regulations Related to the Commercial Space Industry” for the application process of the production of civil satellites.

We obtained NDRC approval for 60 satellites in February 2025, among which 12 were launched on May 14, 2025. In January 2026, two satellites experienced launch failure, bringing the remaining capacity for NDRC approval to 46 as of the Latest Practicable Date. We will continue to actively communicate with the NDRC and implement our launch schedule in strict accordance with relevant approvals. See “Summary — Recent Development and No Material Adverse Change.”

Based on the current production and satellite launching plan, we expect to apply for NDRC approval for an additional 100 satellites by 2028. Based on the previous experience with similar applications, our technical capabilities and order backlog on hand, as advised by our PRC Legal Advisor, we do not expect material obstacles in obtaining such approval.

- **Order backlog.** 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. We had entered into an agreement with a launch service provider, purchasing the launch services for eight satellites in 2026. We rely on third-party launch service providers to launch the satellites we produce into space. See “— Our Suppliers — Procurement — Launch Service.”
- **Production facilities.** As of the Latest Practicable Date, in addition to the existing Chengdu AIT Center and Jiaxing Testing Base, our Chongzhou AI-empowered Additive Manufacturing Base and Taizhou Center had commenced operation. In addition, we expect to establish a Shenzhen Center intended for satellite design, development and testing activities. See “— Integrated Satellite R&D and Production Model — Satellite R&D and Production Facilities” and “Future Plans and Use of [REDACTED].” Through structured coordination among multiple facilities, we have built the satellite production capabilities to support growing customer orders. Set out below is the allocation of satellite production by respective bases to support our launch schedule:

	2026E	2027E	2028E
Chengdu AIT Center and Jiaxing Testing Base	14	16	20
Taizhou Center	10	20	20
Shenzhen Center (Under design)	N/A	N/A	20
Total	24	36	60

Overall, our launch plan reflects a measured scale-up strategy that takes into account operational readiness, order visibility and capacity expansion. The 12 AI computing satellites launched on May 14, 2025 enhanced our technical track record and market credibility, and also laid the foundation for our future deployment and utilization of more frequency orbital and spectrum resources. Our NDRC approvals, order backlog, coordination with launch service providers and production facilities together provide a solid basis for the planned launch of 24 satellites in 2026 and a continued ramp-up into 2027.

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Satellite-based Solutions

Our satellite-based solutions business had developed stably during the Track Record Period. In 2023, 2024 and 2025, we entered into 60, 19 and 20 new contracts and had 48, 17 and 19 new customer for satellite-based solutions, respectively, with the corresponding total contract value of RMB428.0 million, RMB600.4 million and RMB444.8 million, respectively. In 2023, 2024 and 2025, the average contract value per new contract was RMB7.1 million, RMB31.6 million and RMB22.2 million, respectively. The growth of average contract value from 2023 to 2024 was primarily driven by our technological advancements and greater customer recognition, enabling us to secure higher-value contracts. Since 2024, with the continuous iteration and optimization of our technology, our overall technical strength has been significantly enhanced, our influence within the industry has continued to expand, and the market’s recognition of our products and solutions has steadily increased. Against this backdrop, high-quality customers are increasingly willing to engage in in-depth cooperation with us, as reflected in the continuous growth of contract values and the expanding scale of collaborative projects. At the same time, in the face of growing market demand, we have begun to adopt stricter screening and evaluation processes for potential projects. We prioritize engaging in projects with high contract values and significant technical challenges. This enables us to concentrate our human and technical resources on the implementation of high-value and high-quality projects, further enhancing the quality and innovation of our deliverables.

Our continuously increased contract value is attributed to our commitment to developing diverse satellite-based solutions for a broader range of use cases for customers. For example, during the Track Record Period, we upgraded existing applications and developed new initiatives that leveraged our Lingjing Engine to provide diversified services and entertainment for customers. These product and service innovations will engage users in new ways, further expanding the applications of satellite-based technology in entertainment, education and marketing.

The table below sets forth the movement of our backlog of our satellite-based solutions for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	No. of contracts	Contract value <i>RMB in millions</i>	No. of contracts	Contract value <i>RMB in millions</i>	No. of contracts	Contract value <i>RMB in millions</i>
At the beginning of the year	18	76.2	13	43.8	6	203.3
Add: New contracts engaged	60	428.0	19	600.4	20	444.8
Less: Contracts fulfilled or terminated/Revenue recognized for the year	65	460.3	26	440.9	22	584.2
At the end of the year	13	43.8	6	203.3	4	63.8

As of the Latest Practicable Date, we had a project backlog of RMB103.6 million for satellite-based solutions.

We pursue differentiated customer acquisition strategies across our two business lines in accordance with the distinct industry characteristics, technology attributes and market development stages of each business.

For our satellite and related services business, we place emphasis on demonstrating the technical feasibility, reliability and operational performance of satellites with AI computing capabilities, including on-orbit computing, in-orbit AI model deployment and satellite communication capabilities. Accordingly, we primarily participate in industrial lighthouse projects, which provide real deployment environments to validate satellite system performance and operational reliability. These pilot projects enable us to accumulate practical operational experience, demonstrate end-to-end satellite capabilities and establish technical credibility and industry recognition, which are critical to customer decision-making in satellite procurement and

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services. Such activities follow the natural development logic of designing, producing and iteratively optimizing AI computing satellites, and form a foundation for subsequent commercial adoption. In addition, we engage in high-level industry exchanges, summits and inspection activities, and maintain close interaction with industry associations, research institutions and upstream and downstream participants within the satellite industry chain, which facilitates technology communication, project collaboration and industry coordination, and supports the gradual formation of a technology-driven reputation for our AI computing satellites.

For our satellite-based solutions business, customer acquisition focuses on the downstream application and utilization of satellite data. Given the closer alignment of these offerings with existing data application industries and established procurement practices, we adopt a more market-oriented customer acquisition approach. We primarily acquire customers through collaboration with upstream partners and equipment manufacturers, participation in system integration ecosystems and project-based procurement processes, including public tendering. These measures enable our satellite-derived data and solutions to be embedded into customers’ application systems and industry workflows, ensuring alignment with prevailing industry practices and customer requirements, while progressively strengthening our integration into the broader data application ecosystem.

Advancing Mass Production to Achieve Economies of Scale

We are advancing satellite mass production to achieve economies of scale and improve unit economics. As production volume increases, fixed costs associated with research and development, facilities and production infrastructure can be allocated across a larger number of satellites, resulting in a lower average cost per satellite and an improved margin profile.

To support scalable production, we have progressively established dedicated satellite R&D and AIT capabilities. We commenced operation of the Chengdu AIT Center in 2021, currently focused on satellite design and development, and the Jiaxing Testing Base in 2024, dedicated to environmental testing of satellites. Our Chongzhou AI-empowered Additive Manufacturing Base had commenced operation in October 2025, supporting our capacity buildup of satellite structural components. Our Taizhou Center commenced operation in February 2026, further strengthening our design, development and testing capabilities specifically for AI computing satellites. See “—Integrated Satellite R&D and Production Model — Satellite R&D and Production Facilities.” In addition, we have received the construction approval for the Shenzhen Center from BDRB in September 2025 and have obtained the land use permit. Our Shenzhen Center was under design as of the Latest Practicable Date and will further enhance our satellite design, research and development and testing capabilities upon operation commencement expected in 2028. Through structured coordination among multiple facilities including Chengdu AIT Center, Jiaxing Testing Base, Chongzhou AI-empowered Additive Manufacturing Base, Taizhou Center as well as Shenzhen Center (under design), we enable more efficient development resource allocation. By achieving raw material and testing equipment procurement at scale, we expect to achieve lower per-unit manufacturing and testing costs, improved cost predictability and greater operating leverage as production volumes scale.

We believe that the transition from project-based delivery to standardized and scalable production is a key driver of unit cost reduction and margin expansion, supporting the sustainability of our long-term profitability. As mass production expands, we expect to enhance our bargaining power in the procurement of raw materials and components. For example, based on our historical transaction experiences, if the procurement volume of star sensors increases eightfold, the unit purchase price is expected to decrease by approximately 30%; if the procurement volume of reaction wheels is calculated in batches of 40 sets, the price is expected to decrease by approximately 20% compared to purchasing a single set. Moreover, mass production can enhance production line efficiency, thereby further diluting fixed costs. The integration of centralized production facilities with automated technology not only boosts production efficiency but also shortens production cycles, accelerating launch time to market. Quality control processes can become more standardized and systematic, improving product consistency and reliability. Mass production also optimizes supply chain management, including more efficient inventory management and logistics arrangements, thereby reducing the risk of supply chain shortage.

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Enhancing Production Processes to Achieve Cost Efficiencies

Our satellite operations employ an integrated R&D and production model that combines satellite R&D, production and deployment to address the specialized customization needs of the industry. The closer alignment between R&D and production in our operations ensures that the outputs of our R&D efforts are efficiently translated into high-quality and tailor-made satellite products. This streamlined approach enhances the accuracy of design specifications, optimizes production timelines and reduces potential errors that may arise when R&D and production teams operate independently. As a result, our integrated model enables more precise customization, reduces the likelihood of costly revisions and improves overall production efficiency.

Cost Optimization through AI-empowered Additive Manufacturing

We enhance our path to profitability through cost optimization enabled by the adoption of AI-empowered additive manufacturing technologies in satellite design and production. We have established the Chongzhou AI-empowered Additive Manufacturing Base dedicated to satellite component production, where additive manufacturing is applied to selected structural components and subsystems. This approach enables us to reduce component weight, improve material utilization efficiency, shorten production lead times and, most importantly, lower component-level manufacturing costs compared to traditional manufacturing methods.

Additive manufacturing allows for higher functional integration at the component level, reducing the number of individual parts and associated tooling, assembly and testing requirements. Based on our operational experience, the application of AI-empowered additive manufacturing has resulted in measurable improvements across key cost drivers. By overcoming the limitations of traditional satellite manufacturing characterized by high customization, long production cycles and high costs, we progressively shorten the production cycle of satellite structural components from weeks to days and reduced satellite structural component weight by more than 30%. These efficiencies improve cost predictability and reduce unit cost sensitivity as production volume increases.

As confirmed by Frost & Sullivan, AI-empowered additive manufacturing has become a prevailing pathway in the satellite manufacturing industry to enhance production efficiency and optimize cost structures, particularly for customized and small-to-medium batch satellite structural components, and is generally expected to reduce total manufacturing costs for applicable satellite structural components by approximately 30%. Consistent with these industry observations, we have observed improvements in the gross profit margin of our satellite and related services business following the adoption of additive manufacturing technologies. As additive manufacturing processes are further standardized and scaled across our satellite product portfolio, we expect its contribution to cost savings and margin improvement to increase. This will strengthen operating leverage, support gross margin stability and reinforce the economic sustainability of our full-chain satellite service model.

Optimization of Satellite Development Processes

Our development and production process follows the AIT protocols for each modular satellite platform, which ensures that every satellite is developed with controlled timelines and quality standards. As we scale up our satellite production operations, we anticipate significant improvements in production efficiency driven by the continuous optimization of our production processes. We primarily focus on streamlining our assembly lines to reduce operational bottlenecks and increase throughput. To achieve this, we are exploring the integration of automation technologies that will reduce our reliance on manual labor, improve precision in assembly and lower the risk of human error. For example, we have deployed an automated testing system that facilitates the automatic transmission of remote control commands and the autonomous interpretation of satellite telemetry, significantly enhancing work efficiency by over fourfold. This automation will help accelerate production cycles and enhance the overall consistency of our product output. Furthermore, by adopting a sales-driven inventory system, we aim to align our production schedules more closely with customer demand, thus minimizing excess inventory and reducing holding costs.

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Replacing Aerospace-Grade Components with Industrial-Grade Components

Another major avenue for cost optimization is the shift from aerospace-grade components to industrial-grade components. As our system R&D capabilities improve, we are increasingly able to replace traditionally expensive aerospace-grade components with more cost-effective industrial-grade components without compromising performance or reliability. For example, we have identified specific satellite subsystems where industrial-grade components can be used without affecting the overall integrity of the satellite, such as our integrated electronic subsystem which is able to ensure high reliability in aerospace computer systems through cost-effective hardware and a redundant network system architecture.

The adoption of industrial-grade components in place of higher-cost aerospace materials will contribute directly to reduce the cost of sales, as these parts are generally less expensive, more readily available, and require less rigorous testing compared to aerospace-grade components. As a result, this transition will provide us with greater cost flexibility, especially for mass production runs of satellite systems, and will enable us to pass on these savings to customers, making our products more competitively priced in the market.

Reducing Satellite Launch Cost Due to Competition and Technological Advancements

The satellite launch market is undergoing a transformation, with increasing competition among rocket providers and significant advancements in launch technology. As new players enter the market and existing providers innovate, the satellite launch cost is expected to decrease, mainly driven by the continuous advancements in rocket technologies, such as the improvement of payload capacity, and the intensified competition in the rocket industry. According to Frost & Sullivan, the satellite launch cost in China has been decreasing in recent years, from approximately RMB105 thousand per kilogram in 2021 to RMB50 thousand per kilogram in 2025, with a CAGR of -16.9%. The satellite launching cost in China is expected to further decrease, reaching approximately RMB10 thousand per kilogram by 2030, with a CAGR of -27.5% from 2025 to 2030. The satellite launch cost in China is expected to further decrease. See “Industry Overview — The Satellite Industry in China — Average Satellite Launch Cost in China.” China’s rocket industry has seen several notable technological developments including scaled manufacturing that supports higher launch cadence, high-thrust rockets that expand payload capability, and reusable rocket technologies entering the verification phase that accelerates progress toward routine launch operations.

In 2023, 2024 and 2025, our average satellite launch cost per kilogram launched were nil, RMB81.8 thousand and RMB66.3 thousand, respectively. As launch technology continues to evolve, we expect both the frequency and reliability of launches to improve, further lowering costs and streamlining our operations. This will not only make our satellite solutions more affordable for customers but also increase our profit margins.

Enhancing Operating Leverage

During the Track Record Period, we incurred significant operating expenses, including general and administrative expenses, research and development expenses and selling and marketing expenses. The following table sets forth our general and administrative expenses, research and development expenses and selling and marketing expenses, as a percentage of revenue for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(%)		
As a percentage of revenue:			
Research and development expenses	10.5	25.7	21.6
General and administrative expenses	25.9	31.5	24.5
Selling and marketing expenses	8.3	4.4	2.1
Total operating expenses	44.7	61.5	48.2

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As we are in the ramp-up stage, we incurred significant research and development expenses for fostering innovation and securing a competitive advantage in the market. In 2023, 2024 and 2025, our research and development expenses were RMB53.5 million, RMB142.0 million and RMB151.7 million, respectively, representing 10.5%, 25.7% and 21.6% of our total revenue in the same respective periods.

By investing in R&D, we have developed proprietary technologies that strengthen our competitiveness in securing orders and executing projects. Our AI-enabled satellite design and onboard computing capabilities enhance satellites’ mission performance and technical differentiation in customer acquisition processes, while our modular satellite platforms support rapid customization and shorter development cycles that improve responsiveness to customer procurement timelines. Our Lingjing Engine technology enables us to offer value-added satellite-based solutions beyond hardware delivery, strengthening customer engagement, and our AI-empowered additive manufacturing technology improves production efficiency while reducing weight and costs. Together, these capabilities allow us to deliver reliable solutions tailored to mission requirements, supporting our ability to compete effectively with industry peers and sustain business growth. See “— Our Technologies.” We have also invested in R&D collaborations with partners to enhance our technological capabilities and facilitate our long-term goal in advancing the Star-Compute Project. See “— Integrated Satellite R&D and Production Model — R&D Collaborations.” As a result of our efforts, we have built a robust intellectual property portfolio, comprising 102 patents, including 96 invention patents, covering critical areas including satellite platforms (including communication units, energy systems, de-orbiting mechanisms, solar wings and imaging sensors) and remote data application as of the Latest Practicable Date, forming a comprehensive protection system across whole satellites, subsystems and standalone components. This in-house intellectual property foundation supports our continued innovation and ensures industry-leading performance.

The fluctuations in research and development expenses as a percentage of revenue during the Track Record Period were primarily attributable to the timing of major projects and the nature of our technology-focused investments, which evolved alongside market demand and customer-specific project requirements. During the Track Record Period, our satellite platforms, particularly in relation to AI computing satellites, had not yet fully matured, and we therefore devoted substantial R&D resources to advancing core technologies, validating system architectures and refining key subsystems through iterative development and testing. Such activities were conducted at different stages across projects and periods, leading to variations in the level of R&D input required in each year. At the same time, prior to achieving scaled production, a greater proportion of R&D efforts was required to address the requirements of individual customer projects, which contributed to short-term volatility in R&D expense ratios. As our technology platforms become more standardized and operational procedures continue to mature, we expect R&D efforts to shift increasingly toward platform optimization and incremental enhancement, with incremental R&D costs growing at a slower pace than revenue, thereby supporting improved operating leverage over time.

Our general and administrative expenses were RMB131.2 million, RMB174.4 million and RMB172.2 million in 2023, 2024 and 2025, respectively, representing 25.9%, 31.5% and 24.5% of the total revenue in the same respective periods. Our initial investments in management, compliance and infrastructure were made to establish a stable organizational and operational foundation to support the further development and scaling of our business. We expect that future expansion of our business, supported by increasingly standardized and mature operating procedures and larger-scale satellite production, can be carried out without a corresponding expansion of general and administrative resources. Such cost management strategy have begun to yield initial achievement as reflected in the reduction of general and administrative expenses as a proportion of total revenue from 31.5% in 2024 to 24.5% in 2025. Accordingly, we believe that as our business continues to develop, revenue growth is expected to outpace increases in general and administrative expenses over time. We plan to continually evaluate and monitor the effectiveness and efficiency of our general and administrative expenses for purposes of reducing such expenses as a percentage of our total revenue.

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Our selling and marketing expenses were RMB42.0 million, RMB24.1 million and RMB15.0 million in 2023, 2024 and 2025, respectively, representing 8.3%, 4.4% and 2.1% of the total revenue in the same respective periods. Our selling and marketing expenses as percentages of our total revenues during the Track Record Period also generally shows a downward trend. We expect our selling and marketing expenses to decrease as a percentage of our total revenue, leveraging our large and growing customer base to strengthen our sales and marketing network.

Our operating expenses as a percentage of total revenue increased from 44.7% in 2023 to 61.5% in 2024 and further decreased to 48.2% in 2025. In addition, a significant portion of our operating expenses was related to our employee benefit expenses and share-based payment expenses, which are less likely to increase proportionally along with our revenue growth as we scale up. See “Financial Information — Description of Major Components of Our Results of Operations — Non-IFRS Measure.” According to Frost & Sullivan, it is common for technology-driven companies in the satellite industry to experience higher and fluctuated expense-to-revenue ratios during the early stages of commercialization, with these ratios declining as the business achieves scale and operational maturity. As we continue to commercialize our proprietary technologies and expand into new markets and customer segments, revenue is expected to grow at a faster rate than operating expenses. This expansion will allow us to better absorb fixed and semi-fixed costs, thereby improving operating leverage. Furthermore, with increased scale, we are able to negotiate better terms with suppliers and achieve volume discounts, which helps to control cost growth and improve gross and operating margins. We expect our operating expenses as a percentage of revenue to further decrease as we continue to ramp up our production and achieve revenue growth, and improve the efficiency of general and administrative, R&D and selling and marketing activities and our spending on such activities.

Enhancing the Management of Working Capitals

We strive to ensure efficient working capital management. As of December 31, 2023, 2024 and 2025, our trade and notes receivables, net of provision for loss allowance, amounted to RMB500.9 million, RMB628.3 million and RMB630.5 million, respectively. During the Track Record Period, we experienced relatively long trade receivables turnover days primarily due to the extended payment cycles of our SOE customers and projects led by SOEs affected by their internal fiscal arrangements and payment approval processes.

Our Directors are of the view there is no recoverability issue for our trade receivables and we have made adequate provisions for the expected credit loss of our trade receivables during the Track Record Period, for reasons discussed in detail in the section headed “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Notes Receivables.” We maintain active communication with our customers and constantly monitor and evaluate the conditions of trade receivables to ensure timely measures are taken to address collection issues, including the following:

- we follow up on customer payments with monthly targets. Depending on the amount and overdue days, we coordinate multiple departments, including the sales team, finance department and our senior management, to devise trade receivable collection plans analyzing issues involved and efforts needed, as well as specifying time frames and responsible employees.
- our senior management including chief executive officer and chief financial officer regularly review overdue payments and lead the aforementioned trade receivables collection plans to ensure timely measures are taken to address collection issues. For customers from which we have a relatively large amount of trade receivables, our senior management actively engages in the communication with senior management of such customers to ensure the collection of trade receivables.
- we assess the condition of the trade receivables by examining factors including the payment history of the respective customers and our business relationships with them. We seek to maintain strict control over our outstanding receivables, and our finance department is responsible for minimizing credit risks. For customers that have good track record of credit, maintain robust business relations with us and engage in ongoing communication with us about their trade receivable payments, our sales team continue pursuing payment collection through active communication. If we identify indications of

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payment collection difficulties or if the outstanding trade receivables from certain customers remain unpaid for a prolonged period of time, we issue collection letters or lawyer’s letters and negotiate payment plans with them when necessary.

- for customers who are not responsive to our demand letters or lawyer’s letters or who fail to pay outstanding trade receivables after a prolonged period following our issuance of demand letters or lawyer’s letters, we may initiate litigation.

As of the Latest Practicable Date, our collection efforts had covered 82.6% of trade and notes receivables balances aged over one year as of December 31, 2025. The following tables set forth the details of our follow-up actions and progress in our trade receivables collection as of the dates indicated:

	As of the Latest Practicable Date (RMB in thousands)	Percentage to trade and notes receivables aged over one year as of December 31, 2025 (%)
Amount of trade and notes receivables covered by demand letters, lawyer’s letters, or litigation	280,530	82.6

	As of the Latest Practicable Date (RMB in thousands)	Percentage to trade and notes receivables aged over one year covered by demand letters, lawyer’s letters, or litigation as of the Latest Practicable Date (%)
Amount of trade and notes receivables collected, pledged by customers to settle, or collectible by judgement	79,061	28.2

To improve our working capital management, we have formulated the following measures:

Enhancing Trade Receivables Management

We are committed to strengthening the collection of our trade receivables and enhancing our liquidity position. As of the Latest Practicable Date, RMB189.8 million, or 24.1% of our trade and notes receivables as of December 31, 2025 had been subsequently settled. We have adopted comprehensive measure to improve the settlement of the balance of our trade receivables.

We have been engaging in active negotiations with major customers to settle a payment schedule to facilitate settlement of outstanding trade receivables, such as introducing additional installment payments at key contract milestones. With robust payment schedules in place, we expect to enhance our cash flow and collection efficiency.

Furthermore, we plan to introduce a credit rating system for small and medium-sized customers, while applying a cash-on-delivery policy for certain customers. While 74.6% of our trade receivables as of December 31, 2025 was from SOE customers or projects led by SOEs, they typically maintain strong credit profiles supported by strong financial discipline and rigorous financial oversight. We plan to comprehensively consider the credit profile of our customers when granting or extending credit period and expect the credit rating system will help mitigate future credit risks associated with customers.

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Optimizing Supply Chain Collaboration

To improve our working capital, we plan to negotiate extended payment terms with key suppliers. During the Trade Record Period, our suppliers typically granted us a credit period of up to 30 days upon reaching project milestones. We may consider exploring collaborations with financial institutions to leverage the a reverse factoring scheme, where the financial institutions would pay our suppliers on our behalf, allowing us to extend our payment terms without negatively impacting our suppliers’ cash flow. This approach not only helps us maintain strong and positive relationships with our suppliers by ensuring they receive timely payments, but it also frees up our cash flow, providing us with additional liquidity to support other operational needs or investment opportunities.

In addition, we plan to negotiate early payment discounts with suppliers of non-core materials. This involves proposing a discount policy where we would receive a reduction on the invoice amount if payments are made earlier than the standard terms. This approach not only reduces costs but also strengthens supplier relationships by providing them with quicker access to cash, potentially leading to more favourable terms or improved service in the future.

Improving Cash Flow Management

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, while experiencing business growth with our revenue increasing by RMB46.0 million, or 9.1%, from RMB507.5 million in 2023 to RMB553.5 million in 2024 and further to RMB702.7 million in 2025.

In the future, we expect to improve our net operating cash flow. From an internal management perspective, we have implemented a variety of measures to improve our cash flow position, including: (i) setting an annual overall cash flow budget target at the beginning of each fiscal year; (ii) forecasting and simulating the cash flow status for the current and next quarter, as well as determining the cash flow target, our receivables collection plan and payment control targets regularly; (iii) assigning designated personnel in charge of the management of trade receivables; (iv) taking into consideration the collections of receivables in assessing the performance of sales personnel and the management team to encourage them to actively follow up with customers regarding receivables collection; (v) senior management’s regular review of overdue payments to ensure that timely measures are taken to resolve issues; and (vi) the use of legal measures, such as demand letters and litigation, to expedite collections.

From a business perspective, we plan to continually enhance our cash flow by: (i) optimizing and advancing our technology, especially in the area of AI computing satellites, to further drive recognition among our customers and market acceptance of our technological advancement and capabilities; (ii) expanding our customer base and deepening customer relationships; (iii) improving our profit margins by managing our operating expenses; and (iv) enhancing operational efficiency and economies of scale. We also expect to maintain sufficient working capital to meet our present requirements and in the near future.

In addition, as evidenced by our Pre-[REDACTED] Investments and other historical fund-raising activities, we have a good track record in being able to raise money from renowned investors to finance our business. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments.” We believe that the [REDACTED] and other potential external financing sources, including those to which we will gain access after [REDACTED], will provide additional funding for our business expansion operations.

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AWARDS AND RECOGNITIONS

We have received numerous awards and recognitions for our brand, business operations, products and solutions. The table below sets forth a summary of significant awards and recognitions that we have received during the Track Record Period and up to the Latest Practicable Date:

Year	Awards/Certifications	Awarding Body
2025	Top 10 Premier Achievements of the World Internet Conference	World Internet Conference
2025	Strong Computing Power Foundation Initiative — Unveiled List (Zero-Carbon Space Computing Center)	MIIT
2025	25th China Patent Award	NIPA
2025	Golden Bull Technology Innovation Enterprise Award (Aerospace & Aviation)	China Securities Journal
2024	Member of International Astronautical Federation	International Astronautical Federation
2024	Specialized and Innovative “Little Giant” Companies to Continue Receiving Support	MIIT
2023	Science and Innovation China Leading Technology Top 25 (2022年“科創中國”先導技術榜Top 25)	China Association for Science and Technology (中國科學技術協會)
2023	Special Prize of the Science and Technology Progress Award	Chinese Association of Automation
2023	Intellectual Property Advantage Company	NIPA

COMPETITION

We compete with a number of domestic companies focusing on the R&D, production, launching and application of satellites. 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. As competition intensifies with continued R&D investment and market expansion by existing and new entrants, we believe our robust AI satellite technologies and sophisticated talent pool allow us an advantageous position among existing and incoming industry players.

EMPLOYEES

As of December 31, 2025, we had 336 full-time employees located in China. The following table sets forth the number of our employees by function as of December 31, 2025:

Employee function	Number of employees	Percentage of employees (%)
R&D and production	221	65.8
Sales and marketing	60	17.9
Administration, human resource, financial and procurement	55	16.4
Total	336	100.0

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Our workforce consists of skilled workers and professionals with extensive industry experience from leading academic and research institutions, industry application units and internet technology companies. See “— Our Strengths — Visionary Management with Innovative and Technology-Driven Corporate Culture.”

We place significant emphasis on investing in our employees and have established a well-rounded talent development system. Our training programs are categorized into company-level, department-level and function-level training. Prior to commencing their roles, new employees are required to complete relevant training and pass examinations. We offer a wide range of specialized training aimed at enhancing the professional skills of our employees. In addition, we have cultivated a number of internal training courses and developed a series of targeted professional courses to effectively implement our talent development strategy, foster the growth of key talents and enhance the managerial proficiency of our team.

We provide our employees with competitive remuneration and benefits. Employees’ remuneration is decided on the basis of functions, performance appraisals and market practices. Our performance appraisals consider a variety of factors, such as our business development, return on equity and risk control. Meanwhile, we provide a variety of benefits to our employees, such as annual physical examinations and annual vacation. We believe our remuneration and benefits system fully stimulates our employees’ creativity, initiative and enthusiasm, and thereby helps achieve our business goals.

We have established labor unions that protect employees’ rights, help fulfill our and our subsidiaries’ economic objectives, encourage employee participation in management decisions and assist in mediating disputes between us and union members. We have maintained a good relationship with our employees and did not have any material labor dispute during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Funds

As required by the laws and regulations in the PRC, we participate in various employee social security plans that are administered by local governments, including housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. During the Track Record Period, we did not make social insurance and housing provident fund contributions for some of our employees in full, primarily because (i) certain employees were unwilling to pay the social insurance and housing provident funds in full as additional contributions were required from them; or (ii) our employees did not fully understand the relevant requirements of the relevant PRC laws and regulations. We engaged third-party human resource agencies to pay social insurance premiums and housing provident funds for certain of our employees in certain locations where they work, primarily because some of our employees working in different cities across the nation prefer their social insurance and housing provident funds to be paid at their respective places of residence for the convenience of utilizing such benefits locally. See “Risk Factors — Risks Relating to Our Business and Industry — Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.”

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Our shortfall amount of social insurance contributions was approximately RMB12.3 million, RMB10.8 million and RMB8.4 million in 2023, 2024 and 2025, respectively. Therefore, based on the unpaid social insurance contribution of RMB31.5 million, if we fail to make required payments within the prescribed period as required by the competent authorities, the potential maximum penalty would be RMB94.5 million. Additionally, pursuant to applicable PRC laws and

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regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement. Our shortfall amount of housing provident fund contributions was approximately RMB2.3 million, RMB2.0 million and RMB1.2 million in 2023, 2024 and 2025, respectively. In respect of the unpaid amount of our housing provident fund contribution of RMB6.6 million for the Track Record Period, if we fail to make required payments within the prescribed period as required by the competent authorities, the potential maximum adverse consequence would be an order from the PRC court to make full payment on the outstanding amount of RMB6.6 million.

As advised by our PRC Legal Advisor, on the grounds that (i) during the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to the above incidents, contributions, nor had we received any order or been informed to settle the under-contributions; and (ii) the Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Spirit of the Executive Meeting of the State Council in Stabilizing the Collection of Social Security Contributions (人力資源和社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知) strictly prohibits local authorities to conduct self-collection of historical unpaid social insurance contributions from companies, the relevant regulations and policies issued by the PRC government are still in effect and as long as we make full payment within the stipulated deadline, if required by relevant authorities in the future, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance from us and/or impose administrative penalties on us due to our failure to make full payment of the social insurance is remote, and the likelihood that the competent authorities would impose any other administrative penalties on us due to our failure to make full payment of the housing provident funds is remote.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds on a monthly basis;
- We are in the process of communicating, and will continue to communicate, with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds, which also requires additional contributions from our employees;
- We will proactively communicate with the relevant local authorities to keep up to date with the applicable laws and regulations concerning social insurance and housing provident funds; and
- We will consult our PRC legal Advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including, but not limited to, PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance training relating to the same.

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Considering that (i) such shortfalls primarily arose primarily due to our respect for employees’ personal preferences and our lack of understanding of the relevant PRC laws and regulations, rather than as a result of any intentional evasion or systemic failure; (ii) we have strengthened our internal policies and compliance procedures and enhance communication with employees to ensure accurate and timely contributions in accordance with relevant laws and regulations going forward; (iii) as advised by our PRC Legal Advisor, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance from us and/or impose administrative penalties on us due to our failure to make full payment of the social insurance is remote, and the likelihood that the competent authorities would impose any other administrative penalties on us due to our failure to make full payment of the housing provident funds is remote; (iv) the aggregate shortfall amounts during the Track Record Period represented a small proportion of our total staff cost and did not have any material financial impact on our results of operations; and (v) as of the Latest Practicable Date, we had not been subject to any administrative penalty, enforcement action or rectification order by any competent authority in relation to the above shortfalls, our Directors believe that the abovementioned incident does not constitute material nor systemic non-compliance of our Group, and will not, individually or in the aggregate, materially affect our business and results of operation. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period. For relevant risks, see “Risk Factors — Risks Relating to our Business and Industry — Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.” Going forward, we will continue to implement the above measures to ensure we are in compliance with the social insurance and housing provident fund contributions requirements under the relevant laws and regulations. If the relevant authorities order us to make timely payments for the outstanding amount and overdue charges or take any rectification measures in accordance with applicable laws and regulations, we undertake that we will rectify as requested as soon as practicable.

INSURANCE

We consider our insurance coverage to be adequate as we maintain all the mandatory insurance policies required by PRC laws and regulations and, according to Frost & Sullivan, in accordance with the commercial practices in our industry. Our employee-related insurance consists of housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. For our satellites, we may purchase launch insurances to safeguard against any potential launch failures considering the value of the satellites to be launched and the insurance premium costs, among other factors. In line with market practice, as advised by Frost & Sullivan, third-party liability insurance for rocket launch is typically purchased by launch service providers, and we typically do not purchase in-orbit insurance for our satellites which are all LEO satellites. During the Track Record Period, we did not make any significant insurance claims related to our business. See “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be inadequate to cover all losses or potential claims by our customers which would affect our business, financial condition and prospects.”

PROPERTIES

Our headquarters office is located in Chengdu, China. We own and lease properties in China for R&D, business and office purposes.

Pursuant to Rules 5.01A(1) and 5.01B(1) of the Listing Rules, if the carrying amount (as defined in Rule 5.01(1) of the Listing Rules) of a property interest (as defined in Rule 5.01(3) of the Listing Rules) that forms part of property activities (as defined in Rule 5.01(2) of the Listing Rules) is or is above 1% of its total assets (as defined in Rule 5.01(4) of the Listing Rules), the Document must include the full text of a valuation report for such property interest and the total carrying amount of property interests not valued must not exceed 10% of its total assets. As of December 31, 2025, being the date of which the most recent audited consolidated statements of the financial position of our Group, the carrying amount of our property interest that formed part of our property activities exceeded 1% of our total assets.

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For details of the property valuation report pursuant to Rules 5.01A(1) and 5.01B(1) of the Listing Rules, see “Appendix III — Valuation Report.” See “Risk Factors — Risks Relating to Our Business and Industry — Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.”

Owned Properties

As of the Latest Practicable Date, we owned land use rights of three parcels of land in the PRC with an aggregate GFA of approximately 49,629.4 sq.m., which were primarily used for R&D and production purposes. As of the Latest Practicable Date, we had obtained the land use right certificates for two parcels of land which were under construction for production purposes, covering an aggregate GFA of approximately 24,584.3 sq.m., and we were in the process of obtaining the land use right certificate for the other parcel of land that we acquired for R&D and office purposes, with a GFA of approximately 25,045.1 sq.m.

Leased Properties

As of the Latest Practicable Date, we leased 13 properties in China, among which, (i) 12 properties with an aggregate GFA of approximately 19,266.1 sq.m. were primarily used for offices, R&D, production and commercial purposes, and (ii) one property was used for employee dormitories.

As of the Latest Practicable Date, our lease agreements of the above leased properties had not been registered with relevant authorities primarily because the lessors are unwilling to cooperate with the procedures. As advised by our PRC Legal Advisor, the non-registration of lease agreements will not affect the validity of the lease agreements, but the relevant local housing administrative authorities can require us to complete registrations within a specified timeframe and we may be subject to a fine of between RMB1,000 and RMB10,000 for any delay in making registration for each of these lease agreements. The aggregate amount of maximum fine will be approximately RMB130.0 thousand. As of the Latest Practicable Date, we had not been required by the relevant local housing administrative authorities to complete the registrations, nor been penalized or fined by the relevant authorities. To minimize the potential negative impact of the above incident, we will continue to maintain regular communications with such lessors, seeking their cooperation to complete a late registration of the relevant leases. In addition, we will seek the landlord’s or lessor’s cooperation to register a lease agreement before signing in order to ensure compliance with applicable PRC laws and regulations in the future.

Considering (i) the non-registration of lease agreements does not affect the legal validity or enforceability of the relevant leases under applicable PRC laws and regulations, as confirmed by our PRC Legal Advisor; (ii) the non-registration resulted primarily from the lessors’ unwillingness to cooperate with the procedural requirements, which is beyond our control and not due to any intentional non-compliance or negligence on our part; (iii) as of the Latest Practicable Date, we had not received any notice from the relevant housing authorities requiring us to complete the lease registration, nor had we been subject to any administrative penalty or fine in connection with the non-registration; (iv) the maximum potential penalty for non-registration of all relevant leases, if imposed in full, would amount to approximately RMB130.0 thousand, which is immaterial relative to our overall operating costs and would not have a material financial impact on our Group; and (v) we have established internal procedures to proactively engage with lessors and obtain their cooperation to complete lease registration where feasible, and we intend to include lease registration requirements in future lease negotiations to ensure compliance on a forward-looking basis, our Directors are of the view that the abovementioned incidents do not constitute material or systemic non-compliance of our Group, and will not, individually or in the aggregate, have any material adverse effect on our business, financial position or results of operations. See “Risk Factors — Risks Relating to our Business and Industry — Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties and to renew our leases could adversely affect our business.”

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DATA SECURITY AND PRIVACY

Our data mainly consists of satellite imagery and personal data, including phone numbers, we collected in the course of our product and solution sales. To comply with relevant laws and regulations and safeguard against any incidents that result in data breaches and system shutdowns, we are committed to protecting data and information security in our day-to-day operations. We have in place policies, processes, network architecture and software to protect and manage data. Our data compliance management policies cover the full lifecycle of data processing including data collection, data encryption and transportation, data storage security, data backup and recovery, data processing, proper use of data, and data destruction and disposition. In addition, we have established a privacy policy, and prior to collecting personal data, we will make the contents of the privacy policy publicly available and obtain the explicit consent of the individual whose information is being collected. Our policies require, among other things, that we categorize data according to the degree of harm that could be caused to national security, public interest, or the legal rights and interests of individuals and organizations in the event of data tampering, destruction, leakage, or illegal acquisition and use.

In addition, we have established relevant internal organizational structures, such as the data management department and the cybersecurity officer. We have implemented the graded protection of cybersecurity pursuant to the Cybersecurity Law of the PRC (中華人民共和國網絡安全法), completed and obtained level three for Level Guarantee Certificate (Information System Security Level Protection Filing Certificate). During the Track Record Period and up to the Latest Practicable Date, considering that (i) there had been no material incident of data or personal information leakage, material infringement of or material investigation or other legal proceeding, pending or threatened against us initiated by competent government authorities or third parties with respect to data protection and personal information protection laws and regulations; (ii) we have not been subject to any material administrative action, fine or penalty imposed by any relevant regulatory authorities in relation to the infringement of data protection and personal information protection laws and regulations, and have not been involved in any investigations on cybersecurity review by CAC; (iii) we have adopted and implemented data protection internal policies, procedures and measures in accordance with the relevant data protection and personal information protection laws and regulations in material aspects, so as to ensure secured storage, usage and transmission of data, and to prevent unauthorized access or use of data; and (iv) we will continuously pay close attention to the legislative and regulatory development in data protection and personal information protection, maintain ongoing communication with relevant government authorities and implement all necessary measures in a timely manner to ensure continuous compliance with the relevant laws and regulations, combined with the Special Credit Reports for Market Entities obtained by us and the online searches on the official websites of the competent governmental authorities conducted by the PRC Legal Advisor, our Directors and our PRC Legal Advisor are of the view that during the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations with respect to the data privacy and personal data protection in all material aspects, and we had not been involved in any material non-compliance with respect to the data privacy and personal data protection that have led to administrative investigation, inquiry, penalty, litigation or other legal proceedings that could individually or in the aggregate, have a material adverse effects on our business, financial conditions and results of operations.

Pursuant to the Guarding State Secrets Law of the PRC (中華人民共和國保守國家秘密法), the Provisions on the Scope of State Secrets Involved in the Administration of Surveying, Mapping and Geoinformation (測繪地理信息管理工作國家秘密範圍的規定) and other relevant laws and regulations, matters related to national security and interests, information relating to national security and interests may be classified as state secrets if its disclosure could endanger the security or interests of the state. The classification of such information is determined by competent state authorities, and once classified, its use, reproduction, storage and handling are subject to strict confidentiality requirements.

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During the Track Record Period, we established and implemented the Surveying, Mapping and Geographic Information Confidentiality Management System. This system is designed to standardize our activities in relevant fields and ensure that we do not obtain any surveying and mapping results involving state secrets in its geographic information activities. In accordance with the restricted shooting zones specified in applicable regulations, we maintain a dynamically updated classified geoinformation database, which is integrated into the mission planning system. Prior to the initiation of any shooting mission, the system automatically verifies whether the target area is within the prohibited zones as specified. If the target area is classified, the system automatically verifies whether the target area falls within the restricted shooting zones as stipulated. If the target area is classified, the system will automatically suspend the mission planning process, and the issuance of shooting instructions is strictly prohibited. To ensure compliance with confidentiality regulations, such as Interim Measures for the Management of Remote Sensing Data from China’s Civilian Satellites (國家民用衛星遙感數據管理暫行辦法), we will not develop, launch or operate optical or radar satellites with a spatial resolution exceeding 0.5 meters. Furthermore, we will not produce, distribute or sell any satellite imagery with a resolution better than 0.5 meters or any derivative products thereof. Following the surrender of our Surveying and Mapping Qualification Certificate in February 2026, we have ceased to conduct business activities which require such qualification. See “Business — Permits, Licenses and Approvals.”

During the Track Record Period and up to the Latest Practicable Date, we did not purchase surveying and mapping results involving state secrets from third parties. In the event that we obtain surveying and mapping results from third parties, we shall carry out compliance reviews on the relevant results in accordance with our internal system to ensure that no state secrets are involved. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties for violations of surveying and mapping confidentiality regulations. As advised by PRC Legal Advisor, based on the aforesaid factors, we had, in all material respects, complied with the applicable laws and regulations concerning state secrets during the Track Record Period and up to the Latest Practicable Date.

INTELLECTUAL PROPERTY

Our intellectual property rights are key to our success and competitiveness. As of December 31, 2025, we had 212 trademarks, 134 copyrights, 102 patents and seven filed domain names in China. In addition, as of the Latest Practicable Date, we had four U.S. patents. See “Appendix VII — Statutory and General Information — 2. Further Information about Our Business — B. Intellectual Property Rights.”

Our registered patents and patent applications encompass the essential features, technologies and characteristics of our products and solutions, including AI computing payload systems, satellite platforms, as well as the structural technology of space communication experimental platforms and deep learning algorithms. Our comprehensive intellectual property portfolio helps secure our competitive edge in the industry.

We have formulated in-house intellectual property management rules. We also protect our intellectual property rights through a series of confidentiality non-disclosure agreements with our key employees, suppliers, outsourcing partners and other business partners to protect our intellectual property rights. We designate dedicated personnel to handle intellectual property-related issues, including monitoring the application status of intellectual property rights and performing routine checks to prevent and identify any third-party infringement. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any material infringement of our intellectual property rights or allegations of infringement by third parties.

INFORMATION TECHNOLOGY SYSTEM

IT is fundamental to our competitive edge and operational efficiency. We primarily utilize our ERP system that evolve in tandem with our business growth, ensuring they meet our varied operational demands. We primarily use our ERP system, which evolves with our business growth to meet our various operational demands and supports core functions, including inventory, sales, supply chain, customer, employee, financial, and project management. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material IT system failure or downtime that had a material adverse effect on our business operations.

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We are committed to creating a sustainable, positive impact across environmental, social, and governance (“ESG”) matters. Our management greatly values ESG and has implemented various relevant mechanisms, which we will continue to enhance and refine.

ESG Governance

Our Directors believe that robust ESG principles and practices will enable us to fulfill our mission and strategic objectives while delivering long-term value to our stakeholders. Our Board oversees the development and reporting of our ESG direction and strategy, identifies ESG-related risks, monitors and evaluates our ESG performance, and ensures compliance with evolving ESG-related laws and regulations. We plan to establish a comprehensive ESG framework and an ESG committee to implement the framework, set ESG goals and oversee their execution.

Climate-Related Risk

We prioritize the identification and management of ESG risks, particularly climate and low-carbon risks. We have implemented internal measures to address key ESG risks and identify related opportunities, including:

- **Physical Risks.** The launch and operation of our AI satellites are subject to adverse weather and climate conditions, which may disrupt launch schedules, ground operations, satellite remote sensing data transmission, and satellite’s durability in orbit. We mitigate these risks through rigorous meteorological monitoring, developing contingency plans to minimize operational disruption, and enhancing our satellites’ resilience to space-specific environmental challenges through our R&D advances.
- **Transition Risks.** We face risks from evolving ESG-related regulations, technological advancements, and shifting customer demand toward sustainable satellite solutions, which may require us to increase our investment in the R&D of sustainable technologies and green production facilities. We have implemented mechanisms to monitor regulatory evolution, ensure compliance with evolving regulations and industry standards, and conduct regular market research and collect customer feedback to stay abreast of market trends. We have assessed the potential changes in social trends and political policies relating to ESG matters and concluded that, as of the Latest Practicable Date, such changes were not expected to have any material impact on our business operations.
- **Opportunities.** We see meaningful opportunities arising from climate change and the global shift to a low-carbon economy. We plan to proactively offer sustainable solutions and satellite data analytics services to booming markets such as renewable energy and environmental monitoring sectors. We will also pursue regulatory incentives and funding to offset compliance costs and accelerate green technology development.

During the Track Record Period and up to the Latest Practicable Date, we were not subject to any fines or other penalties for non-compliance with relevant regulations on environmental, social and governance.

Environmental Protection

We active work to reduce our carbon footprint, improve resource consumption efficiency, and optimize waste management. We are ISO 14001–certified and adhere to stringent international production standards. We give our employees relevant internal training to keep them informed of all applicable environmental laws and regulations in the regions where we operate.

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Metrics and Targets

We diligently monitor our key ESG metrics to ensure adherence to our ESG standards and targets. According to Frost & Sullivan, the impact of our greenhouse gas emissions is relatively minor compared to conventional production sectors, given that the AIT process for satellite production typically involves smaller production volumes and less energy-intensive activities. The following table sets forth our GHG emission during the Track Record Period:

Indicator	Unit	Year ended December 31,		
		2023	2024	2025
Scope 1 emission	ton of CO ₂	3.2	2.8	2.4
Scope 2 emission	ton of CO ₂	408.5	459.6	909.9
Scope 3 emission	ton of CO ₂	272.5	299.8	215.9
Business travel	ton of CO ₂	262.3	289.3	201.6
Waste treatment	ton of CO ₂	10.2	10.5	14.2
Total GHG emissions	ton of CO ₂	683.9	762.2	1,128.2
	ton of CO ₂ /revenue (RMB			
GHG emissions intensity	in thousands)	0.0013	0.0014	0.0016

We aim to reduce our water and electricity consumption and GHG emissions intensity by 5% each within the next three years, with a long-term goal of our GHG emissions intensity by 15% by 2035, using 2025 as the baseline year. To achieve this, we will implement measures including enhancing electricity efficiency, optimizing travel arrangements, and actively promoting employee awareness on emissions reduction.

Water Resource Management

We strictly comply with the PRC Water Law and other relevant laws and regulations. We analyze water consumption on a monthly basis and educate and encourage employees about water conservation. The following table sets forth the details of our water usage during the Track Record Period:

Indicator	Unit	Year ended December 31,		
		2023	2024	2025
Municipal water use	m ³	3,573.0	4,805.0	4,110.3
Bottled water use	m ³	66.9	71.1	122.3

Solid Waste Management

We strictly comply with laws and regulations on solid waste management, implement relevant internal policies and have solid waste collected by third parties. We encourage our employees to work online, operate most of our business digitally, and utilize cloud services to reduce the consumption of paper and other office supplies. The following table sets forth our waste generation during the Track Record Period:

Indicator	Unit	Year ended December 31,		
		2023	2024	2025
Non-hazardous Waste				
Paper consumption ⁽¹⁾	ton	2.0	2.0	2.8
Hazardous Waste				
Batteries	Kg ⁽²⁾	12.3	20.1	2.5
Toner cartridges	piece	39.0	34.0	0.0
Inkjet cartridges	piece	4.0	4.0	0.0

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Notes:

- (1) The paper consumption is calculated based on monthly average data.
- (2) The weight of each battery is set to be 15g.

Energy Management

We mainly use purchased electricity in our operation. We continuously optimize our energy structure and improve our energy use efficiency. In 2023, 2024 and 2025, our electricity consumption was 756,217.4 kw/h, 850,922.2 kw/h and 1,708,316.4 kw/h, respectively.

Satellite Management

The ESG challenges in the commercial aerospace industry primarily arise from the de-orbiting and disintegration processes at the end of satellite lifecycles, which, if mishandled, may lead to increased space debris and long-term pollution of Earth’s orbital environment. Our satellites generally have a designed lifecycle of three to five years, designed for complete atmospheric disintegration to minimize debris risks. The real-time monitoring systems track satellite health, including battery degradation and orbital deviations. Satellites that have reached the end of their lifespan or are de-orbited will, under the control of ground monitoring personnel, gradually leave their original orbit due to gravitational forces. As their orbital altitude decreases, they will slowly descend and disintegrate completely upon re-entering the atmosphere. In case of anomalies, we have backup redundant systems to prevent failures. As of the Latest Practicable Date, we had 15 AI satellites in orbit, all LEO satellites, and had recorded no satellite management incidents or debris collision-related incidents.

Corporate Social Responsibility

Human Resources Management. We strictly comply with laws and regulations regarding recruitment and dismissal, compensation and promotion, employee working hours, equal opportunities, anti-discrimination, diversity, working hours, holidays and other benefits. We are committed to building a diverse, equal and inclusive work environment for our employees free of discrimination. As of December 31, 2025, we had 105 female employees, representing 30.9% of our total employees. Our Recruitment and Hiring Management Policy (招聘與錄用管理制度) covers the entire process of recruiting new employees and selecting internal candidates, ensuring the scientific rigor, fairness, and transparency of talent selection. Our labor management system clearly addresses key areas including attendance management, performance evaluation, and employee code of conduct. During the Track Record Period and up to the Latest Practicable Date, there were no incidents in violation of our policies or relevant laws and regulations pertaining to child labor, forced labor, labor trafficking or employee discrimination.

Occupational Health and Safety. We have strictly complied with laws and regulations on work safety and health protection and implemented relevant internal measurements. We have set up a safety management organization to ensure the implementation and enforcement of various safety systems. Fire safety training is also conducted regularly to enhance the safety awareness and skills of our staff. During the Track Record Period and up to the Latest Practicable Date, we did not experience any work-related fatalities or material work-related injuries or incur penalties arising from any material non-compliance with work-related safety laws and regulations.

Benefits and Welfare. We strictly comply with laws and regulations on employee welfare. We offer a comprehensive compensation and benefits package designed to attract, retain, and motivate talented workforce, including a fixed salary, performance bonus and various welfare benefits. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material non-compliance with social laws or regulations related to employee social welfare.

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Supply Chain Management. We prioritize the selection of suppliers with internationally acknowledged certifications in environmental and social risk management, such as ISO 50001 and ISO 14001. We also monitor suppliers and conduct on-site inspection when necessary to ensure that our suppliers use environmentally-friendly materials and processes.

Social Activities. Since October 2023, we have been hosting a “Satellite World Public Open Day” event each week to provide young visitors an opportunity to explore the history of satellite development and technological advancements.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established our risk management systems to identify, assess, monitor and mitigate the risks that may hinder our success, including strategic risks, operational risks, financial risks and legal risks. To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures: (i) establish an Audit Committee to review and supervise our financial reporting process and internal control system; (ii) adopt policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to risk management, connected transactions and information disclosure; (iii) provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against non-compliance in Anti-Fraud Management System; (iv) organize training sessions for our Directors and senior management with respect to the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong; and (v) provide enhanced training programs on warranty and product safety procedures.

In addition to the above, we have established internal measures to oversee and manage other risks related to our operation, compliance, and investment. We manage our operational risks through comprehensive procedures, as well as actively identifying, measuring, monitoring and containing operational risks to keep them within a reasonable range and reduce potential losses. Our information technology, human resource, finance, and operations departments enforce internal controls and escalate major adverse events to our CEO and Board for timely action. For compliance risks, we have implemented comprehensive procedures and proactively identify and prevent such risks. Our legal department reviews all contracts and verifies counterparties’ licenses and permits before we enter any engagement, and continually tracks regulatory changes to ensure that we remain compliant. Our investment risks primarily arise from investments and acquisitions in complementary businesses aligned with our growth strategy. We typically hold long-term positions through preferred or ordinary shares with preference rights and secure minority protection rights to mitigate downside. Our investment department sources, screens, executes, and monitors projects with the finance and legal departments. It also conducts thorough due diligence to assess risks and potential before we commit capital.

SANCTIONS EXPOSURE

During the Track Record Period, we entered into transactions with (i) Company A, a subsidiary of an entity listed on the SDN List under Executive Order 14024 in 2023, thereby subjecting Company A to the same sanctions as an SDN due to ownership in 2023; and (ii) Company B, which was designated on the SDN List and the Entity List in 2023 (collectively, the “Relevant Entities”). The transactions with Company A for the procurement of data services and Company B for the procurement of sun sensors occurred in December 2019 and March 2023, respectively, with transaction amounts of RMB1.5 million and RMB1.0 million, respectively. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions.”

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As advised by our International Sanction Counsel, considering no US nexus was involved in the aforementioned transactions and the nature of such transactions was limited to procurement from Company A and Company B, our business dealings with the Relevant Entities do not appear to violate or implicate any breaches of the applicable U.S. sanctions and U.S. export control. On the grounds that (i) the agreement with Company A was entered into prior to its SDN designation, and we did not renew such agreement or enter into new transactions with Company A upon the expiration of the agreement; (ii) the agreement with Company B was entered into prior to its SDN designation, with delivery and one-off payment made shortly after such SDN designation; and (iii) our interactions with the Relevant Entities were limited to the aforementioned procurements and the one-off payment to Company B without providing any financial resources or products to them, which reduces the likelihood of our exposure to secondary sanctions risks, our International Sanction Counsel is of the view that the risk for us or our investors and shareholders and persons who might, directly or indirectly, be involved in permitting the [REDACTED], trading, clearing and settlement of our shares (together, as the “Relevant Persons”) to face exposure to secondary U.S. sanctions is low. According to Frost & Sullivan, there are adequate suppliers offering comparable products and services in China. While we have terminated cooperations with Company A and Company B, we are able to procure data services and sun sensors from alternative companies with comparable quality, quantity and commercially reasonable terms. Therefore, the termination of cooperations with Company A and Company B will not adversely affect our business operations and financial performance.

In addition, during the Track Record Period, we did not engage in Primary Sanctioned Activity because there were no activities in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target, by our Company and our subsidiaries incorporated or located in a Relevant Jurisdiction (if applicable) or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation. As such, as advised by our International Sanction Counsel, we would not appear to have violated applicable sanctions law or regulation in the Relevant Jurisdictions that could result in any material sanctions risk to the Relevant Persons.

In order to protect the interest of our Group and our Shareholders from economic sanctions risks, we have adopted the following enhanced internal control and risk management measures:

- conduct the Know-Your-Customer procedures to review the background information, such as identity, ownership structure, business scope and compliance record, relating to our counterparties in business transactions along with the draft business transaction documentation;
- utilize the international sanction databases to screen whether the counterpart is listed on OFAC, SDN, BIS list or other sanctions lists, with the regularly updated screening results to ensure the counterpart has not been newly added to any sanctions list;
- conduct further background checks on the counterpart to understand the transaction’s background and purpose, confirming its legality and compliance, and whether there is any intent to evade sanctions. We verify the source of transaction funds to ensure the counterpart does not involve sanctioned entity or individual. In addition, we confirm the final use of transaction items, particularly whether they involve military use or civil-military integration issues;
- ensure the contracts with third parties will include protective clauses, such as: (i) any export, re-export, sale or transfer of our products and solutions to third parties will comply with applicable laws and regulations related to sanctions and export controls; (ii) products and solutions will not be directly or indirectly exported, re-exported, sold or transferred to any embargoed or sanctioned countries or regions; (iii) products and solutions will be used for civilian end-users and purposes, and will not involve any activities prohibited by applicable laws and regulations related to sanctions and export controls; and (iv) agreed remedies and compensation measures that can be taken if the counterpart violates sanctions compliance terms;

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- regularly review the counterpart’s sanctions risk level, promptly update due diligence files and timely identify and address potential violations; and
- enhance management system and compliance training to ensure awareness of sanctions risks and timely and effective identification and reporting of actual and potential violations.

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 “— 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.”

The following table sets forth the details of the material permits and licenses held by us as of the Latest Practicable Date:

No.	Name of Satellite	Radio Frequency Use Permit		Radio Station License		Space Object Registration
		Permit No.	Expiration Date	License No.	Expiration Date	
1.	XSD-18	Radio Frequency Use Permit [2023]00078	November 1, 2026	2023GFJY0000000279	November 1, 2026	Yes
2.	XSD-21	Radio Frequency Use Permit [2024]00040	March 19, 2027	2024GFJY0000000122 2024GFJY0000000123	March 19, 2027	Yes
3.	XSD-22	Radio Frequency Use Permit [2024]00040	March 19, 2027	2024GFJY0000000122 2024GFJY0000000123	March 19, 2027	Yes
4.	XSD-27 to XDS-28	Radio Frequency Use Permit [2025]00034	March 31, 2030	2025GFJY0000000028	March 31, 2030	Yes
5.	XSD-29 to XSD-36	Radio Frequency Use Permit [2025]00034	March 31, 2030	2025GFJY0000000029	March 31, 2030	Yes
6.	XSD-37 to XSD-38	Radio Frequency Use Permit [2025]00034	March 31, 2030	2025GFJY0000000028	March 31, 2030	Yes

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 our Surveying and Mapping Qualification Certificate in February 2026. As a result of the surrender, we have ceased to conduct business activities which required such qualification, primarily including satellite remote sensing image acquisition, satellite-to-ground transmission and decoding. As the relevant services formed

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only a minor part of our satellite TT&C services and the remainder of our TT&C services continues unaffected, we believe that the cessation of these services does not constitute a change in our business model and will not have a material impact on our customer relationships, profitability or revenue from our satellite and related services, including TT&C services.

Following the surrender, we no longer receive, transmit or process raw satellite remote sensing data as part of our TT&C services, which was previously used for the provision of our satellite-based solutions. 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.

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. See “Regulatory Overview — Regulations in Relation to Foreign Investment.” As advised by our PRC Legal Advisor, foreign investors are prohibited from holding any equity interest in any entity engaged in such prohibited businesses. 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.

Below sets forth our satellite-based solutions whose application scenarios fell within the “prohibited category” in the Negative List during the Track Record Period.

3D Reality Mapping

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. During the Track Record Period, the contract value of satellite-based solutions involving 3D reality mapping compilation amounted to RMB147.1 million, RMB41.5 million and RMB6.6 million, respectively. The extent to which the Lingjing Engine was employed in our satellite-based solutions varied from year to year depending on customer demand, project specifications and solution configurations. Considering that the contract value related to such delivery form accounted for only 0.9% of our revenue, we do not consider the cessation of this delivery form 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.

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In addition, solutions involving 3D reality mapping represent only a limited portion of our overall satellite-based solutions portfolio, as we offer multiple delivery forms that do not directly employ the Lingjing Engine. Following such business arrangement, we will continue to engage with customers and deliver satellite-based solutions in other delivery forms in a compliant manner. See “– Our Products and Solutions”.

Geology-Related Services

During the Track Record Period, we provided certain geology-related services to municipal management departments through integrated solutions that support both disaster response and resource management, including (i) an urban comprehensive emergency rescue system for emergency monitoring, reporting, scientific decision-making, rescue and assessment following geological disasters; and (ii) a geological disasters identification system for identifying potential geological hazards at an early stage through satellite remote sensing data to enhance the city’s geological disaster prevention and control. In 2023, 2024 and 2025, the contract value of geology-related services amounted to RMB20.3 million, RMB3.4 million and RMB nil, respectively, which we do not consider to have 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 during the Track Record Period; 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.

Based on the above, the advice of the PRC Legal Advisers and, in particular (i) the fact that we have ceased to provide satellite-based solutions involving 3D reality mapping compilation, with the related contract value of only RMB6.6 million in 2025, representing 0.9% of our revenue for the same period; and (ii) the contract value of geology-related services was RMB nil in 2025, the Sole Sponsor is not aware of the above business arrangement would have material adverse effect on the business, financial condition and results of operations of our Group.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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Compliance

During the Track Record Period and up to the Latest Practicable Date, save for the incident set out below, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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 (the “Relevant Authority”) 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 advised by our PRC Legal Advisor, pursuant to the Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) (the “Measures”) and the Notice of the State Council on Issuing the Catalogue of Government-Approved Investment Projects (2016 Edition) (《國務院關於發布政府核准的投資項目目錄(2016年本)的通知》) (Guo Fa [2016] No. 72) (the “Notice”), civil satellite production and civil remote sensing satellite ground station construction projects are subject to approval by the investment authorities of the State Council. For projects that require approval, if a company begins construction without obtaining the necessary approval or constructs outside the approved construction location, scale or scope, the approving authority may order the cessation of construction or production and impose a fine of between 0.1% and 0.5% of the total project investment. Additionally, fines ranging from RMB20,000 to RMB50,000 may be imposed on the directly responsible personnel and other individuals directly at fault. The project may, depending on the circumstances, be dismantled or require the relevant procedures to be completed.

We have obtained written confirmations from the Chengdu Development and Reform Commission (成都市發展和改革委員會) (the “CDDRC”) on August 6, 2024, confirming that (i) the CDDRC will continue to support our development; and (ii) as of August 6, 2024, no administrative penalties related to the business of our Group or Chengdu Xingshidai had been found in the development and reform sector of Chengdu. In addition, Dr. Lu, Beijing Xingrong Yuhang and Beijing New Era Space (together, the “warrantors”) have jointly undertaken that, in the event that our Group and our PRC subsidiaries and/or related personnel incur any penalty or loss exceeding 0.5% of the total investment amount of the relevant projects due to any legal defect in the Relevant Satellites, they shall be liable to indemnify our Group and our PRC subsidiaries for any penalty or loss exceeding 0.5% of the total investment amount of the relevant projects.

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We commit to enhancing our understanding and implementation of relevant laws and regulations, and will strictly complete all subsequent filing work in accordance with the relevant laws and regulations. Taking into account the foregoing, our PRC Legal Advisor is of the view that the failure to obtain the NDRC approval for the Relevant Satellites will not affect our Group’s subsequent submission of the applications with respect to the new satellites in compliance with the Measures and the Notice and the production of the new satellites after obtaining the approvals from the NDRC. 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 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, including:

- (i) we have established a dedicated regulatory compliance team tasked with monitoring and ensuring adherence to all relevant laws and regulations. This team will navigate the ever-evolving regulatory landscape, ensuring our operations remain lawful and aligned with current standards. In addition, we have developed integrated compliance reporting systems that provide insights into compliance incidents;
- (ii) we have implemented a rigorous mandatory approval checklist and workflow system, which requires obtaining the approval from the relevant national ministry as a fundamental prerequisite before commencing any satellite project. This system acts as a comprehensive safeguard, ensuring all necessary regulatory approvals are secured prior to the initiation of production;
- (iii) we have conducted and will continue to conduct regular training sessions for staff members to support our compliance efforts. These sessions are designed to enhance awareness of regulatory requirements and approval procedures. By equipping our personnel with the necessary knowledge and skills, we aim to prevent future incidents of non-compliance. Furthermore, these regular training sessions are intended to foster a strong corporate culture of compliance;
- (iv) we have required our key staff member to put the emphasis on the importance of maintaining communication with relevant regulatory authorities. By strengthening the communication channels, we ensure that we receive timely updates on any changes in laws or regulations that could impact our approval processes. In addition, if there are any policy changes during the satellite production process, we are prepared to quickly conduct policy and legal assessments. This allows us to make informed decisions on satellite production, ensuring that our operations remain compliant and strategically aligned with the current regulatory environment; and
- (v) we have introduced the compliance policy review mechanism to conduct regular reviews of internal policies and procedures to ensure they remain aligned with current regulatory requirements. This proactive approach can help identify and rectify potential compliance gaps before they become issues.

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Taking into account (i) the relevant non-compliance arose during the early development stage of China’s commercial aerospace industry and was due to limited historical experience, and thus was isolated in nature and not reflective of any material deficiencies in our current internal control system; (ii) we have proactively disclosed the incident to the NDRC and subsequently obtained approval for 60 additional satellites; (iii) we had not been subject to any administrative penalties in connection with the incident as of the Latest Practicable Date and have received written confirmation of support from the CDDRC; (iv) we have further enhanced our internal control measures to prevent any further reoccurrence of similar incident in the future; (v) our PRC Legal Advisor has confirmed that the incident does not affect our ability to comply with applicable regulations going forward; and (vi) based on an interview with the Relevant Authority, it is understood that no legal actions or proceedings will be initiated concerning the aforementioned historical non-compliance with the relevant laws and regulations, our Directors are of the view that our remedial measures and relevant internal control measures are adequate and effective in all material respects, and nothing has come to the Sole Sponsor’s attention that would cause them to cast doubt on the above-mentioned view of the Directors.