Application Proof of

Beijing SiliconFlow Technology Co., Ltd.
北京硅基流動科技股份有限公司

(the "**Company**")

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

WARNING

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SiliconFlow

Beijing SiliconFlow Technology Co., Ltd.
北京硅基流動科技股份有限公司

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

[REDACTED]

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

***Joint Sponsors,* [REDACTED]**

华泰国际 HUATAI INTERNATIONAL

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The [**REDACTED**] is expected to be determined by agreement between the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) and our Company on the [**REDACTED**]. The [**REDACTED**] is expected to be on or around [**REDACTED**] (Hong Kong time). The [**REDACTED**] will not be more than HK$[**REDACTED**] per [**REDACTED**] unless otherwise announced. If, for any reason, the [**REDACTED**] is not agreed by 12:00 noon on [**REDACTED**] (Hong Kong time) between the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) and our Company, the [**REDACTED**] will not proceed and will lapse.

The [REDACTED] (for itself and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] below that stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.siliconflow.cn and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] range with a supplemental document or a new document, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. See "Structure of [REDACTED]" and "How to Apply for [REDACTED]" for details.

The obligations of the [**REDACTED**] under the [**REDACTED**] to [**REDACTED**] for, and to procure [**REDACTED**] for, the [**REDACTED**] are subject to termination by the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) if certain events occur prior to 8:00 a.m. on the [**REDACTED**]. See "[**REDACTED**]" for details of such circumstances.

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Our Company is a Specialist Technology Company (as defined in Chapter 18C of the Listing Rules). The securities of Specialist Technology Companies carry high [REDACTED] risks including risks of share price volatility and inflated valuation due to the difficulty in valuing such companies. [REDACTED] should fully understand the [REDACTED] risks of a Specialist Technology Company and the risks disclosed by our Company before making their [REDACTED] decisions. In addition, our Company is a Pre-Commercial Company (as defined in Chapter 18C of the Listing Rules). Pre-Commercial Companies are Specialist Technology Companies that cannot meet the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules, and so are subject to a higher risk of corporate failure if they are unable to secure sufficient external funding and/or cannot generate sufficient revenue to sustain their operations after [REDACTED].

[REDACTED]

IMPORTANT

[**REDACTED**]

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This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document carefully before you decide to **[REDACTED]** *in the* **[REDACTED]**. *In particular, we are a Specialist Technology Company seeking* **[REDACTED]** *on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with* **[REDACTED]** *in companies such as ours. In addition, we are a Pre-Commercial Company (as defined in Chapter 18C of the Listing Rules). Pre-Commercial Companies are Specialist Technology Companies that cannot meet the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules, and so are subject to a higher risk of corporate failure if they are unable to secure sufficient external funding and/or cannot generate sufficient revenue to sustain their operations after* **[REDACTED]**. *In addition, we have incurred net losses since our inception, and we may incur net losses for the foreseeable future. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your* **[REDACTED]** *decision should be made in light of these considerations.*

Moreover, there are risks associated with any **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in "Risk Factors." You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

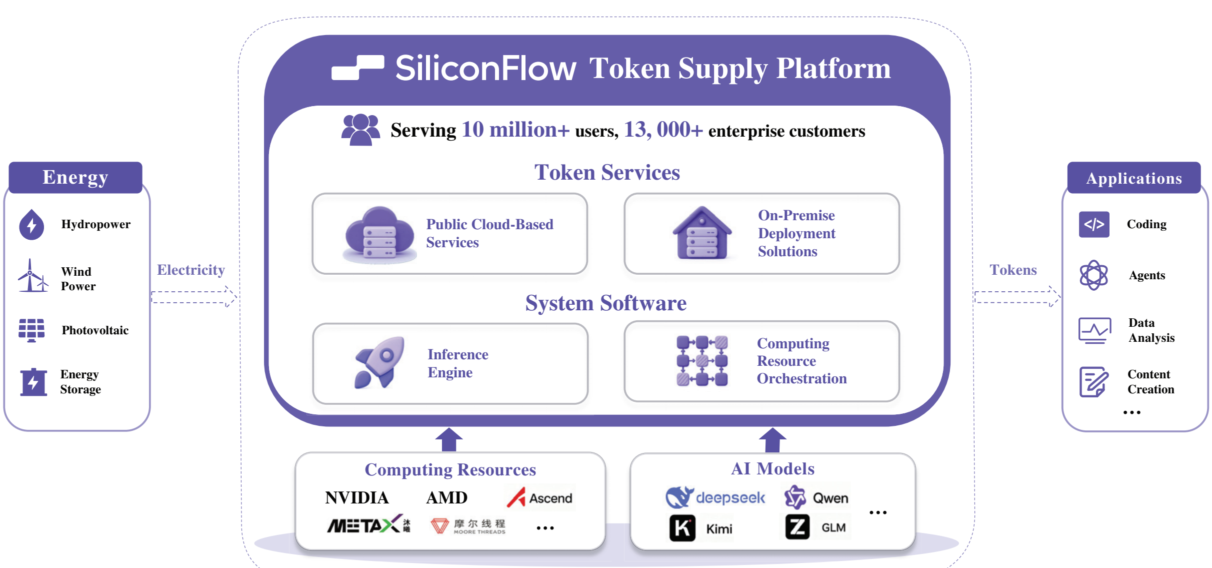
Our Company was incorporated on August 29, 2023. For the purpose of this document and for ease of reference, unless the context otherwise requires, any reference to our financial or operating data "in 2023" refers to the period from August 29, 2023 to December 31, 2023.

OVERVIEW

We are a leading open, independent token supply platform in China, operating at the forefront of an era defined by the rapid deployment and application of AI models across enterprises. As AI models become increasingly integrated into everyday workflows, the demand for tokens is growing exponentially, while the need for high-quality token supply, characterized by accuracy, generation speed, cost efficiency, stability and security, is becoming increasingly critical. By connecting computing resources and AI models with system software capabilities, our token supply platform offers one-stop AI infrastructure services, enabling high-quality token delivery at scale.

In China, we are the largest independent ecosystem token supplier and one of the top five players among all token suppliers, as measured by annual token throughput in 2025, according to Frost & Sullivan. Powered by our proprietary inference engine and computing resource orchestration system, we effectively aggregate, optimize, and orchestrate heterogeneous computing resources across diverse hardware architectures from different vendors, thereby converting underlying computing power into standardized, reliable and scalable token supply. This enables seamless access to and deployment of AI capabilities across a broad range of state-of-the-art models with industry-leading performance-to-cost efficiency. To capture diversified commercial demands, we deliver our core capabilities primarily through public cloud-based services and on-premise deployment solutions, serving customers across a wide range of sectors.

The diagram below illustrates our token supply platform:



As of April 30, 2026, our platform had over 10 million registered users. We recorded average daily token throughput of approximately 578.5 billion and peak daily token throughput of approximately 1,071.4 billion in April 2026. As of the Latest Practicable Date, we had served over 13,000 enterprise customers, and our platform had supported a cumulative total of over 170 models. The following chart highlights some of our key achievements to date:

Notes:

(1) According to Frost & Sullivan

(2) As measured by annual token throughput in 2025

(3) Measured by the number of supported chips and models

Our Value Propositions

As a critical system software pillar within the AI technology stack, we bridge computing resources and models with AI applications, offering a compelling set of value propositions to participants across the AI industry value chain. We provide enterprise customers across a broad range of industries with one-stop access to diverse AI models and infrastructure capabilities, enabling more efficient and cost-effective deployment of AI applications. For ecosystem partners, our open, independent platform enables chip designers, computing resource providers, model developers, and toolchain and application creators to collaborate through a unified system software. By providing cross-chip and multi-model adaptation, inference optimization, heterogeneous resource orchestration and standardized token delivery capabilities, we help ecosystem partners improve commercialization efficiency, expand deployment opportunities and accelerate AI adoption.

Our Commercialization and Financial Performance

Leveraging our open, independent positioning, inference optimization technologies and diversified product offerings, we have rapidly scaled our commercial operations. Following our inception in August 2023, our revenue grew significantly, surging more than sevenfold from RMB7.3 million in 2024 to RMB55.3 million in 2025.

We have established relationships with leading customers across key sectors, including AI, internet, energy, finance and telecommunications, as well as ecosystem partners, such as chip designers and model developers. In the public cloud market, we have become a widely recognized AI infrastructure platform within the developer community. In the private cloud market, we have established deep integration with China's domestic computing ecosystem through large-scale deployments across leading domestic chip platforms, including Ascend, MetaX and Moore Threads. We believe our ability to combine technological innovation, large-scale engineering deployment and ecosystem collaboration positions us strongly to capture the growing token demand and sustain our long-term growth trajectory.

OUR MARKET OPPORTUNITIES AND COMPETITION

Explosive growth characterizes China's emerging token supply market as it transitions to the rapid scaling of large-scale AI inference demand, driven by the evolution of AI applications toward continuous task execution and increasingly complex multi-step workflows. The size of China's token supply market, as measured by token throughput, grew by 1,602.6% from 2024 to 2025, and is expected to reach approximately 53.2 quintillion tokens by 2030, representing a CAGR of 638.3% from 2025 to 2030.

We differentiate ourselves as an independent ecosystem token supply platform. Unlike closed ecosystems that restrict users to their proprietary computing resources and models, we maintain a neutral and open position. We connect diverse, heterogeneous computing resources and multi-model ecosystems without directly competing with downstream application vendors. Through our deep technical capabilities in cross-chip, multi-model adaptation, inference engine optimization, and heterogeneous computing resource orchestration, we maximize token production efficiency and ensure stable, scalable delivery across multiple deployment modes. In 2025, we were the fourth largest token supply platform in China in terms of annual token throughput, with a market share of 1.5% and ranked first among all independent ecosystem token supply platforms in China.

See "Industry Overview" for details.

OUR STRENGTHS

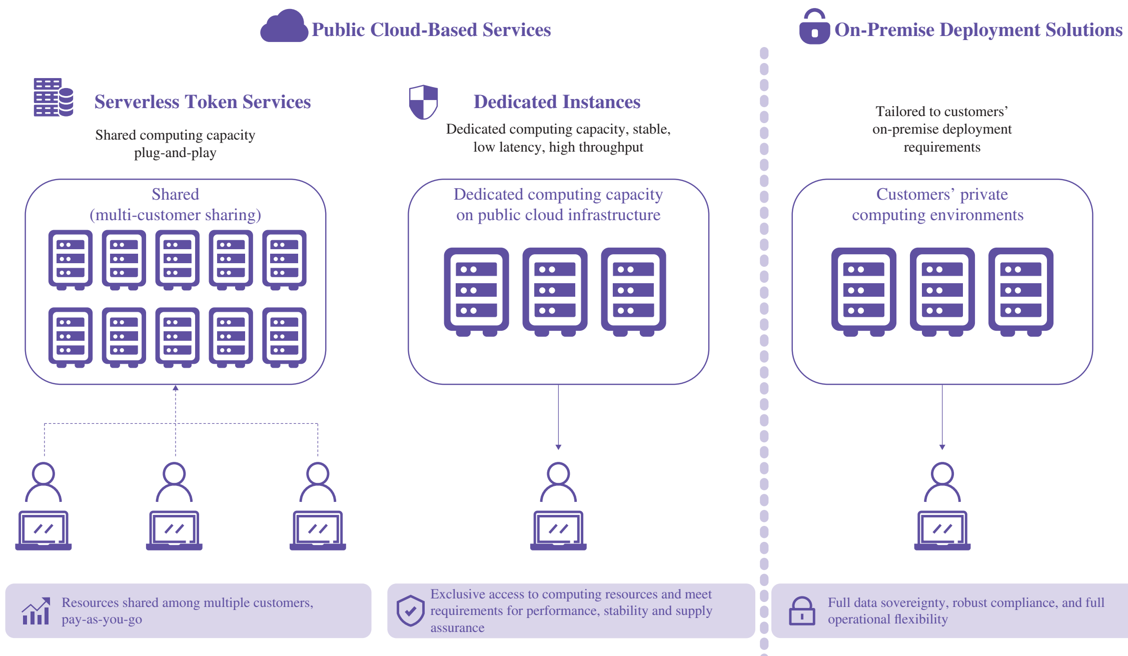
We believe that the following competitive strengths contribute to our success and differentiate us from our competitors in the industry: (i) open, independent platform serving as a critical infrastructure layer in the AI value chain; (ii) full-stack inference engine with cross-chip, multi-model adaptation capabilities; (iii) heterogeneous compatibility supporting diverse AI chips; (iv) flexible computing resource orchestration and maximized token production efficiency; (v) strong customer acquisition and retention driven by product capabilities and diverse application scenarios; and (vi) a strong engineering culture rooted in technical excellence.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies: (i) enhance token production efficiency and broaden token application use cases through sustained investment in research and development; (ii) expand our coverage of key customers and enhance our market presence; (iii) strengthen computing resource supply capabilities and supply chain resilience; (iv) advance our global expansion strategy by leveraging overseas ecosystems and our technological advantages; and (v) cultivate a globally competitive talent and management platform.

OUR PRODUCTS AND SERVICES

Our business comprises two complementary product and service lines designed to address a wide range of customer deployment and usage needs: public cloud-based services and on-premise deployment solutions.



Public Cloud-Based Services. Our public cloud-based services are designed to deliver standardized, high-quality tokens at scale through a single standard interface supporting a cumulative total of over 170 models. The services support a broad range of application scenarios — including coding, agents and multimodal applications — providing customers with unified, flexible access to AI capabilities. We launched our serverless token services in May 2024, marking the commencement of large-scale commercialization. The platform supports two complementary service offerings: serverless token services on a shared-resource basis and dedicated instances providing reserved computing capacity.

- *Serverless token services*. We provide token services on a shared-resource basis, charging fees according to token consumption. These services are primarily designed for developers, small- and medium-sized enterprises and other customers seeking flexible, cost-effective access to AI capabilities. We generally adopt a prepaid model for customers, where credits are purchased in advance and deducted based on token usage, and a postpaid model with monthly settlement for certain recurring enterprise customers.

- *Dedicated instances*. We offer reserved computing capacity on public cloud infrastructure, providing customers with exclusive or prioritized specified resources. These services are designed for customers with heightened requirements for performance, stability or supply assurance including those running latency-sensitive or high-throughput AI workloads.

On-Premise Deployment Solutions. We deploy our inference engine and computing resource orchestration system within the customers' own data center or private computing environment. This enables customers to use tokens across a wide range of models on their own computing resources. On-premise deployment solutions primarily target large enterprise customers and institutional clients. Fees are structured as a combination of a software licensing fee, a professional implementation fee, and, where applicable a maintenance fee, each determined based on factors such as deployment scale, system configuration and customer requirements. Our on-premise deployment solutions are built on a standardized, modular platform architecture, with only limited customization required to accommodate customers' specific deployment environments or operational requirements.

Our public cloud-based services and on-premise deployment solutions form an integrated commercial system that addresses diverse and evolving customer needs. The public cloud platform enables us to serve a broad customer base, support proof-of-concept and initial deployment use cases, and facilitate validation across diverse application scenarios. As customers grow their usage or require greater control over performance, stability, physical location of data, network boundaries, and supply chain assurance, they may opt for dedicated instances or on-premise solutions — deepening engagement and expanding revenue opportunities across the customer lifecycle.

OUR BUSINESS AND REVENUE MODEL

Our Sales and Pricing Model

The following table sets forth the sales model and pricing strategy of our products and services:

	Public Cloud-Based Services		
	Serverless Token Services	**Dedicated Instances**	**On-Premise Deployment**
Sales Model	Consumption-based	Combination of subscription-based and consumption-based	Combination of subscription-based and transaction-based
Customer Types	Customers seeking flexible and cost-effective access to AI capabilities, including developers and small-and-medium sized enterprises	Customers with higher requirements for performance, stability or supply assurance, as well as those with large and steady demand for computing resources, including enterprise users running latency-sensitive, high-throughput AI workloads	Customers with their own computing resources, heightened requirements for physical location of data, network boundaries and supply assurance, or system integration, including major players in AI, internet, energy, finance and telecommunications industries
Pricing Strategy	Primarily pre-paid, under which customers purchase credits in advance and usage is deducted based on tokens consumed. Post-paid arrangement may be offered with monthly settlement due at the end of each billing cycle	Either (i) a fixed subscription fee for the reserved period, or (ii) usage-based charges measured in tokens consumed within the exclusive instances	Subscription-based or perpetual buyout, with fees structured as a combination of a software licensing fee (on a subscription or one-time basis), a professional implementation fee and, where applicable, a maintenance fee, each determined based on factors such as deployment scale, system configuration and customer requirements

Our Revenue Model

During the Track Record Period, our revenue was derived from two primary sources: (i) public cloud-based services, and (ii) on-premise deployment solutions. Each revenue stream reflects a distinct monetization pathway aligned with our AI infrastructure strategy, allowing us to serve a diverse customer base ranging from individual users to enterprise customers.

The following table sets forth the breakdown of our revenue by business line, in absolute amounts and as a percentage of our total revenue, for the periods indicated:

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Public cloud-based services	–	–	1,069	14.6	29,261	52.9
On-premise deployment solutions	6	100.0	6,277	85.4	26,069	47.1
Total	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**

Public cloud-based services. We provide scalable AI infrastructure to individual users and enterprise customers through our public cloud platform. This revenue stream is further categorized into serverless token services and dedicated instances.

- *Serverless token services*. In 2023, 2024 and 2025, revenue generated from our serverless token services amounted to nil, RMB455 thousand and RMB14.3 million, respectively. We provide these services on a shared-resource basis, allowing customers to access AI capabilities by consuming tokens. Monetization is driven by usage-based charges measured in tokens consumed, with customers generally purchasing prepaid credits or, for certain recurring enterprise customers, settling on postpaid monthly terms. Revenue is recognized at a point in time based on the customer's utilization of the tokens.

- *Dedicated instances*. In 2023, 2024 and 2025, revenue generated from our dedicated instances amounted to nil, RMB614 thousand and RMB15.0 million, respectively. We offer dedicated instances providing reserved computing capacity on a public cloud basis, where computing resources are allocated exclusively to specific customers and are not shared with other users. Monetization is driven by either a fixed fee for the reserved period or usage-based charges measured in tokens consumed. For the fixed fee arrangement, revenue is recognized over time on a straight-line basis over the contractual service period, while for the usage-based arrangement, revenue is recognized at a point in time based on the customer's utilization of the tokens.

On-premise deployment solutions. We provide on-premise deployment solutions, which comprise software licensing and/or customized services according to the customers' specific instructions and needs at their own infrastructure. Pricing typically comprises a combination of a software licensing fee (on a subscription or one-time basis), a professional implementation fee and, where applicable, a maintenance fee, each determined based on factors such as deployment scale, system configuration and customer requirements. Revenue is recognized at a point in time when control of the relevant software license or service is transferred to the customer, which generally occurs upon delivery and acceptance.

Key Operating Metrics

The following table sets forth our key operating metrics for the year/period indicated.

	As of/For the Year Ended December 31,		As of/For the Four Months Ended April 30,
	2024	2025	2026
Public cloud-based services			
– Average daily token throughput in last month of the period (in billions) [(1)]	47.8	163.1	578.5
– Number of registered users [(2)]	127,133	9,197,439	10,282,431
– Serverless token services:			
– Number of active users[(3)(4)]	57,431	5,452,952	1,453,923
– Number of serverless token services customers[(3)(5)]	2,455	716,012	642,866
– Dedicated instances:			
– Number of dedicated instance customers[(3)]	7	49	20
– Average revenue per dedicated instance customer (in RMB)	87,669	305,353	N/A
On-premise deployment solutions			
– Number of on-premise deployment customers[(3)]	28	20	5
– Average revenue per on-premise deployment customer (in RMB)	224,184	1,303,448	N/A

Notes:

* The operating metrics as of/for the year ended December 31, 2023 were not available as our Company was incorporated in August 2023 and did not generate material revenue in 2023.

(1) Average daily token throughput in the last month of the period is calculated by dividing the total number of tokens processed in that month by the number of calendar days in the month. For this purpose, "tokens" include both input tokens submitted by users and output tokens used by the models, both produced by us.

(2) Represents a cumulative number as of the period end.

(3) Represents the numbers in 2024 and 2025 and the four months ended April 30, 2026. The number for the four months ended April 30, 2026 was not annualized and therefore was lower.

(4) Active users refer to the users who used our serverless token services in the year/period indicated.

(5) Serverless token services customers refer to the users who purchased our serverless token services in the year/period indicated.

Our key operating metrics reflect the rapid expansion of our business across both our public cloud-based services and on-premise deployment solutions during the Track Record Period and into 2026.

Public Cloud-Based Services. Our platform experienced rapid growth in both user scale and token throughput. Our average daily token throughput grew by 241.1% from December 2024 to December 2025, and by a further 254.7% from December 2025 to April 2026. Our cumulative registered user base expanded by approximately 72-fold from December 31, 2024 to December 31, 2025, and continued to grow into 2026, reflecting broadening adoption of our platform driven by the rapid proliferation of AI applications and the expanding ecosystem of developers and enterprises utilizing token supply services. Specifically:

- For our serverless token services, the number of active users increased by approximately 95-fold from 2024 to 2025, while the number of paying customers grew by approximately 292-fold over the same period. This growth was primarily driven by the increasing adoption of AI applications across industries and the growing recognition of our platform's capabilities, which together attracted a significant influx of developers and enterprise users. The number of paying customers for the four months ended April 30, 2026 approached the full-year 2025 level, underscoring the continued strong momentum in user monetization into 2026.

- For our dedicated instances, the number of customers increased by 600.0% from 2024 to 2025, as enterprise customers with growing token consumption and heightened requirements for greater performance and stability transitioned into reserved computing resources. Average revenue per dedicated instance customer increased by 248.3% from 2024 to 2025, reflecting deeper commercial engagement and higher contract values as our enterprise relationships matured.

On-Premise Deployment Solutions. Our on-premise deployment solution is project-based in nature. The number of on-premise deployment customers decreased by 28.6% from 2024 to 2025, while average revenue per customer increased significantly by 481.4% over the same period, reflecting a shift toward larger-scale enterprise deployments with higher contract values.

OUR CORE TECHNOLOGIES

Our core technology foundation comprises our proprietary inference engine and computing resource orchestration system, which together form an integrated technology stack purpose-built for AI inference workloads. Our technology enables the efficient orchestration of heterogeneous computing resources and the transformation of underlying computing power into high-throughput, low-latency and cost-efficient token production, supporting scalable and reliable AI inference across diverse models, computing architectures and deployment environments.

We have established a comprehensive AI infrastructure technology system encompassing smart routing and observability of model APIs, high-performance inference for models, and underlying scheduling. This enables our AI computing infrastructure to operate with high performance, high reliability, and high scalability in large-scale production environments. Our core technologies cover multiple key areas, aiming to address the computing power bottlenecks in the commercialization of models and providing customers with a low-latency, high-concurrency, and cost-effective computing foundation. For details, see "Business — Our Core Technologies."

RESEARCH AND DEVELOPMENT

Our ability to develop new technologies, provide new services, and enhance existing services is critical for strengthening our market position. All of the R&D activities relating to our Specialist Technology Products were conducted in-house. We have full ownership of all intellectual property rights arising from such R&D activities. We do not rely on any material in-licensed third-party technologies for the development of our Specialist Technology Products. We did not outsource any R&D activities to third parties, nor did we engage in any collaboration with third parties that was material to our Specialist Technology Products during the Track Record Period and up to the Latest Practicable Date. We have established interdisciplinary R&D capabilities that draw upon a diverse range of fields, such as computer science, applied mathematics, deep learning algorithms, distributed systems, low-level system optimization, AI framework engineering, and AI infrastructure development. During the Track Record Period, all of our research and development expenses were incurred for our Specialist Technology Products and amounted to RMB10.8 million, RMB64.5 million and RMB209.2 million in 2023, 2024 and 2025, respectively. As of the Latest Practicable Date, we are not aware of any pending or threatened legal claims, arbitral or administrative proceedings that may have a material influence on our research and development activities for any of our key Specialist Technology Products.

Our Early Trading and R&D Activities

From our incorporation on August 29, 2023 through our first revenue generation in December 2023, we were primarily engaged in substantive R&D of our inference engine and related technologies. These activities constituted the core foundation of our trading operations during this period and were not mere preparatory activities. See "Business — Research and Development" for details.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we owned 11 registered patents and 34 patent applications, 17 software copyrights, and six registered trademarks in China. As of the same date, we also owned one registered trademark in Hong Kong, two in Singapore, one in Japan and one in the United States. As of the Latest Practicable Date, we owned all our patents as well as patent applications and had no co-ownership or co-sharing arrangements of our patents and patent applications with third parties.

For material intellectual property rights in relation to each Specialist Technology Product, see "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights" for details on the material patents for our core technologies in relation to our Specialist Technology Products. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material legal, arbitral, or administrative proceedings or claims of infringement of any intellectual property rights, in which we may be a claimant or a respondent. Our Directors confirm that they are not aware of any material legal, arbitral or administrative proceedings for infringement of any third party's intellectual property rights by us as of the Latest Practicable Date.

SALES AND MARKETING

As of December 31, 2025, we had established a sales and marketing team of 21 personnel with coverage across both the PRC and overseas markets. Our business development and sales teams work closely with our research and development team to ensure that our technical capabilities can be effectively communicated to customers and translated into commercial engagements.

We primarily sell our products and services through direct sales and channel partnerships. Given that our commercial model centers on delivering token services over the cloud or through software licensing, we do not rely on physical product distribution or traditional reseller channels. We have also expanded our overseas presence by listing our serverless token services on a leading AI model routing platform.

Our marketing strategy is anchored in our independent ecosystem strategy, through which we have established a multi-tiered market development framework spanning developers, enterprise customers, and industry partners. At the developer level, we expand user reach and drive product adoption through developer events, content marketing, and media outreach, attracting developers and innovative teams to our platform and growing our token volume. At the enterprise customer level, we showcase our technical capabilities and industry use cases through technology summits, industry events, and tailored solution promotions. We also actively engage in ecosystem collaboration with model providers, chip designers, cloud service providers, and other industry partners through joint promotions and co-development of ecosystem initiatives.

We consider after-sales service a core component of our customer experience and platform reliability management. For public cloud customers, we maintain continuous real-time monitoring of platform availability, latency, and throughput. For on-premise deployment customers, we manage post-deployment issues through a structured service protocol, with commitments to respond within one to four hours and resolve incidents within 12 to 48 hours depending on severity for major customers. During the Track Record Period, we did not experience any customer contract terminations or major customer complaints. See "Business – Sales and Marketing" for more details.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily consist of technology companies, research institutions, and enterprises that procure our products and services through on-premise deployment solutions, dedicated instances, or serverless token services. In 2023, 2024 and 2025, our aggregate revenue from the five largest customers in each year during the Track Record Period was RMB6 thousand, RMB6.2 million and RMB24.9 million, respectively, accounting for 100.0%, 85.0% and 45.0% of our total revenue for the respective years. In the same years, our revenue from the single largest customer was RMB5 thousand, RMB4.5 million and RMB7.5 million, accounting for 83.3%, 61.1% and 13.6% of our total revenue for the respective years. The declining concentration across the Track Record Period reflects the broadening of our customer base as our business scaled. To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties.

Our major suppliers are computing resource and cloud service providers. In 2023, 2024 and 2025, our aggregate purchase from the five largest suppliers in each year during the Track Record Period was RMB2.2 million, RMB11.4 million and RMB117.3 million, accounting for 100.0%, 87.6% and 70.8% of our total purchase for the respective years. In the same years, our purchase from the single largest supplier amounted to RMB2.2 million, RMB6.8 million and RMB33.8 million, accounting for 100.0%, 52.1% and 20.4% of our total purchase for the respective years. The significant growth in procurement reflects our rapid expansion in computing resource consumption to support increasing service demand. To the best of our knowledge, except for Supplier A and Supplier I, all of our five largest suppliers in each year during the Track Record Period were independent third parties.

During the Track Record Period, to the best knowledge and belief of our Directors, two of our major business partners served as both customers and suppliers to us. See "Business — Customers," "— Suppliers" and "— Overlapping Customers and Suppliers" for more details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this document. You should read this summary in conjunction with our consolidated financial information included in the Accountant's Report set out in Appendix I to this document, including the accompanying notes, and the information set forth in "Financial Information." Since our Company was incorporated on August 29, 2023, the financial information for the year ended December 31, 2023 only covers the period from August 29 to December 31, 2023. Our financial statements in respect of the period from August 29 to December 31, 2023 were presented to and approved by Shareholders in our Company's general meeting.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	% of Revenue	RMB	% of Revenue	RMB	% of Revenue
	(in thousands, except for percentages)					
Revenue	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**
Cost of revenue	(1)	(16.7)	(4,452)	(60.6)	(68,632)	(124.0)
Gross profit/(loss)	**5**	**83.3**	**2,894**	**39.4**	**(13,302)**	**(24.0)**
Selling and marketing expenses	(110)	(1,833.3)	(6,392)	(87.0)	(83,743)	(151.4)
General and administrative expenses	(1,219)	(20,316.7)	(9,094)	(123.8)	(21,843)	(39.5)
Research and development expenses	(10,841)	(180,683.3)	(64,475)	(877.7)	(209,176)	(378.1)
Net impairment losses on financial assets	–	–	(91)	(1.2)	(306)	(0.6)
Other income and (losses)/gains – net	–	–	(100)	(1.4)	5,020	9.1
Operating losses	**(12,165)**	**(202,750.0)**	**(77,258)**	**(1,051.7)**	**(323,350)**	**(584.4)**

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	% of Revenue	RMB	% of Revenue	RMB	% of Revenue
	(in thousands, except for percentages)					
Finance income	–	–	422	5.7	1,420	2.6
Finance costs	(58)	(966.7)	(5,079)	(69.1)	(23,561)	(42.6)
Finance costs – net	**(58)**	**(966.7)**	**(4,657)**	**(63.4)**	**(22,141)**	**(40.0)**
Loss before income tax	**(12,223)**	**(203,716.7)**	**(81,915)**	**(1,115.1)**	**(345,491)**	**(624.4)**
Income tax expense	–	–	–	–	–	–
Loss for the period/year	**(12,223)**	**(203,716.7)**	**(81,915)**	**(1,115.1)**	**(345,491)**	**(624.4)**

Non-IFRS Measures

We use adjusted net loss (non-IFRS measure), which is a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS measure) provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage [**REDACTED**] and others to review our financial information in its entirety and not rely on a single financial measure.

We define our adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses, which are non-cash in nature and represent expenses arising from the grant of restricted interests to our employees, and (ii) interest expenses on redemption liabilities, which represent the interest expenses accrued on the redemption liabilities arising from the special rights granted to pre-[**REDACTED**] investors that will be terminated upon [**REDACTED**].

The following table presents our non-IFRS financial measure for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
	(RMB in thousands)		
Loss for the period/year	**(12,223)**	**(81,915)**	**(345,491)**
Adjusted for:			
Share-based payment expenses	–	22,885	135,338
Interest expenses on redemption liabilities	23	5,020	23,076
Adjusted net loss (non-IFRS measure) for the period/year	**(12,200)**	**(54,010)**	**(187,077)**

We recorded RMB12.2 million, RMB81.9 million and RMB345.5 million in loss for the period/year in 2023, 2024 and 2025, respectively, primarily due to significant initial investments in computing resources and research and development to scale our AI infrastructure, substantial share-based compensation expenses, and interest expenses on redemption liabilities.

Key Items on Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	1,989	6,703	7,381
Total current assets	5,320	57,585	297,656
Total assets	7,309	64,288	305,037
Net current assets	2,898	28,356	118,697
Total non-current liabilities	5,665	112,887	514,765
Total current liabilities	2,422	29,229	178,959
Total liabilities	8,087	142,116	693,724
Net liabilities	778	77,828	388,687

Our net current assets increased from RMB2.9 million as of December 31, 2023 to RMB28.4 million as of December 31, 2024. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB5.3 million as of December 31, 2023 to RMB57.6 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB44.9 million. Our current liabilities increased from RMB2.4 million as of December 31, 2023 to RMB29.2 million as of December 31, 2024, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB12.5 million, and (ii) an increase in trade and other payables of RMB11.7 million.

Our net current assets increased from RMB28.4 million as of December 31, 2024 to RMB118.7 million as of December 31, 2025. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB57.6 million as of December 31, 2024 to RMB297.7 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB121.8 million and (ii) an increase in time deposits of RMB100.0 million. Our current liabilities increased from RMB29.2 million as of December 31, 2024 to RMB179.0 million as of December 31, 2025, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB80.0 million, and (ii) an increase in borrowings of RMB40.0 million.

We had net liabilities of RMB0.8 million, RMB77.8 million and RMB388.7 million as of December 31, 2023, 2024 and 2025, respectively. As of December 31, 2025, we had net liabilities of RMB388.7 million primarily because of the recognition of redemption liabilities totaling RMB498.6 million issued to our pre-[**REDACTED**] investors. Nevertheless, as the special rights attached to the pre-[**REDACTED**] investments will be terminated and these redemption liabilities will be re-designated from financial liabilities to equity upon [**REDACTED**], our net liabilities position is expected to turn into a net assets position.

Our net liabilities increased from RMB0.8 million as of December 31, 2023 to RMB77.8 million as of December 31, 2024, primarily due to (i) an increase of RMB81.9 million in the loss for the year, and (ii) the recognition of redemption liabilities of RMB102.2 million, partially offset by capital contributions from shareholders of RMB93.7 million.

Our net liabilities increased from RMB77.8 million as of December 31, 2024 to RMB388.7 million as of December 31, 2025, primarily due to (i) an increase of RMB345.5 million in the loss for the year, and (ii) the recognition of redemption liabilities of RMB391.4 million, partially offset by (i) capital contributions from shareholders of RMB360.4 million, and (ii) an increase of RMB42.5 million in share-based payment reserves.

Summary of the Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
	(RMB in thousands)		
Net cash used in operating activities	(298)	(46,510)	(172,402)
Net cash used in investing activities	(28)	(651)	(101,866)
Net cash from financing activities	5,200	92,024	396,064
Net increase in cash and cash equivalents	**4,874**	**44,863**	**121,796**
Cash and cash equivalents at the beginning of the period/year	–	4,874	49,737
Exchange effect on cash and cash equivalents	–	–	–
Cash and cash equivalents at the end of the period/year	**4,874**	**49,737**	**171,533**

During the Track Record Period, we recorded net cash outflows used in operating activities, primarily reflecting our position as an R&D-intensive Specialist Technology Company in the early stages of commercialization. In particular, our operating cash outflows were mainly attributable to (i) significant research and development expenses, including substantial computing resource costs required for adapting new AI models and chip architectures, advancing large-scale inference technologies, developing our computing resource orchestration system, and conducting rigorous testing and validation for large-scale token production and related services, as well as staff costs for our R&D personnel, (ii) our early stage of commercialization, resulting in an initial revenue base that had not yet outpaced the massive upfront computing resource costs required to secure sufficient capacity and maintain high service availability for our rapidly expanding user base, and (iii) other significant operating cash outflows to support our rapid business expansion, including promotional computing resource costs (such as the distribution of free token vouchers) to acquire and onboard individual developers and enterprise customers, workforce expansion across all operational functions, and general and administrative expenses.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures (including payments for purchase of property, plant and equipment and intangible assets), and (iii) payments of lease liabilities. Our historical monthly average cash burn rate was RMB81.5 thousand, RMB4.0 million and RMB14.8 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents of RMB171.5 million and time deposits of RMB100.0 million as of December 31, 2025. We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million after deducting the [**REDACTED**] expenses payable by us in the [**REDACTED**], assuming no [**REDACTED**] is exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the indicative [**REDACTED**] in this document.

Assuming an expected average future monthly cash burn of RMB[**REDACTED**] million, taking into account (i) net cash used in operating activities, (ii) capital expenditures (including payments for the purchase of property, plant and equipment and intangible assets), and (iii) payments of lease liabilities, representing approximately [**REDACTED**] times our average monthly cash burn for the twelve months ended December 31, 2025, and based on the following principal assumptions: (i) we will continue to expand our headcount, particularly our R&D personnel, in line with our planned business scale-up, technology roadmap and operational needs, (ii) our capital expenditures and payments of lease liabilities relating to computing resources will be incurred in accordance with our business expansion plan and commercialization roadmap, and (iii) part of the expected increase in future R&D costs and operating expenditures will be offset by cash inflows generated from sales of our Specialist Technology Products, we estimate that our cash and cash equivalents and time deposits as of May 31, 2026 (based on our management account) will be able to maintain our financial viability for approximately [**REDACTED**] months or, if we take into account [**REDACTED**]% of the estimated net [**REDACTED**] from the [**REDACTED**] (namely, the portion allocated for our working capital and other general purposes and based on the low-end of the indicative [**REDACTED**]), approximately [**REDACTED**] months or, if we take into account [**REDACTED**]% of the estimated net [**REDACTED**] (based on the low-end of the indicative [**REDACTED**]) from the [**REDACTED**], for approximately [**REDACTED**] months. Our Directors and our management will continue to monitor our working capital, cash flows, and our business development status.

Key Financial Ratios

The following table sets forth our selected financial indicators for the periods and as of the dates indicated.

	As of/For the Period from August 29 to December 31,	As of/For the Year Ended December 31,	
	2023	2024	2025
Growth Indicators			
Revenue growth[(1)]	N/A	122,333.3%	653.2%
Profitability and Efficiency Indicators			
Gross margin[(2)]	83.3%	39.4%	(24.0)%
R&D ratio[(3)]	N/A	877.7%	378.1%
Liquidity Indicator			
Current ratio[(4)]	2.2	2.0	1.7

Notes:

(1) Revenue growth equals the difference between revenue for the current year and revenue for the previous period/year, divided by revenue for the previous period/year.

(2) Gross margin equals gross profit/(loss) divided by revenue for the respective period/year.

(3) R&D ratio equals research and development expenses divided by revenue for the respective period/year. The R&D ratio for 2023 is not presented as the revenue recognized in 2023 was nominal during our initial stage of commercialization.

(4) Current ratio is calculated by dividing total current assets by total current liabilities as of the end of the respective period/year.

PATH TO COMMERCIALIZATION AND BUSINESS SUSTAINABILITY

We are a Pre-Commercial Company defined under Chapter 18C of the Listing Rules. We expect that we will satisfy the revenue requirement for a commercial company defined under Chapter 18C of the Listing Rules ("Commercial Company") by the end of 2026.

During the Track Record Period, we successfully transitioned to the initial commercialization stage, experiencing rapid top-line growth. Our revenue increased significantly from RMB6 thousand in 2023 to RMB7.3 million in 2024, and further increased by 653.2% to RMB55.3 million in 2025. This growth was primarily driven by the expansion of our customer base across both our public cloud-based services and on-premise deployment solutions.

Despite this rapid revenue growth, our cost of revenue grew at a faster rate than our revenue during our early commercialization phase. Our cost of revenue increased from RMB1 thousand in 2023 to RMB4.5 million in 2024, and to RMB68.6 million in 2025. Consequently, our overall gross margin was

83.3% and 39.4% in 2023 and 2024, respectively. In 2025, we recorded a gross loss margin of 24.0%, resulting in a gross loss of RMB13.3 million. This margin contraction was primarily driven by substantial costs incurred from leasing computing resources as we continue to improve our products and services, while utilization of such computing resources was gradually ramping up.

Our profitability was further impacted by substantial investments across our operating expenses. Because the AI infrastructure industry is highly technology-intensive, our research and development expenses constituted our largest cost center, increasing from RMB10.8 million in 2023 to RMB64.5 million in 2024, and to RMB209.2 million in 2025. However, demonstrating emerging operating leverage, these expenses decreased meaningfully as a percentage of total revenue from 877.7% in 2024 to 378.1% in 2025. Concurrently, our selling and marketing expenses increased from RMB110 thousand in 2023 to RMB83.7 million in 2025, largely due to promotional computing resource costs used to onboard early users, while our general and administrative expenses grew from RMB1.2 million to RMB21.8 million over the same period. As a result of these strategic investments and initial infrastructure scaling, we recorded a loss for the period/year of RMB12.2 million, RMB81.9 million, and RMB345.5 million in 2023, 2024 and 2025, respectively, alongside an adjusted net loss (non-IFRS measure) of RMB12.2 million, RMB54.0 million, and RMB187.1 million for the same periods.

We expect absolute R&D expenses and near-term net losses to continue as we expand our commercial scale. However, we believe the sustainability of our business is strongly supported by our plan to achieve long-term profitability, through the following measures: (i) capitalizing on explosive industry growth; (ii) deepening domestic customer engagement; (iii) accelerating overseas revenue growth; (iv) maximizing computing resource utilization; and (v) improving operational efficiency. Based on the foregoing, our Directors believe, and the Joint Sponsors concur, that our business is sustainable. See "Business — Business Sustainability" for more details.

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in the section headed "Risk Factors." You should carefully read that section in its entirety before you decide to [**REDACTED**] in our [**REDACTED**]. Some of the major risks we face include: (i) we have recorded gross loss, net losses and experienced cash outflow from operating activities during the Track Record Period, and we may not be able to achieve profitability or, even if we do, may not be able to maintain profitability subsequently; (ii) failure to fulfill our obligations in respect of current liabilities could adversely affect our liquidity and financial condition; (iii) we need to make certain operating expenditures, and we may need to raise additional capital in the future, which may not be available on terms acceptable to us, or at all. If we cannot raise additional funds on attractive terms when we need them, our operations and prospects could be negatively affected; (iv) if we fail to continuously improve our technology and provide products and services that meet the expectations of our customers, our business, results of operations and financial condition may be materially and adversely affected; (v) we are facing risks brought about by transformative innovations of AI industry; (vi) the competitiveness of the products and services that we offer depend on our continuous and significant investment in research and development, and we intend to continue investing significantly in research and development; (vii) our success depends on the continued service of our R&D team; (viii) the AI industry in China is subject to extensive and rapidly developing regulation, and new or amended laws and regulations may impose additional compliance obligations that could materially and adversely affect our business, results of operations, financial condition and prospects; (ix) we operate in a rapidly evolving and increasingly competitive global token supply industry; (x) our business substantially relies upon the availability of high-quality open-source AI models; and (xi) the supply restrictions, trade controls or sanctions on chips may disrupt the operations of our suppliers and in turn adversely affect our business, results of operations and financial condition.

CONTROLLING SHAREHOLDERS

Our controlling Shareholders comprise Dr. Yuan and our Employee Incentive Platforms. As of the Latest Practicable Date, our controlling Shareholders were entitled to control an aggregate of approximately 44.48% of the voting rights in our total issued Shares. Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our controlling Shareholders will continue to collectively control approximately [**REDACTED**]% of the voting rights in our total issued Shares and thus remain as a group of controlling Shareholders.

PRE-[REDACTED] INVESTMENTS

Since December 2023, we have received seven rounds of Pre-[**REDACTED**] Investments from a number of Pre-[**REDACTED**] Investors, including certain Pathfinder SIIs and other SIIs. For details of the principal terms of the Pre-[**REDACTED**] Investments and background information of the major Pre-[**REDACTED**] Investors, see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments."

[REDACTED] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**], and other fees incurred in connection with the [**REDACTED**]. The estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] range and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million), accounting for approximately [**REDACTED**]% of our gross [**REDACTED**] from the [**REDACTED**]. The estimated total [**REDACTED**] consist of (i) [**REDACTED**]-related expenses (including but not limited to [**REDACTED**] and fees) of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), and (ii) non-[**REDACTED**] related expenses of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), and other fees and expenses of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million). Approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) of the estimated [**REDACTED**] expenses is directly attributable to the [**REDACTED**] of new Shares to the public and will be accounted for as a deduction from equity upon completion of the [**REDACTED**]. Approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) is expected to be charged in profit or loss before or upon completion of the [**REDACTED**]. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The [**REDACTED**] above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

[REDACTED] STATISTICS

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

	Based on the Minimum [REDACTED] of HK$[REDACTED] per H Share	**Based on the Maximum [REDACTED] of HK$[REDACTED] per H Share**
[**REDACTED**] of our Shares(1)	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share(2)	HK$[**REDACTED**]	HK$[**REDACTED**]

Notes:

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

(2) Please refer to "Appendix II — Unaudited [**REDACTED**] Financial Information" for the unaudited [**REDACTED**] adjusted consolidated net tangible assets of the Group attributable to equity shareholders of the Company per Share.

USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised, after deducting [**REDACTED**] and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and based on the [**REDACTED**] of HK$[**REDACTED**] per H Share, we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**]. We currently intend to apply the net [**REDACTED**] for the following purposes:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to further strengthen our research and development capabilities, with a focus on enhancing our token production efficiency and broadening token application use cases, including the ongoing development of our inference engine and computing resource orchestration system, our existing public cloud and on-premise deployment product lines, and AI agent middleware frameworks and next-generation inference architecture technologies;

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to lease computing resources to support our ongoing operational needs, especially for public cloud-based services;

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to expand our coverage of key customers and enhance our market presence, including brand building, expansion of our online and channel-based sales model, and strengthening our direct sales capabilities targeting key industries and large enterprise customers;

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**] million, will be used to advance our global expansion strategy by expanding our overseas customer base through online and offline channels and building localized ecosystem partnerships and operational capabilities in key overseas markets; and

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

See "Future Plans and Use of [**REDACTED**]" in this document for further information relating to our future plans and use of [**REDACTED**] from the [**REDACTED**], including the adjustment on the allocation of the [**REDACTED**] in the event that the [**REDACTED**] is fixed at a higher or lower level compared to the mid-point of the indicative [**REDACTED**].

DIVIDENDS AND DIVIDEND POLICY

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [**REDACTED**] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant.

Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. Taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered byour after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Following the Track Record Period, we continued to strengthen our token supply capabilities. In June 2026, we entered into a 60-month computing power service agreement, pursuant to which we lease computing resources with related networking, deployment, operation and maintenance and support services, enhancing the stability and flexibility of our access to computing resources.

In June 2026, we entered into an asset purchase agreement regarding the acquisition of a portfolio of intellectual property rights from OneFlow. Following the acquisition, we expect to further strengthen our capabilities in AI infrastructure technologies, particularly in decentralized, dataflow-based inference architecture and large-scale context memory system.

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements as set out in "Appendix I — Accountant's Report" to this Document, and up to the date of this Document.

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

"Accountant's Report"	the accountant's report of our Group set out in Appendix I to this document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company adopted by special resolution on June 26, 2026 with effect from the [**REDACTED**], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in "Appendix III — Summary of Articles of Association"
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	the board of Directors of our Company

[**REDACTED**]

"CEO"	the chief executive officer of our Group
"China," "Chinese mainland" or "PRC"	the People's Republic of China and, for the purpose of this document and for geographical reference only, unless the context otherwise requires, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"Company"	Beijing SiliconFlow Technology Co., Ltd. (北京硅基流動科技股份有限公司), a joint stock limited company established in the PRC on June 22, 2026, or, where the context requires, its predecessor, Beijing SiliconFlow Technology Co., Ltd. (北京硅基流動科技有限公司), a limited liability company established in the PRC on August 29, 2023
"Compliance Advisor"	Rainbow Capital (HK) Limited, our compliance advisor
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSDC"	China Securities Depositary and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Dr. Yuan"	Dr. Yuan Jinhui (袁進輝), our founder, chairman of our Board, executive Director, and a member of our controlling Shareholders
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"Employee Incentive Platforms"	the platforms established for the purpose of our Employee Incentive Scheme and unless the context otherwise requires, shall include Silicon Innovation, Silicon Future, Silicon Exploration, and Silicon Excellence
"Employee Incentive Scheme"	the employee incentive Scheme of our Company approved and adopted in October 2024 (as amended in May 2026), a summary of the principal terms of which is set out in "Appendix IV — Statutory and General Information — D. Employee Incentive Scheme"
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[**REDACTED**]

"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, an independent market research and consulting company
"Frost & Sullivan Report"	the report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set out in "Industry Overview"

[**REDACTED**]

"Group," "we" or "us"	our Company and our subsidiaries from time to time
"Guide"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB[**REDACTED**] each, which will be [**REDACTED**] and [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"HK$" or "Hong Kong dollar"	Hong Kong dollar, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

[**REDACTED**]

"IFRS"	IFRS Accounting Standards issued by the International Accounting Standards Board from time to time
"independent third party(ies)"	entity(ies) or person(s) who is/are not connected person(s) of our Company or our subsidiaries within the meaning of the Listing Rules

[**REDACTED**]

[**REDACTED**]

"Joint Sponsors"	the joint sponsors named in "Directors and Parties Involved in the [**REDACTED**]"
"Latest Practicable Date"	June 21, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of our Board

[**REDACTED**]

"OneFlow"	Beijing OneFlow Technology Co., Ltd. (北京一流科技有限公司)

[**REDACTED**]

"Overseas Listing Trial Measures"	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), as amended, supplemented or otherwise modified from time to time
"Pathfinder SII(s)"	has the meaning ascribed to it in Chapter 2.5 of the Guide
"PRC Company Law"	Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"PRC Securities Law"	the Securities Law of the PRC (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time

"PRC Legal Advisor"	Commerce & Finance Law Offices, our legal advisor as to PRC law
"Pre-Commercial Company"	has the meaning ascribed to it in Chapter 18C of the Listing Rules
"Pre-[**REDACTED**] Investment(s)"	the investment(s) in our Company by the Pre-[**REDACTED**] Investors, the details of which are set out in "History, Development and Corporate Structure"
"Pre-[**REDACTED**] Investor(s)"	the investor(s) making investments in our Company prior to the [**REDACTED**], the details of which are set out in "History, Development and Corporate Structure"

[**REDACTED**]

"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

[**REDACTED**]

"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each before completion of the Share Subdivision and RMB[**REDACTED**] each after completion of the Share Subdivision, comprising Unlisted Share(s) and H Share(s)
"Share Subdivision"	the Share Subdivision immediately prior to the [**REDACTED**], pursuant to which each of our Share with nominal value of RMB1.00 will be subdivided into [**REDACTED**] Shares with par value of RMB[**REDACTED**] each
"Shareholder(s)"	holder(s) of the Share(s)

"Silicon Excellence"	Beijing Silicon Excellence Enterprise Management Partnership (Limited Partnership) (北京硅基卓越企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on April 22, 2025, one of our Employee Incentive Platforms and a member of our controlling Shareholders
"Silicon Exploration"	Beijing Silicon Exploration Enterprise Management Partnership (Limited Partnership) (北京硅基探索企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 20, 2023, one of our Employee Incentive Platforms and a member of our controlling Shareholders
"Silicon Future"	Beijing Silicon Future Enterprise Management Partnership (Limited Partnership) (北京硅基未來企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 20, 2023, one of our Employee Incentive Platforms and a member of our controlling Shareholders
"Silicon Innovation"	Beijing Silicon Innovation Enterprise Management Partnership (Limited Partnership) (北京硅基創新企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 20, 2023, one of our Employee Incentive Platforms and a member of our controlling Shareholders
"Sophisticated Independent Investor(s)" or "SII(s)"	has the meaning ascribed to it in Chapter 2.5 of the Guide
"Specialist Technology Company"	has the meaning ascribed to it in Chapter 18C of the Listing Rules
"Specialist Technology Industry"	has the meaning ascribed to it in Chapter 18C of the Listing Rules
"Specialist Technology Product(s)"	has the meaning ascribed to it in Chapter 18C of the Listing Rules

[**REDACTED**]

"State Council"	State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

"Track Record Period"	the period from August 29, 2023 (date of incorporation of the Company) to December 31, 2023 and each of the years ended December 31, 2024 and 2025
"treasury Share(s)"	has the meaning ascribed to it under the Listing Rules
"U.S." or "United States"	the United States of America, its territories, possessions and all areas subject to its jurisdiction
"U.S. dollar" or "US$"	United States dollar, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time

[**REDACTED**]

"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each before the Share Subdivision, and RMB[**REDACTED**] each after the Share Subdivision, which is/are not listed or traded on any stock exchange
"%"	per cent

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions and may not be comparable to similar terms adopted by other companies.

"AGI"	artificial general intelligence, a theoretical form of artificial intelligence that possesses the ability to understand, learn, and apply knowledge across a wide range of tasks at a level equal to or beyond human capabilities
"AI"	Artificial Intelligence, the simulation of human intelligence processes by machines, especially computer systems
"AI agent" or "agent"	an artificial intelligence system capable of autonomous understanding, planning, and executing complex workflows or tasks, transitioning from simple text generation to autonomous execution
"AI application"	software applications that utilize artificial intelligence technologies to perform specific tasks or provide services
"AI capability"	the sense of intelligence or smart capabilities delivered by artificial intelligence systems
"AI infrastructure"	the underlying hardware and software resources, including computing power, storage, and networking, required to develop, train, and deploy AI models
"AI model"	a mathematical or computational model trained on data to recognize patterns and make predictions or decisions
"AI-native"	refers to products, services, or infrastructure built from the ground up with artificial intelligence as a core component rather than an add-on feature
"AIGC"	artificial intelligence generated content, the use of AI algorithms to generate new content such as text, images, audio, or code
"API"	application programming interface, a set of rules and protocols that allows different software applications to communicate and interact with each other
"API call"	the process of a client application submitting a request to an application programming interface and receiving a response, typically used by customers to access and utilize AI model inference services on our platform
"ASIC"	Application-Specific Integrated Circuit, an integrated circuit chip customized for a particular use rather than intended for general-purpose use
"CAGR"	compound annual growth rate

"closed ecosystem"	a closed ecosystem AI token supply model typically developed by cloud service providers, large technology companies or model companies based on their own cloud resources, AI models, computing resources and applications. Under this model, token supply services, model invocation, computing resource allocation and application integration are mainly completed within the provider's own ecosystem, forming an internal closed loop
"computational graph"	a directed acyclic graph representing mathematical operations and data flow in a machine learning model
"computing resource"	the processing power and memory provided by hardware to perform computational tasks
"computing resource orchestration"	the automated arrangement, coordination, and management of various computing resources to deliver integrated services
"context"	the background information and prior conversation history provided to an AI model to generate relevant and coherent responses
"context length"	the maximum number of tokens, including both the input prompt and the generated output, that a large language model can process and retain in its memory during a single interaction
"cross-chip"	referring to the involvement or integration of multiple types of chips within a system or architecture
"cross-chip adaptation"	the process of modifying or configuring software and models to run efficiently on different types or multiple chips
"decode"	the stage in AI model inference where the model produces output tokens one by one based on the prefilled context
"dedicated instance"	a cloud computing service offering where specific computing capacity and hardware are reserved for a customer's sole use and are not shared with other users to ensure data isolation and stable performance
"dense model"	a traditional neural network architecture where all parameters and computational nodes are activated for every token or input processed, as opposed to sparse models
"deployment"	the process of installing, configuring, and enabling software or models to be used in a live environment
"domestic chip"	semiconductor chips designed in China
"Dual Carbon"	refers to China's national climate goals of reaching peak carbon emissions before 2030 and achieving carbon neutrality before 2060
"dynamic quantization"	a technique that dynamically reduces the numerical precision of a neural network's weights and activations during inference to lower computing and memory requirements without significant loss of accuracy

"elastic scaling"	the ability of a system to automatically add or remove computing resources in response to changing workloads
"elastic service"	a computing service that can automatically scale its resources up or down based on current demand
"enterprise-grade"	refers to products or services designed to meet the rigorous demands of large organizations in terms of scalability, reliability, and security
"expert parallelism" or "EP"	a distributed computing technique used in AI models where different specialized sub-networks or experts are distributed across multiple computing devices to improve computational efficiency
"GPU"	Graphics Processing Unit, a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images, widely used to handle the massive parallel computational workload of AI model training and inference
"hardware architecture"	the logical structure and physical design of computer hardware components and their interconnections
"hardware utilization"	the percentage of time or capacity that hardware resources are actively used for productive work
"heterogeneous"	consisting of dissimilar or diverse elements; in computing, referring to systems using different types of processors or architectures
"heterogeneous computing"	the use of a variety of different types of processors or cores, such as GPUs, NPUs, and ASICs from diverse manufacturers, within a single computing environment to optimize performance and cost
"heterogeneous computing resource"	computing resources derived from different types of hardware architectures or processors
"high-speed interconnect"	technology or infrastructure that enables fast data transfer and communication between different hardware components or nodes
"IDC"	Internet Data Center, a physical facility used to house computer systems and associated components, such as telecommunications and storage systems
"independent ecosystem"	an independent ecosystem AI token supply platform model that is not bound to a single cloud provider, computing resource, AI model or application. It neutrally connects heterogeneous computing resources, diverse AI models and deployment environments, and provides token supply services across different ecosystems with horizontal adaptation capabilities
"inference"	the process of using a trained AI model to make predictions, solve tasks, or generate outputs based on new user prompts

"inference engine"	a software system designed to execute AI models and generate outputs (inferences) based on input data
"inference optimization"	techniques and processes used to improve the speed and efficiency of model inference while maintaining accuracy
"KV cache"	key-value cache, a memory optimization technique used during the inference of AI models that stores previously computed attention keys and values to prevent redundant calculations in multi-turn interactions
"large-scale deployment"	the installation and operation of systems or models across a massive number of nodes or environments
"latency"	the time delay between a user submitting a request to an AI model and the system providing the corresponding response
"liquid cooling"	a cooling technology that uses liquid coolants to remove heat from computing hardware, improving energy efficiency and density
"load balancing"	the process of distributing workloads across multiple computing resources to ensure optimal resource utilization and prevent overload
"MaaS" or "Model-as-a-Service"	a cloud computing service model that provides users with access to pre-trained AI models via APIs or platforms
"mixture-of-experts" or "MoE"	a deep learning architecture that uses multiple specialized sub-networks known as experts to solve a problem, activating only a subset of experts for any given input to improve computational efficiency
"model capability"	the specific skills and functions that an AI model can perform, such as natural language understanding, image recognition, or reasoning
"model deployment"	the process of integrating a trained AI model into an existing production environment to make predictions or decisions
"model weight"	the learned parameters within an AI model that determine how input data is transformed into output predictions
"multi-model"	referring to the integration or utilization of multiple types of AI models
"multimodal"	referring to AI models or systems capable of processing, understanding, and generating multiple different types of data inputs and outputs, such as text, images, audio, and video
"NPU"	Neural Processing Unit, a specialized microprocessor designed specifically for the acceleration of machine learning algorithms and neural network operations
"observability"	the ability to measure and understand the internal states of a system based on its external outputs, such as logs, metrics, and traces

"on-premise deployment"	a software delivery model where the platform and AI models are installed and operated entirely within the customer's private data center or local infrastructure
"operator"	a fundamental mathematical function or computational routine within a neural network algorithm, the deep optimization of which is critical for adapting AI models to run efficiently on specific chip architectures
"orchestration"	the automated configuration, coordination, and management of complex computer systems, middleware, and services
"pipeline parallelism"	a distributed computing technique that divides an AI model into sequential layers across multiple processors, allowing different micro-batches of data to be processed simultaneously
"PoC" or "proof-of-concept"	a realization of a certain method or idea to demonstrate its feasibility, often used to verify that a concept or theory has the potential for real-world application
"prefill"	the stage in AI model inference where the model processes the input prompt and pre-fills the KV cache to produce the first token
"prefill-decode separation" or "PD separation"	an inference optimization technology that separates the initial processing of a user prompt (prefill) from the subsequent production of output tokens (decode) across different computing nodes to maximize cluster-level scheduling efficiency
"production-grade"	refers to systems or software that are robust, reliable, and secure enough to be deployed in a live, end-user environment
"prompt"	the input text, instruction, or data provided by a user to an AI model to guide its generation of a response or execution of a task
"public cloud-based service"	cloud computing services provided by us over the internet to multiple users
"resource scheduling"	the policy and mechanism of assigning available resources to tasks over time to optimize overall system performance
"serverless"	a cloud computing execution model where the cloud provider dynamically allocates machine resources on demand, allowing customers to build and run AI applications without managing the underlying infrastructure
"SLA"	Service Level Agreement, a commitment between a service provider and a client specifying the expected level of service, typically including metrics such as availability, uptime, and performance stability
"system software"	a type of computer program that is designed to run a computer's hardware and to provide and maintain a platform for applications to run on

"throughput"	the amount of data or number of tokens processed and produced by a computing system or AI model in a given amount of time
"token"	a fundamental unit of data processed by an AI model during inference, analogous to a word or sub-word in natural language, serving as both the generated output and the basic metric for measuring computing consumption and billing
"token consumption"	the number of tokens processed or produced by an AI model during a specific operation or session
"token supply platform"	a system software platform that connects hardware resources, model capabilities, and application demands by organizing, orchestrating, and optimizing the entire token production and delivery process to provide stable, efficient, and scalable token services
"tokens/s"	tokens per second, a standard metric used to measure the production speed and throughput of AI model inference
"training"	the process of using datasets to teach an AI model to recognize patterns and make accurate predictions

FORWARD-LOOKING STATEMENTS

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

In some cases, these forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions.

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

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

In this document, statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any of these intentions may change in light of future development.

An [**REDACTED**] *in our Shares involves significant risks. You should carefully consider all the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our Shares. Particularly, we are a Pre-Commercial Company seeking to* [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. Our operations and the Specialist Technology Industry in which we operate involve certain risks and uncertainties, some of which are beyond our control and may cause you to lose all your* [**REDACTED**] *in our Shares.*

The following is a description of what we consider to be our material risks. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The [**REDACTED**] *of our Shares could decline due to any of these risks, and you may lose all or part of your* [**REDACTED**]. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-Looking Statements."*

RISKS RELATED TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We have recorded gross loss, net losses and experienced cash outflow from operating activities during the Track Record Period, and we may not be able to achieve profitability or, even if we do, may not be able to maintain profitability subsequently.

We have recorded gross loss and net losses during the Track Record Period, and have experienced, and expect to continue to experience, cash outflow from operating activities. Our cost of revenue increased from RMB1 thousand in 2023 to RMB4.5 million in 2024, and to RMB68.6 million in 2025, driven primarily by the substantial computing resource costs incurred to support the rapid scaling of our public cloud-based services. As a result, we recorded a gross loss of RMB13.3 million and a gross loss margin of 24.0% in 2025, compared to a gross profit of RMB2.9 million and gross profit margin of 39.4% in 2024. In addition, our annual total operating expenditure, comprising selling and marketing expenses, general and administrative expenses, and research and development expenses amounted to RMB12.2 million, RMB80.0 million and RMB314.8 million in 2023, 2024 and 2025, respectively. We may continue to record gross loss and net losses in the foreseeable future as we are still in the expansion stage of our business and operations in the rapidly evolving global token supply industry, and are continuously investing in research and development activities to support our long-term growth. We anticipate that our cost of revenue, operating expenses, net losses and cash outflow from operating activities will continue to increase in the foreseeable future as we continue to expand our business and operations, invest in our research and development, and carry out sales and marketing activities. If the increase in our cost of revenue outpaces our revenue growth, our business operations, results of operations, financial position and profitability would be materially adversely affected.

In addition, we may not be able to achieve or subsequently maintain profitability in the near future. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance user experience, establish effective commercialization strategies, compete effectively and successfully and develop new products and services. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. Furthermore, we expect to incur substantial costs and expenses as a result of being a [**REDACTED**]. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses and may not be able to achieve or subsequently maintain profitability.

Failure to fulfill our obligations in respect of current liabilities could adversely affect our liquidity and financial condition.

We recorded current liabilities of RMB2.4 million, RMB29.2 million, RMB179.0 million and RMB311.5 million as of December 31, 2023, 2024 and 2025 and April 30, 2026. As of April 30, 2026, our current liabilities included (i) trade and other payables of RMB72.5 million, (ii) borrowings of RMB40.1

million, representing bank loan, and (iii) receipts in advance of RMB10.7 million, representing amounts received from users in advance of service delivery for serverless token services. For further details, see "Financial Information — Discussion of Certain Key Items on Consolidated Statements of Financial Position — Liabilities" and "— Indebtedness." There is no assurance that we will be able to fulfill our obligations in respect of current liabilities. If we have any difficulties or fail to perform our obligations in respect of our current liabilities, our relationships with our suppliers, customers, banks and other partners will be adversely affected and we will be unable to settle our current liabilities, exposing us to the risk of shortfalls in liquidity, which may have a material adverse effect on our operational performance and prospects.

We need to make certain operating expenditures, and we may need to raise additional capital in the future, which may not be available on terms acceptable to us, or at all. If we cannot raise additional funds on attractive terms when we need them, our operations and prospects could be negatively affected.

The development of our products and services will require us to make regular operating expenditures to maintain our level of service. Changing competitive conditions or the emergence of any significant advances in token supply service could require us to invest certain capital in order to remain competitive. As of December 31, 2025, our total deficit was RMB388.7 million, and we have generated net loss in 2023, 2024 and 2025. In 2025, approximately 66.5% of our operating expenses were for research and development activities. If we are unable to fund any such investment or otherwise fail to invest in our research and operations, our business, results of operations or financial condition could be adversely affected. Our operating expense requirements will depend on many factors, including, but not limited to, (i) technological advancements; (ii) market acceptance of our products and services, and the overall level of usage of our products and services; (iii) research and development expenses; (iv) costs of leasing computing resources; (v) our ability to control costs; (vi) sales and marketing expenses; (vii) enhancements to our systems and facilities; (viii) potential acquisitions of businesses and product lines; and (ix) general economic conditions, including the effects of international conflicts and their impact on the global token supply industry in particular.

Furthermore, if our capital requirements are materially different from those currently planned, we may need additional capital sooner than anticipated. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of our Shareholders at that point in time will be reduced. Additional financing may not be available on favorable terms, on a timely basis, or at all. If adequate funds are not available or are not available on acceptable terms, we may be unable to continue our operations as planned, develop or enhance our products and services, expand our sales and marketing programs, take advantage of future opportunities or respond to competitive pressures.

Share-based payments may have a material and adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

The Employee Incentive Scheme was established for the benefit of our Directors, senior management and core employees as remuneration for their services provided to us and to incentivize and reward the eligible persons who have contributed to the success of our Company. For the principal terms of the employee incentive scheme, see "Appendix IV — Statutory and General Information — D. Employee Incentive Scheme." In 2023, 2024 and 2025, we recognized nil, RMB22.9 million and RMB135.3 million, respectively, in total expenses arising from share-based payment transactions. To further incentivize our employees, we may incur additional share-based payment expenses in the future. We believe such share-based awards are important to our ability to attract, retain and motivate our key personnel, and we may continue to grant share-based awards in the future. Expenses incurred with respect to such share-based payments may also increase our operating expenses and therefore have a negative effect on our financial performance. Issuance of additional Shares with respect to such share-based payments may dilute the shareholding of our Shareholders and could result in a decline in the value of our Shares.

We are subject to credit risk related to delay in payment and defaults of customers or related parties, which would adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delay in payment and defaults of our various customers. As of December 31, 2023, 2024 and 2025, our trade receivables amounted to nil, RMB3.6 million and RMB10.6 million, respectively, and our prepayments and other receivables amounted to RMB446 thousand, RMB4.3 million and RMB15.5 million, respectively. We may not be able to collect all such trade receivables and prepayments, other receivables and other assets due to a variety of factors that are beyond our control, including long payment cycles of certain of our suppliers, adverse operating conditions or financial conditions of customers, and customers' inability to pay. If our customers delay or default in their payments to us, we may have to make impairment provisions and write-off the relevant receivables and hence our liquidity and financial condition would be adversely affected.

RISKS RELATED TO OUR RESEARCH AND DEVELOPMENT

If we fail to continuously improve our technology and provide products and services that meet the expectations of our customers, our business, results of operations and financial condition may be materially and adversely affected.

The token supply industry in which we operate is characterized by constant development, including rapid technological evolution, frequent introductions of new products and services, continual shifts in customer demand and constant emergence of new industry standards and practices. Thus, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We need to constantly anticipate the emergence of new technologies and assess their market acceptance. We may encounter significant unexpected technical challenges, or delays in completing the development of new and enhanced products and services in a cost-efficient manner, which require us to invest significant resources in R&D to (i) design innovative, accurate and efficiency-enhanced features and functions that differentiate our products and services from those of our competitors; (ii) continuously improve our technologies; (iii) cooperate effectively on new designs and development with our customers, suppliers and partners; (iv) respond effectively to technological changes and the new product and service announcements by our competitors; and (v) adjust to changing customer requirements, market conditions and regulatory landscape quickly and cost-effectively.

Considering the rapid advancement of technology, there is a risk that we may not be able to upgrade our technologies promptly, efficiently or cost-effectively, if at all. In addition, new technologies could render our technologies and products and services obsolete or unattractive. As a result, our business, results of operations and prospects may be materially and adversely affected.

We are facing risks brought about by transformative innovations of AI industry.

Through our significant investment in research and development, our AI model inference engine supports compatibility with a broad range of computing resources using chips from both domestic and international chip providers, enabling us to serve as an independent token supply platform. However, the chip industry is evolving rapidly with transformative innovations, and domestic and international chip providers are continuously launching more powerful and efficient chips. We cannot assure you that our inference engine will continue to adapt to chips launched in the future. If our inference engine fails to maintain sufficient compatibility with new chips, our ability to efficiently produce and deliver high-quality tokens could be impaired, which may materially and adversely affect our business, results of operations and financial condition.

Our platform also addresses how to operate the tokens produced by different models, enabling seamless access to and deployment of AI capabilities across a broad range of state-of-the-art models. As of the Latest Practicable Date, our platform had supported a cumulative total of over 170 models. However, with more companies entering the industry and investing in the research and development of AI models, this industry is also witnessing transformative innovations, and new models may have distinct underlying mechanisms from the existing ones. Even though we will continue to invest significant resources into research and development, we cannot assure that such efforts will succeed in making our inference engine and token supply capabilities adaptive to new models. Our technology thus faces the risk of becoming outdated, and our business, results of operations and financial condition might be materially and adversely affected.

The competitiveness of the products and services that we offer depend on our continuous and significant investment in research and development, and we intend to continue investing significantly in research and development. Such investment may negatively impact our profitability and operating cash flow in the short term and may not generate the results which we expect to achieve.

Our technological capabilities and infrastructure are critical to our success. We have been investing heavily in our R&D efforts. Our research and development expenses amounted to RMB10.8 million, RMB64.5 million and RMB209.2 million in 2023, 2024 and 2025, respectively. The industry in which we operate is subject to rapid technological changes and is evolving quickly in terms of technological innovation. We need to invest significant resources, including financial resources, in R&D to lead technological advancement in order to make our products and services innovative and competitive in the market, because compatibility of our products and services with chips and models developed by others is critical to the capability of our products and services. Our products and services may be integrated with a variety of chips and models, and we need to modify and enhance our products and services to adapt to changes in chips and models in a timely and cost-effective manner. As of December 31, 2025, our products and services supported a broad range of chip architectures, including both international and major domestic chips. As of the Latest Practicable Date, we had supported a cumulative total of over 170 models. However, uncertainties are inherent in R&D activities, and we might encounter practical difficulties in commercializing our R&D results. Our significant expenditures on R&D may not generate corresponding benefits. Given the fast pace with which the technology has been and will continue to develop, we may not be able to upgrade our technologies in a timely and cost-effective manner, or at all. New technological developments in the industry could render technologies, products or services that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related R&D expenses, which could result in a decline in our revenue, profitability and market share.

Our success depends on the continued service of our R&D team.

We rely on our R&D team to support our rigorous R&D process. Our R&D team consists of members with background in fields such as computer science, electronic engineering, mathematics and software engineering. The competition for these highly skilled and qualified employees in our industry is increasingly intense. To help attract, retain and motivate key individuals, employee incentives such as employee incentive schemes have been, and will continue to be, an important part of their compensation. Our employee hiring and retention also depend on our ability to build and maintain a diverse and inclusive working environment and be recognized as an attractive employer and desirable workplace. In order to compete for R&D talents, we may need to offer higher compensation, better training and more attractive career opportunities and other benefits to our employees, which may be costly and burdensome. If our compensation programs and workplace culture cease to be viewed as competitive, our ability to attract, retain and motivate key individuals would be weakened, which would in turn materially and adversely affect our business, financial condition and prospects.

RISKS RELATED TO THE COMMERCIALIZATION OF OUR PRODUCTS AND SERVICES

We operate in a rapidly evolving and increasingly competitive global token supply industry. Our business is subject to constant technological advancements and industry transformation. If we fail to continuously innovate and adapt to evolving customer needs, our competitive position would be impacted, and our business, results of operations and financial condition may be materially and adversely affected.

We primarily compete in the global token supply industry, which is characterized by intense competition and constant changes. Our success depends, in part, on our ability to respond to such competition and changes in a cost-effective and timely manner. We need to invest significant resources, including financial resources, in research and development to lead technological advances in order to keep our products and services competitive in the market.

At the same time, customer needs are also evolving. Individual users and enterprise clients are increasingly seeking, among others, (i) sufficient computing resources to run AI models; (ii) higher hardware efficiency; (iii) lower cost per token; and (iv) stronger privacy and security features to satisfy internal controls. These trends are accelerating industry transformation and driving leading participants to invest continually in the improvement of AI model inference engines.

The token supply market is expanding at an unprecedented pace, rapidly reshaping human society. According to Frost & Sullivan, China's token throughput is expected to reach approximately 53.2 quintillion tokens processed. While this estimate presents significant opportunities, it has also attracted an increasing number of competitors, many of whom have access to more efficient hardware, greater computing power or more advanced AI models. As model inference engines become increasingly crucial to running AI models, competition may intensify further, making it more difficult for us to differentiate our products and services, maintain pricing power, and achieve sustainable profitability.

If we are unable to deliver products or services that meet or exceed customers' evolving performance expectations or fail to keep pace with innovation cycles, our products and services may lose competitiveness, resulting in reduced pricing power, or missed commercial opportunities. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Our business substantially relies upon the availability of high-quality open-source AI models.

Most tokens we produce and sell are derived from open-source AI models. The source code of open-source models is publicly available globally, and we are generally granted a relatively permissive license that allows free commercial use. We coordinate with open-source model providers, open-source software providers and hardware companies to build an open commercial ecosystem. As a result, our business is substantially dependent upon the continued availability of high-quality open-source AI models whose tokens we can produce.

We cannot assure you that there will be continued availability of high-performing open-source models in the future. It is possible that certain open-source models may be converted to closed-source in the future. Open-source model providers may consider restricting access to their model source code and weights, and begin charging fees, particularly where their models have a technical advantage in the market. Moreover, even if certain models remain open-source, there is no assurance that they will continue to be advanced and competitive compared to their closed-source counterparts in the market. If such models fail to maintain high quality, the tokens that we produce from them may not be in demand by customers. Thus, our business growth might not be sustainable, and our business would be materially and adversely affected.

The supply restrictions, trade controls or sanctions on chips may disrupt the operations of our suppliers and in turn adversely affect our business, results of operations and financial condition.

Chips are a critical part in the token supply industry. Since mid-2022, the U.S. administration announced new rules and export control policies on AI and semiconductor technologies in China. The restrictions block U.S. chip companies from selling U.S.-built advanced chips, chip design software, semiconductor manufacturing equipment and components for AI and supercomputing to China. These restrictions have affected the supply of semiconductor chips to China to a certain extent. Currently, certain U.S. chip companies have a technical advantage in terms of computing power and produce chips which have much better performance and adaptability.

At the current stage, we do not directly purchase chips. We cooperate with chip companies, cloud service companies and other computing resource providers to lease their computing resources for our business. We use computing resources from a combination of international chips and domestic chips in our business, so the supply of international chips is not a critical bottleneck for our operations. However, there is no assurance that our partners will be able to obtain sufficient quantities of semiconductor chips, especially the chips with the best quality, and other major components for their operations at a reasonable cost, or at all, nor is there guarantee that they will not be materially affected by supply restrictions, trade controls or sanctions on semiconductor chips or other major components in the future. If our partners are unable to source the necessary semiconductor chips or other major components on acceptable terms, or at all, our production and delivery could be disrupted, which could have an adverse effect on our business, results of operations and financial condition.

We may experience increases in the costs of computing resources that we procure, and we may not be able to pass on such increased costs to our customers, which could materially and adversely affect our profitability, business, results of operations and financial condition.

Our business and operation mainly rely on computing resources provided by third parties, in order to produce tokens. Our cost of revenue will rise if there is an increase in the price of the computing resources that we procure. We recorded cost of revenue of RMB1 thousand, RMB4.5 million and RMB68.6 million in 2023, 2024 and 2025, respectively, and the reasons for the surge included, among others, an increase in computing resource costs resulting from the rapid scaling of our public cloud-based services, which required massive underlying computing power to support the surging token demands.

On the other hand, facing increases in the costs of computing resources that we procure which in turn raise our cost of revenue, we may not manage to pass on such increased costs to our customers. Certain proportion of our revenue during the Track Record Period is generated from large-sized customers. Compared to small- and medium-sized customers, large-sized customers have stronger bargaining powers, so we may face difficulties raising the prices charged to them when we suffer from higher prices of computing resources. As a result, our cost of revenue would outpace our revenue, leading to a decline in our gross margin, even though there was a significant increase in our revenue during the Track Record Period. We recorded gross loss of RMB13.3 million and gross loss margin of 24.0% in 2025, compared to gross profit of RMB2.9 million and gross profit margin of 39.4% in 2024. In the foreseeable future, we cannot assure you that our revenue will continue to grow; and even if it does, we are likely to suffer gross loss. This might eventually cause a material and adverse effect on our profitability, business, results of operations and financial condition.

As we continue to grow, we may not be able to effectively manage our growth and expand our operations, which could negatively impact our business growth, financial condition, results of operations and reputation.

We have experienced rapid growth in recent years. Driven by our monetization strategy, our revenues increased from RMB6 thousand in 2023 to RMB7.3 million in 2024 and further to RMB55.3 million in 2025. We plan to further expand our business by, among other things, continuing to invest in technology, enhancing our brand recognition, and scaling our products and services globally. Our future operating results will depend to a large extent on our ability to manage our expansion and growth successfully. However, we face risks in undertaking expansion, including, among others, (i) managing our supply chain to support rapid business growth; (ii) managing a larger organization with a greater number of employees across different divisions and enhancing internal administrative structures; (iii) controlling expenses and investments in anticipation of expanded operations; (iv) establishing or expanding research and development, sales and service facilities; (v) our ability to secure services from third parties who procure specialized hardware and software, that we rely on to establish the technology infrastructure supporting our products and services; (vi) improving our operational, financial and management controls, compliance programs and reporting systems; and (vii) addressing new markets and potentially unforeseen challenges as they arise. If we fail to efficiently manage our business expansion, our costs and expenses may increase faster than anticipated, and we may not be able to respond promptly to competitive challenges or otherwise execute our business strategies successfully. Our growth requires significant financial resources and will place significant demands on our management. If we fail to effectively manage the growth of our business and operations, our business growth, financial condition, results of operations and reputation could be negatively impacted.

If we fail to maintain and grow our customer base, keep our customers engaged through our products and services by adapting and responding effectively to rapidly changing technology, evolving industry standards and changing regulations, our business growth may not be sustainable and our business may be materially and adversely affected.

To achieve sustainable growth of our business, we must continuously attract new customers, retain existing customers and increase their spending on our products and services. To keep pace with our customers' overall evolving demands, we need to improve our existing products and services and launch new products and services from time to time. If we fail to accurately identify our customers' demands or preferences, or fail to continuously provide them with products and services that add value to their businesses, we may be unable to expand our customer base and our existing customers may be reluctant to increase their spending on our platform, and as a result, the growth of our business may be stalled. If the leading players in the industry expand into the market segment that we operate in, we may fail to retain our existing customers, and our market share may diminish.

Our platform must integrate with a variety of network, hardware, and software platforms and technologies, and we need to continuously modify and enhance our products and services to adapt to changes and innovation in these technologies. Any failure of our products or services to function effectively with evolving technologies could reduce the demand for our products or services. If we are unable to respond to these changes in a cost-effective and timely manner, our products and services may become less marketable and less competitive or obsolete, and our business, operating results and financial condition could be adversely affected.

In addition, our future success largely depends on our ability to enhance our operational efficiency. Despite our efforts in researching and developing technology-driven products, we cannot assure you that our products will sustain the current level of popularity. Customers may not choose or continue to use our products if they become outdated or if our competitors offer superior products. As a result, our business may not grow at a rate we anticipate or at all, which may, in turn, materially and adversely affect our business, results of operations, financial condition and prospects.

The size of our addressable markets and the demand for our products and services may not increase as rapidly as we anticipate. If the market for our products and services fails to grow as we expect, our business, results of operations and financial condition could be adversely affected.

We are pursuing opportunities in markets that are undergoing rapid changes, including technological and regulatory changes, and it is difficult to predict the timing and size of the opportunities for our key products and services. The addressable markets for our products and services may be smaller than we have estimated, may develop more slowly than we expect, or may not develop at all. Our market size estimates are based on a number of internal and third-party assumptions, and such assumptions and estimates may prove to be inaccurate. If the markets for our products and services do not grow at the rate we anticipate, or if we overestimate the potential of these markets, our business, results of operations and financial condition could be adversely affected.

Our future financial performance will depend on our ability to make timely investments in the correct market opportunities. If one or more of these markets experience a shift in customer or prospective customer demand, then our products and services may not compete as effectively, if at all. If demand does not develop or if we cannot accurately forecast customer demand, then the size of our markets, our future business, results of operations and financial condition would be materially and adversely affected.

In addition, evolving market conditions and changes in customer expectations may impact our pricing strategies and further affect demand for our products and services. As the market for our products and services grows or as competitive dynamics shift, we may be unable to attract new customers or retain existing customers based on our historical pricing models. Given our limited operating history and limited experience with our historical pricing models, we may not be able to accurately predict customer demand. In addition, regardless of the pricing model used, certain customers may demand higher price discounts. As a result, we may be required to reduce our prices or offer alternative pricing models, which could adversely affect our revenue, gross margin, profitability, financial position and cash flow.

Furthermore, if market demand is insufficient to support our growth strategies, our business plans and financial projections may not be achieved, and our business, financial condition and results of operations could be materially and adversely affected.

We have a limited operating history and a limited track record in commercialization of our products and services, which makes it difficult to forecast our future business prospects and results of operations.

We have a limited operating history, and our Company was incorporated on August 29, 2023. In light of the rapidly evolving nature of the global token supply industry, it may be difficult to evaluate our current business and reliably predict our future performance. Our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition and prospects, and we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, and may not be able to achieve promising results in future periods. If we cannot address these risks and overcome these difficulties successfully, our business and prospects will suffer.

In addition, our growth prospects should be considered in light of the risks and uncertainties that fast-growing companies with a limited operating history may encounter, including, among others, risks and uncertainties regarding our abilities to, among others, (i) maintain and upgrade our AI model inference engine; (ii) upgrade and further commercialize our products and services; (iii) retain existing customers and attract new customers to purchase our products and services; (iv) further expand into international markets; (v) increase brand awareness through marketing and promotional activities; (vi) attract, retain and motivate talented employees, including research and development talents as well as staff with in-depth industry know-how; (vii) adapt to evolving regulatory environment; and (viii) defend ourselves against litigation, regulatory, intellectual property, privacy, data protection or other claims. All of these initiatives involve inherent risks and will require significant operating expenses and allocation of valuable management and employee resources. We cannot assure you that we will be able to effectively manage the expansion or growth of our operations and workforce or implement our business strategies effectively. If the markets for our products and services fail to develop as anticipated, or if we are unable to address the evolving needs of this dynamic market, our business, results of operations and financial condition may be materially and adversely affected.

RISKS RELATED TO OUR OPERATIONS

The AI industry in China is subject to extensive and rapidly developing regulation. New or amended laws and regulations may impose additional compliance obligations that could materially and adversely affect our business, results of operations, financial condition and prospects.

China's regulatory framework governing the AI sector continues to develop at pace, and we anticipate that the compliance environment will become increasingly stringent as the industry matures. PRC governmental authorities have been active in legislating across a wide range of AI-related activities, and we expect this trend to continue. Given that our business involves the provision of token supply services, regulatory developments directed at AI service providers — including those concerning content generation, algorithm deployment and data synthesis — may directly or indirectly affect our operations.

A number of specific measures have already come into force. On December 31, 2021, the CAC and three other departments jointly issued the Provisions on the Administration of Algorithm Recommendations for Internet Information Services (《互聯網信息服務算法推薦管理規定》), effective March 1, 2022, which apply to providers that use algorithm technologies — including generation and synthesis, personalized push and search filtering — to deliver information to users. Providers whose services carry public opinion attributes or the capacity for social mobilization are required to complete filing procedures and carry out security assessments under applicable national regulations. On November 25, 2022, the CAC and two other departments jointly issued the Provisions on the Administration of Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》), effective January 10, 2023, which impose obligations on deep synthesis service providers, technical supporters and users, covering user identity verification, data security and personal information protection, content management, and the labelling of AI-generated or edited content. Providers with public opinion attributes or social mobilization capacity must additionally file their algorithms and conduct security assessments when launching new products or features with such attributes. On July 10, 2023, the CAC and six other departments jointly issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the "AIGC Administration Measures"), effective August 15, 2023, which regulate providers of generative AI services — defined as organizations or individuals that use generative AI technology to provide services, including via programmable interfaces. Key obligations include: protecting minors from over-dependence on generative AI services; acting as personal information processors and safeguarding users' input information and usage records; taking prompt action upon discovering illegal content, including ceasing generation or removing content and conducting model optimization; reporting users found to be engaging in illegal activities to the competent authorities; and establishing complaint and whistleblowing mechanisms. Most recently, on March 7, 2025, the CAC and three other departments jointly issued the Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成內容標識辦法》), effective September 1, 2025, which apply to internet information service providers falling within the scope of the algorithm recommendation, deep synthesis or AIGC Administration Measures. These Identification Measures require providers to add explicit labels to AI-generated and synthesized content across text, audio, images, video and virtual scenes, to ensure such labels are preserved in files made available for downloading, copying or export, and to embed implicit identifications in the metadata of files containing such content. See "Regulatory Overview — Regulations on Artificial Intelligence."

These measures remain subject to further interpretation and refinement, and the relevant PRC authorities, including the CAC, may at any time introduce supplementary rules, detailed implementation guidance or revised interpretations that affect our business. As the regulatory perimeter expands, our token supply services may be brought within the scope of obligations that currently apply only to a narrower category of AI service providers. We cannot give any assurance that our compliance arrangements will at all times satisfy the requirements of the then-applicable laws and regulations. Any failure, or alleged failure, to comply — whether by us or in connection with services we enable — may expose us to regulatory penalties, operational restrictions, reputational harm and other significant legal and financial consequences.

If our products or services experience material errors, defects or security issues, we may lose our customers, fail to honor our obligations in respect of our contract liabilities, and incur significant remedial costs.

Despite repeated testing, our products by their nature may contain technical errors, defects or security issues that are difficult to detect and rectify, particularly when first introduced or when new versions or upgrades are implemented. Due to the complexity of our products and services, we may not be able to fix these errors, defects and security issues in a timely manner or at all. We may incur significant expenses rectifying any material error or defect and compensating our customers who are affected by such error or defect.

Given that many of our customers use our products and services in critical parts of their businesses, any error, defect or service interruption of our products or services could result in significant losses for our customers. Our customers may seek significant compensation from us for any losses they incur as a result of such errors. Such claims, even if unsuccessful, could be costly, time-consuming and distracting for management, result in a diversion of significant resources, and have an adverse effect on our business, operating results and financial condition. Moreover, our customers may share information about their poor experiences in the community, resulting in negative publicity about us. Such negative publicity could damage our reputation and hurt our future sales.

Security breaches, cyberattacks and other technical inadequacies against our systems and network, any disruption to our servers, and any failure to otherwise protect personal, confidential and proprietary information, could damage our reputation and negatively impact our business, as well as materially and adversely affect our results of operations and financial condition.

We have implemented various cybersecurity measures, but such measures may not manage to detect, prevent or control all attempts to compromise our systems, including but not limited to, distributed denial-of-service attacks, viruses, Trojan horses, malicious software, break-ins, phishing attacks, third-party manipulation, security breaches or other technical inadequacies that may cause service interruptions or jeopardize the security of data stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, there can be no assurance that we will be able to anticipate or implement adequate measures to protect against these attacks. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liabilities, our reputation and business would be harmed, and we could sustain substantial revenue loss from loss of sales and customer dissatisfaction.

Actual or perceived flaws or misuse of AI technologies in connection with our products and services, whether by us or by third parties, could materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

AI technologies remain in a period of rapid development, and their widespread application across industries brings with it a range of risks that are still emerging. As a token supplier, the manner in which the downstream AI services are built, deployed and used is largely outside our direct control, yet any failure or misuse at the output level — including the generation of inaccurate, biased or otherwise harmful content — may attract public or regulatory attention that reaches back to the infrastructure layer on which those services rely.

Third parties may exploit our platform for purposes that are inappropriate, harmful or contrary to applicable laws and regulations in China or elsewhere. They may also apply AI outputs in ways that, regardless of our safeguards, infringe the legitimate rights of individuals, including rights of privacy or personality, giving rise to litigation or administrative proceedings. Events of this nature — even if not directly attributable to any failing on our part — can shape customer perceptions, influence policymakers and regulators, and weaken broader confidence in AI technologies and the companies that enable them.

We have implemented, and will continue to develop, controls designed to mitigate the risk of misuse. However, we cannot guarantee that these measures will be fully effective in all circumstances or that our services will not be put to uses that are inconsistent with our intended purpose or with public expectations. Any such occurrence, whether actual or merely perceived, whether deliberate or inadvertent, and whether originating with us, our customers or unrelated third parties, could generate adverse publicity, damage our brand, prompt heightened regulatory scrutiny and deter existing and prospective customers from using our platform. The nature of our business — as the underlying infrastructure enabling a wide range of AI applications — means that our reputational exposure may extend beyond our own direct activities. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and prospects.

Our success depends on the continued contributions of our senior management and key employees.

Our business is highly dependent on certain individuals whose leadership, vision and technical expertise are not readily replaceable. The market for high-caliber workers and leaders in our industry is extremely competitive. To execute our business strategies successfully, we must attract, retain and motivate our senior management and key employees. Hiring qualified executives, scientists, engineers, technical staff and R&D personnel is costly and critical to our business, and competition for such personnel results in increased costs in the form of cash and share-based compensation. Nonetheless, we must recruit and develop diverse qualified personnel to remain competitive in our industry. If one or more of our key employees, including senior executives or core technical personnel, were to depart unexpectedly, such departures could disrupt our operations, delay product development or strategic initiatives, and result in the loss of valuable knowledge. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. If we are less successful in our recruiting efforts, or if we cannot retain key employees or their knowledge, our ability to develop and deliver successful products and services may be adversely affected. Such events may also lead to reputational harm, decreased employee morale, and potential reluctance from customers or partners to continue existing or prospective engagements.

The interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our workforce needs. Changes in immigration and work permit laws and regulations or the administration or interpretation of such laws or regulations could impair our ability to attract and retain highly qualified employees. If we do not continue to anticipate and address the needs of our employees sufficiently and/or in a timely manner, their productivity could be impacted, or we could fail to retain them, which could have a material adverse impact on our future business operations, results of operations and financial condition.

Our brand is integral to our success. If we fail to effectively maintain, promote and enhance our brand, and conduct our sales and marketing activities in a cost-effective manner or we are subject to limitations in promoting our products and services, our business and competitive advantage may be harmed.

We believe that maintaining, promoting and enhancing our brand is critical to maintaining and expanding our business. Maintaining, promoting and enhancing our brand depend largely on our ability to continue to provide well-designed, useful and reliable products and services, which we cannot assure you we will do successfully.

We believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful products and services at competitive prices, the successful promotion of our brand will also depend on the effectiveness of our marketing efforts. We primarily market our products and services through our sales and marketing force, and organic traffic sources including developers' word-of-mouth referrals. Our efforts to market our brand have incurred significant costs and expenses during the Track Record Period and we intend to continue such efforts in maintaining and expanding our business. We cannot assure you, however, that our selling and marketing expenses will lead to increasing revenue, and even if they did, such increases in revenue might not be sufficient to offset the expenses incurred.

Due to the technical nature of our products and services, we mainly rely on our sales and marketing force to conduct marketing activities and drive sales of our products and services. If we fail to conduct our sales and marketing activities in a cost-effective way, we may incur considerable marketing expenses, which could adversely affect our business and operating results. Additionally, our brand promotion and marketing activities may not be well received by customers and potential customers and may not result in the levels of sales that we anticipate. Meanwhile, marketing approaches and tools in the market for token supply in China are evolving, which may further require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Failure to introduce new marketing approaches in an efficient and effective manner could reduce our market share and materially and adversely affect our financial condition, results of operations and profitability.

Our sales and marketing efforts are important to our business, but there is no guarantee that our efforts will continue to be successful.

There can be no assurance that our efforts to market and sell our products and services will succeed, that the sales results of our products and services will meet our forecast, or that customers will deploy and utilize our products and services effectively.

The success of our sales and marketing efforts also depends on our ability to attract, motivate and retain qualified and professional employees who have, among other things, adequate industry knowledge to communicate effectively with technical professionals, sufficient experience in sales and marketing, and extensive industry connections. However, competition for experienced sales and marketing personnel is intense. If we are unable to attract, motivate and retain enough qualified sales and marketing personnel to support our business, our commercialization of our products and services may be adversely affected.

Our results of operations depend on sales to enterprise customers, whose decisions to purchase products and services are based in part on factors, or perceived factors, not directly related to the features of the offerings, including, among others, that customer's projections of business growth, uncertainty about economic conditions, capital budgets and anticipated cost savings from the adoption of our products and services, potential preference for such customer's internally-developed products, perceptions about our business, more favorable terms offered by potential competitors and previous technology investments. As a result of these and other factors, our sales efforts typically require extensive effort, a significant investment in human resources, expense and time, and there can be no assurance that we will be successful in making a sale to a potential customer. If our sales efforts for a potential customer do not result in sufficient revenue to justify our efforts, our business, financial condition and results of operations could be adversely affected.

Any failure to offer high-quality customer support may harm our relationships with our customers and thus materially and adversely affect our business and results of operations.

Any failure to provide high-quality after-sales support services both for our on-premise deployment solutions and public cloud-based services could adversely affect our reputation and customer relationships. After the delivery of our products and services, we are responsible for providing continuous system maintenance, performance optimization and technical support to ensure the stability and efficiency of our customers' AI workloads. If we fail to respond promptly to system failures, performance degradation or other technical issues, our customers may experience service interruptions or reduced computing performance, which could lead to customer dissatisfaction, loss of business opportunities and damage to our brand and reputation. In addition, delays or deficiencies in our after-sales support may cause customers to terminate existing service agreements, refuse to renew or seek remedies against us, all of which could materially and adversely affect our business, financial condition and results of operations.

We may be unable to successfully expand our customer base in overseas market.

We aim to expand our customer base in overseas market. However, we may not succeed in this endeavor, and our success will depend on our ability to provide stable, efficient and scalable token services that meet the diverse needs of customers across different regions. A principal risk we face relates to compliance with overseas regulations and policies, as countries increasingly attach importance to the concept of "sovereign AI," and we will be required to comply with regulations and policies of increasing complexity. In addition, as we expand internationally, we will face risks that could adversely affect our business, including: (i) the difficulty of managing and staffing international operations and the increased operational, travel and network costs associated with numerous international locations; (ii) challenges in gaining acceptance for our products and services among customers in different markets; (iii) our ability to effectively price our products and services in competitive international markets; (iv) global or regional health crises; (v) tariffs and other non-tariff trade barriers, such as quotas and local content rules; (vi) the complexities of complying with current and future export control and economic sanctions requirements; (vii) protectionist or national security policies that restrict our ability to develop, import or export certain technologies or limit our ability to raise capital; and (viii) the overall business environment of the industry.

In addition, we deliver certain products and services on a subscription basis. As a result, our future revenue depends in part on our ability to retain existing customers and encourage renewals of subscriptions, which is in turn dependent on our ability to scale and adapt our products and services to meet our customers' evolving needs. Factors that are not within our control may result in a reduction in our revenue or profitability. The cancellation of subscriptions to our products and services could materially and adversely affect our business, financial condition and results of operations.

The loss of, or a significant reduction in usage by, one or more of our major customers would result in lower revenue and could harm our business.

Our future success is dependent on establishing and maintaining successful relationships with a diverse set of customers. During the Track Record Period, we are subjected to certain level of concentration risk as we generated a significant portion of our revenue from sales to our major customers. Our top five customers accounted for 100.0%, 85.0% and 45.0% of our revenue in 2023, 2024 and 2025, respectively, and our single largest customer accounted for 83.3%, 61.1% and 13.6% of our revenue in the respective years, reflecting a downward trend in our customer concentration. In addition, our top five customers varied during the Track Record Period. We also experienced a decrease in demand from some of our major customers during the Track Record Period. We cannot guarantee that our major customers will continue to work with us or will not reduce their business with us. The loss of one or more major customers or a reduction in usage by any major customers could significantly reduce our revenue. If we fail to maintain existing customers or develop relationships with new customers, our business will be harmed.

Our reliance on a limited number of suppliers for certain essential products and services could adversely affect our ability to manage our business effectively and subsequently harm our business.

We rely on a limited number of suppliers for certain essential products and services to operate our network and provide products and services to our customers. During the Track Record Period, we are subjected to certain level of concentration risk as we procured a significant portion of products from our major suppliers. In 2023, 2024 and 2025 our top five suppliers accounted for 100.0%, 87.6% and 70.8% of our total purchases, respectively, and our single largest supplier accounted for 100.0%, 52.1% and 20.4% of our total purchases, respectively. We may experience shortages in components or delays in delivery as a result of natural disasters, increased demand in the industry or our suppliers' lacking sufficient qualifications to supply the servers or other products.

Our reliance on these suppliers exposes us to risks, including reduced control over costs and constraints based on the availability, terms, and pricing of these products and services. We generally do not have any long-term contracts guaranteeing supply with these suppliers. If our supply of certain products and services is disrupted or delayed, there can be no assurance that additional supplies or services can serve as adequate replacements or that supplies will be available on terms that are favorable to us, if at all. Moreover, even if we can identify adequate replacements on substantially similar terms, our business could be adversely affected until those efforts were completed. Any disruption or delay in the supply of products and services may cause delays or other constraints on our operations that could damage our customer relationships.

Our business is subject to seasonality.

During the Track Record Period, we typically recorded higher revenue in the second half of each year, as enterprise and institutional customers tend to finalize procurement decisions and budget approvals towards year-end, resulting in a concentration of contract signings and project deliveries in that period, especially for our on-premise deployment solutions. The degree of seasonality may vary from year to year due to conditions in the industry and other factors, which makes it difficult for us to predict the level of demand with precision. If seasonal demand exceeds our expectation, we may not be able to deploy sufficient resources or arrange for timely delivery. If seasonal demand is lower than our expectation, we may face increased working capital and liquidity needs. Furthermore, our operating and financial results for an interim period may not be representative of our overall performance for a year. We expect to continue to experience seasonal fluctuations in our revenue, results of operations and financial condition.

We engage a connected person as our commercial agent in Singapore. Any deterioration in or even termination of our relationship with the connected person would negatively influence our revenue generated from overseas market.

During the Track Record Period, we had a Singaporean connected person that acted as our commercial agent for services in relation to our overseas business. Our revenue generated from overseas market was RMB5.7 thousand, RMB0.5 million and RMB2.1 million, in 2023, 2024 and 2025, respectively. We expect our revenue generated from overseas market to continue increasing in the near future, as we are implementing strategies for expanding our overseas business. For details, see "Business — Our Strategies — Advance Our Global Expansion Strategy by Leveraging Overseas Ecosystems and Our Technological Advantages."

With a view to reducing related party transactions and streamlining our corporate structure, we established a wholly-owned subsidiary incorporated in Singapore, which will assume the connected person's business operations. Although our cooperative relationship with the connected person remains stable, there is no assurance that we will be able to maintain such relationship. Any deterioration in or even termination of the relationship would negatively influence our revenue generated from overseas market and have a material adverse impact on our business, financial conditions and operating results in turn.

Complying with evolving laws and regulations regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and render us to make related changes to our business. Many of these laws and regulations are subject to change and interpretation, and any failure or perceived failure to comply with these laws and regulations could result in negative publicity, legal proceedings, or otherwise harm our business.

Laws and regulations governing cybersecurity, information security, privacy and data protection, the use of data in artificial intelligence and machine learning, and data sovereignty requirements are rapidly evolving, extensive, complex, and include inconsistencies and uncertainties in different jurisdictions. Based on our business operation, we are subject to numerous laws and regulations relating to cybersecurity, information security, privacy and data protection. In addition, regulatory requirements regarding the protection of personal information, data security and cybersecurity are constantly evolving and can be subject to differing interpretations or significant change, which may increase our responsibilities in that regard. An example of such evolving regulatory requirements is the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) which became effective in June 2017 and was amended on October 28, 2025 and became effective on January 1, 2026. The PRC Cybersecurity Law created China's first national-level data protection framework for "network operators", which may potentially include all organizations in China that provide services over the Internet or through other types of information network. Various regulations, guidelines and other measures have been and are expected to be adopted under the PRC Cybersecurity Law. For more details, see "Regulatory Overview — Regulations Relating to Cybersecurity and Data Security" and "— Regulations Relating to Privacy Protection" for more information.

These and other similar legal and regulatory developments could contribute to legal and economic changes, affect how we design, market and sell our products and services, how our customers process and share data and how we process and use data, which could negatively impact demand for our products and services. We may incur substantial costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations, and to establish and maintain internal compliance policies.

We face risks related to changes in global and regional macroeconomic conditions, geopolitical tensions, regional conflicts, terrorist activities, natural disasters, health epidemics and other outbreaks of contagious diseases, and other force majeure events, any of which could materially and adversely affect our business operations, financial condition, results of operations and prospects.

Uncertainties about global economic conditions, regulatory changes, geopolitical tensions and other factors, including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our products and services. A deteriorating global economic outlook could result in a slowdown in business investment, tighter budget allocations for technology spending, and greater pricing sensitivity among customers, which may in turn reduce the market adoption of our products and services.

The Palestinian-Israeli conflict, the conflict in Ukraine, the Iran war and the imposition of broad economic sanctions on Russia have disrupted global supply chains and triggered uncertainty across financial markets. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase volatility and risk aversion in global capital markets.

In addition, the evolving trade relationships between China and other countries – particularly regarding tariffs, treaties, and government regulations – may have profound implications on cross-border business activities, cost structures, and our ability to access certain markets. Such developments may affect the macroeconomic environment, both domestically and internationally, and could have a direct or indirect impact on the markets in which we operate.

Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation and the availability and cost of capital and credit have been affecting, and will continue to affect the countries where we operate. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies.

It remains unclear whether these challenges and uncertainties will be resolved in the near future, and their potential long-term effects on the global political and economic landscape remain difficult to predict. Any severe or prolonged slowdown in the global or PRC economy may materially and adversely affect our business, results of operations and financial condition.

We are subject to the risks associated with international trade policies, geopolitics and trade protection measures. Changes in international relationships, trade and investment policies, trade protection and investment restriction measures may adversely impact our business, financial condition and results of operations.

Our operations may be negatively affected by trade policies, geopolitics and other trade protection measures administered by the government authorities in the countries in and with which we operate, including, but not limited to, regulation of economic and labor conditions, increased duties, taxes and other costs. Margins on sales and provision of our services in certain countries could be materially and adversely affected by international trade regulations. In addition to trade policy measures, the United States and certain other governments have imposed and may adopt additional sanctions, export controls and other regulatory measures that directly or indirectly affect technology companies based in certain jurisdictions. Due to the global presence of our business, we are potentially impacted by changes in international trade and investment policies, escalations of tensions in international relations, and increased scrutiny from regulatory authorities, particularly given recent trade negotiations between the United States and China, which has resulted in and may continue to cause changes in international trade policies and additional barriers to trade. Such regulatory measures are complex and subject to frequent changes, and the interpretation and enforcement of the relevant regulations may change from time to time, which may be driven by political and/or other factors that are not within our control or that are heightened by national security and foreign policy concerns.

For instance, in recent years, the United States has expanded sanctions and export controls restrictions on China through the Export Administration Regulations (the "EAR"), administered by the Bureau of Industry and Security of the United States Department of Commerce (the "BIS"). In October 2022, BIS issued an interim final rule (the "BIS October 2022 IFR") requiring license for exports, re-exports, or transfers of any item subject to the EAR when there is "knowledge" that the item is destined for end use in the development or production of integrated circuits ("ICs") at a fab in China that fabricates ICs meeting certain criteria. On December 2, 2024, BIS issued an interim final rule (the "BIS December 2024 IFR") and a final rule (the "BIS December 2024 FR"), which expanded controls in the EAR on advanced computing and semiconductor manufacturing items. Separately, BIS issued the so-called "Affiliate Rule" that expanded the scope of the Entity List and Military End-User List to include entities owned 50 percent or more directly or indirectly, individually or in the aggregate, by one or more listed parties. The U.S. Government has indicated that implementation of the Affiliate Rule will be delayed for at least one year (i.e., until November 2026). These recent measures together with the U.S. export control regime regulate the export, reexport and transfer of U.S. products, software, and technology, including certain items manufactured outside the United States that contain greater than *de minimis* controlled U.S. content or are the foreign direct product of certain U.S. software or technology. Export licenses may be required depending on the nature of the items, destination, end-use, end-user and other parties to the relevant transactions.

Our services were developed by us without directly using material U.S. software or technology, or incorporating material components procured from U.S. suppliers. We engage certain U.S. service providers in our ordinary course of business to support the operations of our international business. The services provided by such U.S. service providers could generally be replaced by suppliers in other jurisdictions around the world, at comparable quality and price, and we therefore believe that our R&D activities and operations are not reliant on technology or raw materials of U.S.-origin to any material extent. However, if any uncertainties in U.S.-China relationship or any resulted disruption to our supply chains will make it necessary for us to make such transition, such transition may take time to complete, and cause certain delays or disruptions to our ordinary course of business, and may therefore adversely affect our business, results of operations and financial conditions. In addition to disrupting our supply chain in the U.S., export controls could also adversely impact the ability of our technology vendors in China to procure certain hardware or related services for their provision of services to us, which may have a material adverse impact on our operations. In the future, as similar or more expansive restrictions may be imposed by different jurisdictions, we will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which requires significant resources and efforts. Furthermore, such potential restrictions may materially and adversely affect our and our technology partners' abilities to acquire technologies, systems, devices or components that may be critical to business operations. Any of these developments could affect us, our customers and/or suppliers or economic conditions generally, any of which could adversely affect our business and financial condition.

As advised by our international sanctions legal advisor, during the Track Record Period and up to the Latest Practicable Date, our Group has not been subject to sanctions, and we have not engaged in any activities in comprehensively sanction countries, or entered into material service contract with any customers that are targets of U.S. comprehensive or blocking sanctions, including parties designated on the Specially Designated Nationals and Blocked Persons List, a U.S. government sanctions and embargo measure administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. Therefore, as advised by our international sanctions legal advisor, we have been in compliance with rule and laws in U.S. export control and sanctions in all material aspects, and U.S. sanctions are not likely to have any material adverse impact on us.

Our business operations are impacted not only by rules and laws related to export control, but also by changes in regulations governing cross-border investment policies. Changes in international investment policies, particularly with regard to China, could materially and adversely impact our business and operating results. In particular, in January 2025, a U.S. rule went into effect that prohibits or requires the submission of notifications in connection with U.S. outbound investment in Chinese-affiliated companies engaged in certain activities involving specified sensitive technologies sectors (AI, semiconductors and microelectronics, and quantum information technologies) and issued a broadly worded "America First

Trade Policy" and an "America First Investment Policy" that seek to further restrict U.S. investments involving China (including possibly expanding technologies subject to the U.S. outbound investment regime and narrowing related exceptions (including those related to publicly traded securities)). In addition, effective on January 2, 2025, the final rule issued by the U.S. Department of the Treasury to implement the executive order of August 9, 2023 (the "Final Rule") imposes investment prohibition and notification requirements on U.S. Persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI systems. The Final Rule could limit our ability to raise capital or contingent equity capital from U.S. investors after this [**REDACTED**] given that relevant laws, regulations, and policies continue to evolve. See "— Sanctions, export controls and other economic or trade restrictions imposed on Chinese companies may affect our business, financial condition and results of operations."

We are closely monitoring potential changes in tariff policy and assessing the potential impact of such policy changes on our business operations and financial performance. For example, recently, the United States proposed to impose multiple rounds of tariffs on a wide range of goods imported from multiple countries, including China, and China responded with retaliatory tariffs. Since February 2025, both countries raised reciprocal tariffs on each other's imported goods to 125%. However, on May 12, 2025, both the U.S. and China modified these tariff measures: the U.S. removed the 125% tariff and temporarily reduced tariffs on Chinese goods to 10% by suspending a 24% duty for 90 days. The PRC government announced the same tariff adjustments, removing the 125% retaliatory tariff and cutting tariffs on U.S. goods from 34% to 10% for the same period. These policies have adversely affected the global economy and financial markets. On August 12, 2025, both the U.S. and China announced the extension of these tariff measures for another 90 days. On October 30, 2025, the United States announced it would further reduce tariffs by 10% but otherwise the tariffs by China and the United States remains in place. U.S. import tariffs only apply of export of physical goods to the United States. On such basis, it is of the view of our Directors that, given that we do not export physical goods to the United States, U.S. tariffs are unlikely to have a material adverse impact on our business operations and financial performance. As relevant policies are rapidly evolving, it may be difficult to evaluate these tariff measures' potential future impacts. Geopolitical conflicts may also lead to volatility in financial markets, fluctuations in currency exchange rates and increased procurement costs. In extreme cases, such conflicts could result in economic downturns that materially and adversely impact our operations. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term and the ability of Chinese companies to raise capital from U.S. investors.

Sanctions, export controls and other economic or trade restrictions imposed on Chinese companies may affect our business, financial condition and results of operations.

International trade frictions have been escalating continuously in recent years. Certain foreign jurisdictions have imposed or may impose export controls, economic sanctions or other trade-related measures in various forms, such as heavy tariffs or harsh trade conditions, against certain countries, individuals and legal entities, which, from time to time, prohibit or restrict export and import activities to a certain extent. The United States and other jurisdictions or organization, including the European Union, the United Nations, the United Kingdom and Australia, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organization within such countries.

With the escalation of the trade dispute between the U.S. and China, the U.S. government may impose additional export control measures on components and technologies developed by U.S. companies. For example, on April 9, 2025, the U.S. government informed NVIDIA Corporation that the U.S. government requires a license for export to China, including Hong Kong and Macau, or to companies headquartered or with an ultimate parent therein, of the NVIDIA Corporation's H20 integrated circuits and any other circuits achieving the H20's memory bandwidth, interconnect bandwidth, or combination thereof. The U.S. government indicated that the license requirement addresses the risk that the covered products may be used in, or diverted to, a supercomputer in China. Our operations may be negatively affected if any of our business partners are added to the Entity List or subject to other forms of export control, which may result in our business partners' inability to obtain crucial components or access to the latest technologies originated from the U.S., and in turn, may have material and adverse impacts on our business, results of operations, financial conditions and business prospects.

International trade policies and international export controls and economic sanctions laws and regulations are constantly evolving. The BIS has issued the Entity List and had been frequently updating the Entity List to include more PRC-based hi-tech companies. New persons and entities are regularly added to the Entity List and the list of Sanctioned Targets. PRC-based companies on the Entity List are subject to trade sanctions and export controls on a number of components and technologies developed by U.S. companies. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk, or our business will conform to the expectations and requirements of the authorities of U.S. or any other jurisdictions.

In addition, the U.S. government may adopt increasingly expansive interpretations of the jurisdictional reach of U.S. export control laws and regulations. The U.S. government could take the position that not only the physical export, re-export or transfer (in-country) of controlled U.S.-origin goods, software or technology, but also access to, use of or benefit from such items through remote connections, cloud computing, data centers, servers, processors, storage, model inference or training workloads, software updates, technical support or other services, is subject to U.S. jurisdiction or license requirements, even where the relevant hardware, users or operations are located outside the United States. The U.S. Congress or U.S. regulatory authorities may also enact, implement or expand additional measures, to restrict or prohibit remote access by foreign persons, including China-based persons, to certain U.S.-origin or U.S.-controlled technologies, including advanced computing integrated circuits, servers, cloud infrastructure and related software or technologies. Further, as our platform supports heterogeneous computing resources, if we, our suppliers, customers, cloud service providers or other business partners procure, deploy, integrate, optimize, service or use certain PRC-origin advanced computing chips or systems containing such chips, the U.S. government may allege that such chips were designed, produced, exported, re-exported, transferred, supplied, serviced, financed, ordered, used or otherwise handled in violation of the U.S. export control requirements, including where such chips are alleged to have been developed or produced using U.S.-origin software, technology or equipment or through transactions involving restricted parties. Any such interpretation, legislation, regulation or enforcement action could require us or our business partners to obtain licenses, modify or terminate the use of certain computing resources, suspend or restrict products or services involving affected chips or technologies, restructure customer access arrangements, incur significant compliance costs, or expose us or our counterparties to investigations, penalties, denial of export privileges, Entity List designation or other restrictions, any of which could materially and adversely affect our business, results of operations, financial condition and prospects.

On August 9, 2023, U.S. President Biden issued an executive order and his administration issued an advance notice of proposed rulemaking ("ANPRM") providing a conceptual framework for outbound investment controls focused on China, including Hong Kong and Macau. Further to this ANPRM, on June 21, 2024, the U.S. Department of the Treasury issued a proposed rule on outbound U.S. investments involving China that generally follows the ANPRM. On October 28, 2024, the U.S. Department of the Treasury issued the Final Rule, which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. Persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI systems, collectively defined as "covered foreign persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in covered foreign persons, which are defined as "covered transactions," and include acquisitions of equity interests (including contingent equity interests), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule excludes some investments from the scope of covered transactions, including certain ones in publicly traded securities. The Final Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China, and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. Since our principal place of business is in China and we engage in the development of certain AI models, we are likely to be deemed as a "covered foreign person" as described in the Final Rule. The acquisition of our equity by U.S. persons may be deemed as a "covered transaction" as defined in the Final Rule, and such "covered transaction" is likely to be deemed as a "notifiable transaction," but not a "prohibited transaction," based on the level of computing power used to train the AI systems we develop and the end-uses of such systems. As a result, such U.S. persons may need to make a notification pursuant to the Final Rule. U.S. persons' acquisitions of certain publicly traded securities may be exempted from the prohibition and the notification requirement under the Final Rule (e.g., the publicly traded securities of the Company following the completion of the [**REDACTED**]). [**REDACTED**], including those that are U.S. persons or are subsidiaries of U.S. persons, should consult their legal counsel regarding any potential notification obligations. Certain [**REDACTED**] have informed us that they may consider making notifications with the U.S. Department of the Treasury. None of the [**REDACTED**] has any obligation to inform us or any [**REDACTED**] if they later decide that they will not file such notifications. No publicly available precedent exists regarding the application of the Organizational Inspection Program (the "OIP") regulations by the U.S. Department of the Treasury or by any court or other regulatory, judicial or legal authority to specific transactions. In addition, the technologies of our business could change such that we are engaged in "covered activities" that trigger the OIP's prohibitions, or the OIP may be changed by executive actions of the U.S. government, including modifications to the scope of activities and technologies that are subject to prohibitions or notification requirements, or changes to the scope and availability of applicable exceptions to the OIP's prohibitions or notification requirements.

Specifically, on January 20, 2025, the U.S. government issued a national security presidential memorandum entitled "America First Trade Policy", which, among other things, directs the Secretary of the Treasury and several other executive departments and agencies to review the OIP to determine whether it contains "sufficient controls to address national security threats" and to determine whether the executive order implementing the OIP "should be modified or rescinded and replaced." In addition, on February 21, 2025, the U.S. government issued another national security presidential memorandum entitled "America First Investment Policy", which, among other things, states that the U.S. government will consider potential expansion of the OIP to a wider range of technology sectors, including biotechnology, hypersonics, aerospace, advanced manufacturing, directed energy, and other areas "implicated by the PRC's national Military-Civil Fusion strategy," and application of restrictions to a broader range of investments, including "publicly traded securities". On April 3, 2025, the U.S. government further stated that it intends to evaluate whether the scope of outbound investment restrictions should be expanded "to be responsive to developments in technology and the strategies of countries of concern."

Changes to our technologies or to the OIP could limit, or in the worst-case scenario, eliminate our ability to raise capital or contingent capital (such as convertible instruments) from U.S. investors in the future. Our ability to raise such capital may be significantly and adversely affected, which could negatively impact our capital-raising capacity and our business, financial condition and prospects. In addition, changes to the Publicly Traded Securities Exception or other aspects of the OIP could restrict or prohibit the [**REDACTED**] or [**REDACTED**] of our Shares by U.S. persons, impose new notification or other regulatory requirements, or otherwise make our Shares less attractive to [**REDACTED**]. In such circumstances, the [**REDACTED**] and [**REDACTED**] of our Shares may be materially and adversely affected.

We, our Directors, senior management, employees and Shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies and other legal and administrative proceedings, which could have a material and adverse effect on our business, results of operations, financial condition and reputation.

We may in the future be subject to or involved in lawsuits, contract disputes, employment-related controversies, and other legal proceedings or fines relating to our business operations inside and outside China. Lawsuits that may arise during our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. Lawsuits may be costly and time consuming and may require a commitment of management and personnel resources that will be diverted from our normal business operations. There may also be negative publicity associated with litigation that could decrease consumer acceptance of our products and services, regardless of whether the allegations are valid or whether we are ultimately found liable. If any of these happen, our business, financial condition, results of operations or liquidity could be materially and adversely affected. In addition, our Directors, management, Shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

We or certain of our Directors or officers may be a target for lawsuits, including putative class action lawsuits brought by Shareholders and lawsuits against our Directors and officers as a result of their position in other public companies. We cannot assure you that we or our Directors or officers will be able to prevail in their defense or reverse any unfavorable judgment on appeal, and we and our Directors or officers may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including any plaintiffs' appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices, and thus materially and adversely affect our business, financial condition, results of operations, cash flows and reputation. Moreover, even if we or our Directors or officers eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm.

We are subject to risks relating to our leased properties.

Currently, all of our offices are on leased premises. We may not be able to successfully maintain, extend or renew our leases upon expiration of the current terms on commercially reasonable terms or at all, and may therefore be forced to relocate to new offices. In the event we are forced to relocate, we may not be able to locate desirable alternative sites for our offices in a timely and cost-effective manner and the relocation of any of our offices may disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations.

Any investments or future acquisitions may have a material and adverse effect on our business, results of operations, financial condition and reputation.

We may evaluate and consider a wide array of investment and acquisition opportunities that we believe can extend and solidify our leading market position as part of our overall business strategy. We may be engaged in discussions or negotiations with respect to one or more of these types of transactions. These transactions involve significant challenges and risks, including (i) difficulties in integrating the acquired personnel, operations, products into our operations; (ii) potential issues with technology, internal controls and financial reporting of the companies we acquire or invest in; (iii) disruptions of our ongoing business, distractions of the attention of our management and employees and increase of our expenses; (iv) loss of skilled professionals and established client relationships of the businesses we invest in or acquire; (v) for investments over which we do not obtain management and operational control, lack of influence over the controlling partner or shareholder, which may prevent us from achieving our strategic goals in such investments; (vi) new regulatory requirements and compliance risks that we become subject to as a result of investments or acquisitions in new industries or otherwise; (vii) actual or alleged misconduct or noncompliance by any company we acquire or invest in (or by its affiliates) that occurred prior to our acquisition or investment, which may lead to negative publicity, government inquiry or investigations against such company or against us; (viii) unforeseen or hidden liabilities or costs that may adversely affect us following our acquisition of such targets; (ix) compliance matters including the anti-monopoly and competition laws, rules and regulations of the PRC and other countries in connection with any proposed investments and acquisitions; (x) the risk that any of our pending or other future proposed investments or acquisitions does not close; (xi) the costs of identifying and consummating investments and acquisitions; (xii) the use of substantial amounts of cash and potentially dilutive issuances of equity securities; (xiii) the occurrence of significant amortization expenses for other intangible assets; and (xiv) uncertainties in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and investments. Any such negative developments described above could disrupt our existing business and have a material adverse effect on our business, results of operations, financial condition and reputation.

The successful operation of our business depends on the performance and reliability of the internet infrastructure and telecommunications networks in the countries where we operate.

Our business depends in part on the performance, reliability and security of the telecommunications and Internet infrastructure in the countries where we operate. In the event of disruptions, failures or other problems with the relevant Internet infrastructure, our business operation may be adversely affected. In addition, the Internet infrastructure in the countries in which we operate may not support the demands associated with continued growth in Internet usage.

The failure of telecommunications network operators to provide us with the requisite bandwidth could also interfere with the speed and availability of our products and services. We have no control over the costs of the services provided by the telecommunications operators. If the prices that we pay for telecommunications and Internet services rise significantly, our margins could be adversely affected. In addition, if Internet access fees or other charges to customers increase, the customer base of our products and services may decrease, which in turn may significantly decrease our revenue.

In particular, if the security of domain names is compromised, we will be unable to use the domain names in our business operations, which could materially and adversely affect our business operations, reputation and brand image. If we fail to implement adequate encryption of data transmitted through the networks of the telecommunications and Internet operators we rely upon, there is a risk that telecommunications and Internet operators or their business partners may misappropriate our data, which could materially and adversely affect our business operations and reputation.

We may not have sufficient insurance coverage to cover our business risks.

We believe we maintain insurance policies in line with industry standards. We do not maintain business interruption insurance, key-man life insurance or litigation insurance. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damage to our uninsured equipment or facilities could have a material adverse effect on our results of operations. Our current insurance coverage may not be sufficient to prevent us from any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If such risk materializes, we may also suffer substantial losses as we do not have insurance coverage.

To address any ESG-related risks, we may incur additional costs, which may materially and adversely affect our financial performance.

To identify, manage, and mitigate ESG-related risks, we may incur additional costs and expenses which could impact our financial performance. Given the nature of our business, we do not produce any material generation of emissions and wastes, and we do not produce any heavy pollution. Nonetheless, we monitor environmental and climate-related risks that may impact our business, strategy and financial performance. We also evaluate the magnitude of the resulting impact over the short-, medium- and long-term horizons. We monitor a wide range of indicators to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a friendly and inspirational corporate culture. This commitment may entail incurring additional costs and would potentially impact our profitability. For further details, see "Business — Environmental, Social and Governance Matters."

In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in consumers choosing products from other companies, which may materially and adversely affect our results of operations and financial conditions.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY RIGHTS

We may not be able to obtain or maintain adequate intellectual property protection for our technologies, products and services, or the scope of such intellectual property protection may not be sufficiently broad.

Our success depends in part on our ability to protect our proprietary technology and solutions from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. As of the Latest Practicable Date, we owned 11 registered patents and 34 patent applications, 17 software copyrights, and six registered trademarks in China. As of the same date, we also owned one registered trademark in Hong Kong, two in Singapore, one in Japan and one in the United States. See "Business — Intellectual Property." The patent application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner, if at all. In addition, we may fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive solutions in all such fields.

Specifically, patents may be invalidated, and patent applications may not be granted for several reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. As such, we do not know the degree of future protection that we will have on our proprietary technologies, if any, and we may not be able to obtain adequate intellectual property protection with respect to our solutions.

Even if our patent applications are granted as patents, they may not be issued in a manner that offers any substantial protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies, products or services in a non-infringing manner. The issuance of a patent is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices. Further, although various extensions may be available, the life of a patent and the protection it affords are limited. For example, in the PRC, invention patents and utility model patents are valid for 20 years and ten years from the date of application, respectively. We may face competition for any solution even if we successfully obtain patent protection once the patent life has expired for the solution.

Unauthorized use of our intellectual properties by third parties may harm our brand and reputation and may materially and adversely affect our business. We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Our intellectual property rights relating to our products and services could be found invalid or unenforceable if being challenged.

Competitors may infringe, misappropriate or violate our intellectual property rights. Unauthorized use of our intellectual properties by third parties may harm our brand and reputation and may materially and adversely affect our business. In addition, to counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights. This can be expensive and time-consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we do. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our intellectual properties, as well as any intellectual properties that may issue in the future from our pending intellectual property applications, at risk of being invalidated, held unenforceable or interpreted narrowly.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation. Defendant counterclaims alleging invalidity or unenforceability are commonplace, and can be asserted on numerous grounds. Third parties may also raise similar claims before administrative bodies in China or abroad, even outside the context of litigation. Such proceedings could result in revocation or amendment to our intellectual properties in such a way that they no longer cover and protect our solutions. The outcome following legal assertions of invalidity and unenforceability is unpredictable.

If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the intellectual property protection on our solutions. Such a loss of intellectual property protection could materially and adversely affect our business.

If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and may have to redesign or discontinue the products and services involved.

Some of our competitors have large intellectual property portfolios, and may claim that our expected commercial use of our solutions have infringed their intellectual properties. These intellectual properties have broad claims, so it might be alleged that certain features of our solutions fall within the claims of such intellectual properties. Therefore, our competitors may initiate legal proceedings alleging that we are infringing, misappropriating or violating their intellectual property rights in connection with the commercialization of the relevant solutions.

Our competitors may use intellectual property litigation to gain a competitive advantage. Whether a solution infringes the intellectual property involves an analysis of complex legal and factual issues, the determination of which is often uncertain. We may hire employees who have previously worked for our competitors. We cannot guarantee that such employees will not use their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Our efforts to identify and avoid infringing on third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, regardless of their merit, could: (i) be expensive and time-consuming to defend; (ii) require us to pay substantial damages to third parties; (iii) forbid us from making or selling solutions that incorporate the challenged intellectual property; (iv) require us to redesign, reengineer or rebrand our solutions; (v) require us to enter into royalty or licensing agreements in order to obtain the right to use a third-party's intellectual property, such agreements may not be available on terms acceptable to us or at all; (vi) divert the attention of our management; or (vii) result in customers terminating, deferring or limiting their purchase of the affected solutions until resolution of the litigation.

In addition, new intellectual properties obtained by our competitors could threaten the continued life of the solution in the market even after it has already been introduced. There could be existing intellectual property of which we are not aware that our operations and business may inadvertently infringe. In particular, we use open-source public datasets in training our AI technology. Those open-source public datasets are developed and published by third parties on reputable sources. Along with the publication of those datasets, the publishers and developers typically release their terms of use. During the Track Record Period, we have examined the license terms of the open-source public datasets we use to confirm that commercial use is not prohibited. However, there remains a risk that resources and data contained in those open-source public datasets may contain intellectual property owned by third parties other than the publishers and developers. During the Track Record Period, our business operations are not subject to third-party authorization and we avoid using data marked with a "copyright" notice. If we inadvertently use such protected content without proper authorization, we may be exposed to claims of intellectual property infringement. This could result in significant legal costs and damages, and could adversely affect our reputation and business operations. We cannot assure you that we will not become subject to intellectual property laws in other jurisdictions. If a claim of infringement brought against us in another jurisdiction is successful, we may be required to pay substantial penalties or other damages and fines or enter into license agreements which may not be available on commercially reasonable terms or at all, or we may be subject to injunctions or court orders. Even if allegations or claims lack merit, defending against them could be both costly and time-consuming and could significantly divert the efforts and resources of our management and other personnel.

Obtaining and maintaining our intellectual property protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental agencies, and our intellectual property protection could be reduced or eliminated for non-compliance with these requirements.

The governmental agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the intellectual property application process and over the lifetime of the intellectual property. Non-compliance events, including failure to respond to official actions within prescribed time limits, non-payment of periodic maintenance fees and failure to properly legalize and submit formal documents, can result in abandonment or lapse of the intellectual property or intellectual property application, leading to partial or complete loss of intellectual property rights in the relevant jurisdiction. In any such event, our competitors might be able to enter the market, which would materially and adversely affect our business.

Changes in intellectual property law could diminish the value of intellectual properties in general, thereby impairing our ability to protect our products and services.

The scope of intellectual property protection is uncertain. Changes in either the intellectual property laws or their interpretation may diminish our ability to protect our inventions, obtain, maintain, defend, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our intellectual property rights. We cannot predict whether the intellectual property applications we are currently pursuing and may pursue in the future will be issued as intellectual property rights in any particular jurisdiction or whether the claims of any future granted intellectual properties will provide sufficient protection from competitors. The coverage claimed in an intellectual property application can be significantly reduced before the intellectual property right is issued, and its scope can be reinterpreted after issuance.

We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed alleged trade secrets owned by others.

In addition to our issued intellectual properties and pending intellectual property applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our solutions and thus maintain our competitive position. We protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements, non-compete covenants or including such undertakings in the agreements with parties that have access to them. We also enter into employment agreements with our employees that include undertakings regarding assignment of inventions and discoveries. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information intentionally or inadvertently. It is possible that a competitor will gain access to such information and make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, to the extent that our employees or business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Our employees or business partners might intentionally or inadvertently disclose our trade secret information to competitors, or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable.

We may not be able to protect our intellectual property rights globally.

Filing, prosecuting and defending patents on our technologies and solutions can be extremely expensive and time-consuming. We may also encounter difficulties in protecting and defending such rights in overseas jurisdictions. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries and regions outside the jurisdictions where we registered our intellectual properties. Competitors may use our technologies and solutions in jurisdictions where we have not obtained intellectual property protection to develop their own technologies and solutions.

Many companies have encountered significant problems in protecting and defending intellectual property rights in overseas jurisdictions. The legal systems of many other countries and regions do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our intellectual properties in such countries.

Proceedings to enforce our patent rights in overseas jurisdictions could result in substantial cost and divert our resources and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of rejection, and could provoke third parties to assert claims against us. We may not prevail in lawsuits that we initiate or be awarded the damages or other remedies, if any, as we deem sufficient. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual properties involved.

RISKS RELATED TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

We face challenges with regard to changes in and new interpretations of existing laws, regulations or policies, and imposition of new laws, regulations or policies, governing our industry and business.

Substantially all of our assets and operations are located in China. As a result, our business is subject to risks associated with doing business there, including but not limited to future regulatory, policy and legislative developments and increasingly strengthening intellectual property protection system in China. Such developments and strengthening measures include changes in and new interpretations of existing laws, regulations or policies, as well as imposition of new laws, regulations or policies, each of which could adversely impact our business, results of operations and financial condition.

The PRC governmental authorities have implemented measures emphasizing the utilization of market forces for economic reform and the establishment of improved corporate governance in business enterprises, and such measures and policies relating to such measures are evolving and subject to change.

Changes or development in economic conditions in China, in the policies of the PRC governmental authorities or in the laws and regulations in China may adversely affect our business and results of operations, lead to a reduction in demand for our products and services and adversely affect our competitive position. The PRC governmental authorities have implemented various measures to encourage economic growth and guide the allocation of resources. We cannot assure you that all measures which benefit the overall Chinese economy will have a positive effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations.

You may experience difficulties in effecting service of legal process or enforcing foreign judgments against us and our Directors and management.

We are a company incorporated under the PRC laws and substantially all our assets and subsidiaries are located in the PRC. Substantially all of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult. As a result, it may be difficult and time-consuming to effect service of process upon our Directors and senior management outside the PRC. In addition, [**REDACTED**] may also experience difficulties in seeking recognition and enforcing foreign judgments in the PRC if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [**REDACTED**] of our Shares on the Stock Exchange, the holders of Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

Governmental control over capital inflow/outflow, currency conversion and fluctuations in exchange rates may affect the value of your [REDACTED], result in [REDACTED] losses, and limit our ability to utilize our cash effectively.

The Renminbi is not currently a freely convertible currency. We receive all of our payments from customers in Renminbi and may need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of our Shares. Under the Chinese existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from State Administration of Foreign Exchange ("SAFE") or its local branches by complying with certain procedural requirements. However, the Chinese government may take measures at its discretion in the future to restrict access to foreign currencies for current account transactions if foreign currencies become scarce in China. We may not be able to pay dividends in foreign currencies to our Shareholders if the Chinese government restricts access to foreign currencies for current account transactions. Foreign exchange transactions under our capital account continue to be subject to significant foreign exchange controls and require the approval of the SAFE or its local branches. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

Any significant revaluation of the Renminbi may materially and adversely affect our results of operations, cash flows and financial condition. The exchange rate of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the Chinese government and changes in China and in international political and economic conditions. Since 1994, the conversion of the Renminbi into foreign currencies, including U.S. dollars, has been based on rates set by the People's Bank of China ("PBOC"), which are set daily based on the previous business day's interbank foreign exchange market rates and current exchange rates on the world financial markets. It is difficult to predict how market forces or government policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the PBOC regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rates and achieve policies goals.

There remains significant international pressure on the Chinese government to adopt a more flexible currency policy, which, together with domestic policy considerations, could result in appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or other foreign currencies. If the Renminbi appreciates against other currencies significantly, and as we need to convert and remit the [**REDACTED**] from the [**REDACTED**] and future financing into the Renminbi for our operations, appreciation of the Renminbi against the relevant foreign currencies would reduce the Renminbi amount we would receive from the conversion. On the other hand, because the dividends on our Shares, if any, will be paid in Hong Kong dollars, any devaluation of the Renminbi against the Hong Kong dollar could reduce the amount of any cash dividends on our Shares in Hong Kong dollar terms. In addition, there are limited instruments available for us to reduce our exposure to foreign currency risk at reasonable costs. Any of the foregoing factors may materially and adversely affect our businesses, results of operations, financial condition and prospects.

We are a Chinese mainland enterprise and we are subject to Chinese mainland tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to Chinese mainland income taxes.

Under the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese mainland and a non-Chinese mainland investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese mainland sources payable to investors that are non-Chinese mainland resident enterprises, which do not have an establishment or place of business in Chinese mainland, or which have an establishment or place of business in Chinese mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese mainland income tax rate if such gains are regarded as income from sources within Chinese mainland unless a treaty or similar arrangement provides otherwise. For details of the taxes relating to the gains on or dividends from our H Shares, see "Regulatory Overview—Regulations on Taxation."

If Chinese mainland income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-Chinese mainland resident [**REDACTED**], the value of your [**REDACTED**] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with Chinese mainland may not qualify for benefits under such tax treaties or arrangements.

Operations are subject to and may be affected by changes in tax laws and regulations of the jurisdictions where we operate.

Any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate for other reasons would result in a corresponding increase in our tax liability. Additionally, governmental authorities may amend or restate regulations on income, withholding, value-added and other taxes. Non-compliance with applicable tax laws and regulations could also lead to penalties or fines imposed by relevant tax authorities. Adjustments or changes to applicable tax laws and regulations, as well as tax penalties or fines, could impact our business, financial condition and results of operations.

Policies on foreign investment in the PRC may adversely affect our business and results of operations.

The investment activities of foreign investors in the PRC are subject to certain regulations regarding the industry participated and imposed to additional verification procedures by certain authorities. The Special Management Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》, the "Negative List") issued by the NDRC and MOFCOM, which set out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment. The Negative List covers 11 industries, and any field not covered by the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. As of the Latest Practicable Date, our main business in China does not fall within the fields prohibited by the Negative List. However, certain industries are specifically prohibited for foreign investment, which may restrict us from entering into these industries afterwards.

Any failure to comply with relevant regulations regarding the registration requirements for the Employee Incentive Scheme may subject our Employee Incentive Scheme participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (Hui Fa [2012]

No. 7), replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas-[**REDACTED**] company upon the completion of the [**REDACTED**]. Failure to complete SAFE registrations may subject them to fines, and legal sanctions. In light of the above, we cannot assure you that we will continuously adopt additional incentive plans for our directors, executive officers and employees under PRC law.

In addition, SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. We have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and the [REDACTED] and [REDACTED] of our H Shares may be volatile.

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate liquidity will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is expected to be fixed by agreement between the Joint Sponsors and [**REDACTED**] (on behalf of the [**REDACTED**], as applicable) and us and may not be indicative of the [**REDACTED**] of our H Shares following the completion of the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and [**REDACTED**] of our H Shares could be materially and adversely affected.

The [REDACTED], [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The [**REDACTED**] at which our H Shares will [**REDACTED**] after the [**REDACTED**] will be determined by the marketplace, which may be affected by various factors beyond our control, including our financial performance; changes in securities analysts' estimates, if any, of our financial performance; the history of, and the prospects for, ourselves and the industry in which we operate; an assessment on the prospects for, and timing of, our future revenue and cost structures that independent research analysts may publish, if any; the present state of our development; the valuation of publicly traded companies that are engaged in business activities similar to ours; general market sentiment regarding the industry we operate in; changes in the laws and regulations of China; our actual or perceived failure to compete effectively in the market; and political, economic, financial and social conditions.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant volatility in [**REDACTED**] and volumes that have affected the market prices of securities of companies quoted on the Hong Kong Stock Exchange. As a result, [**REDACTED**] in our H Shares may experience volatility in the [**REDACTED**] of their H Shares and a decrease in the [**REDACTED**] of their H Shares regardless of our operating performance or prospects.

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

The [**REDACTED**] of the H Shares is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, [**REDACTED**] of H Shares in the [**REDACTED**] will experience an immediate dilution. There can be no assurance that if we were to immediately liquidate after the [**REDACTED**], any assets will be distributed to Shareholders after the creditors' claims. In order to expand our business, we may consider [**REDACTED**] and [**REDACTED**] additional H Shares in the future. [**REDACTED**] of H Shares may experience dilution in the net tangible asset value per Share of their H Shares if we [**REDACTED**] additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may [**REDACTED**] H Shares pursuant to any existing or future employee incentive scheme, which would further dilute our Shareholders' interests in our Company.

We cannot assure you that we will declare and distribute any amount of dividends in the future. If we do not pay dividends in the foreseeable future after the [REDACTED], you must rely on the [REDACTED] appreciation of our Shares for a return on your [REDACTED].

During the Track Record Period, we have not declared or paid any dividends on our Shares. We cannot assure you that dividends will be declared or paid in the future. A decision to declare or pay any dividends and the amount of dividends is made at the discretion of our Directors, subject to the corporate shareholder approval processes and depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. For more details on our dividend policy, see "Financial Information — Dividends." In addition, our ability to declare future dividends will depend on the availability of dividends, if any, received from our operating subsidiaries. The calculation of our operating subsidiaries' profit under applicable accounting standards differs in certain aspects from the calculation under the IFRS Accounting Standards. Accordingly, we may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements prepared in accordance with the IFRS Accounting Standards indicate that our operations have been profitable.

Future sales or issuances or perceived sales or issuances or conversion of substantial amounts of our securities in the [REDACTED] following the [REDACTED], including any future [REDACTED] in China or conversion of our unlisted Shares into H Shares, could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future, and may result in dilution of your shareholding.

The [**REDACTED**] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**], the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution of their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

According to the stipulations by the State Council's securities regulatory authority and the Articles of Association, our Unlisted Shares may be converted into H Shares and such converted H Shares may be [**REDACTED**] or [**REDACTED**] on an overseas stock exchange, provided that prior to the conversion and [**REDACTED**] of such converted shares, the requisite internal approval processes (but without the necessity of Shareholders' approval by class) have been duly completed and the administrative procedures of the relevant PRC regulatory authorities, including the CSRC, have been completed. In addition, such conversion, [**REDACTED**] and [**REDACTED**] must comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. We can apply for the [**REDACTED**] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the [**REDACTED**]. This could increase the supply of H Shares in the [**REDACTED**], and future sales, or perceived sales, of the converted H Shares may materially and adversely affect the [**REDACTED**] of H Shares.

Forward-looking information in this document is subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement.

Certain facts, forecasts and other statistics in this document are derived from official government sources which had not been independently verified.

This document, particularly the section headed "Industry Overview", contains information and statistics relating to the industry that we operate in, as well as other economic data. Such information and statistics are derived from official government sources, which had not been independently verified by us, the Joint Sponsors, or any other party involved in the [**REDACTED**]. You should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

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

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

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

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

The headquarters, senior management and business operations of our Group are primarily based, managed and conducted outside Hong Kong. As our executive Directors and senior management play very important roles in our business operations, we consider that it is in the best interest of our Company for them to be based in the place where our Group has significant operations. As such, our Company does not, and will not for the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rules 8.12 and 19A.15 of the Listing Rules.

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

(a) we have appointed Dr. Yuan and Ms. Yeung Lai Shan (楊麗珊) ("**Ms. Yeung**"), our joint company secretary, as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. Our authorized representatives will act as our principal channel of communication with the Stock Exchange. They will be readily contactable by phone and/or email to promptly deal with enquiries from the Stock Exchange and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives;

(b) when the Stock Exchange wishes to contact our Directors on any matter, our authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Stock Exchange with contact details of all Directors to facilitate communication with the Stock Exchange. Furthermore, to the best of our knowledge and information, all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange; and

(c) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor upon the [**REDACTED**] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [**REDACTED**] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**]. The Compliance Advisor will have access at all times to our authorized representatives, Directors and senior management, and will act as an additional channel of communication with the Stock Exchange when our authorized representatives are not available.

WAIVER IN RELATION TO APPOINTMENT OF JOINT COMPANY SECRETARIES

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

Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience":

(a) length of employment with the issuer and other issuers and the roles he or she played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

All our Directors and senior management who are familiar with our activities and have extensive experience in board and corporate management matters presently do not possess any of the qualifications under Rule 3.28 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules.

We propose to appoint Ms. Liu Liyuan (劉麗圓) ("**Ms. Liu**"), our Board secretary and Ms. Yeung as our joint company secretaries. Although Ms. Liu does not possess the qualifications set out in Rule 3.28 of the Listing Rules, we would like to appoint her as a joint company secretary due to her experience in corporate finance and Board related matters, as well as her familiarity with business operations and internal management of the Company. For the biographical information of Ms. Liu and Ms. Yeung, see "Directors and Senior Management."

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Liu as our joint company secretary. Pursuant to Chapter 3.10 of the Guide, the waiver will be for a three-year period from the [**REDACTED**] (the "**Waiver Period**") and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience required under Rule 3.28 of the Listing Rules (the "**Qualified Person**") and is appointed as a joint company secretary throughout the Waiver Period, and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Ms. Yeung, a Qualified Person, as a joint company secretary to provide assistance to Ms. Liu during the Waiver Period to enable Ms. Liu to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge her duties. Given Ms. Yeung's professional qualifications and experience, Ms. Yeung will be able to explain to both Ms. Liu and our Company the relevant requirements under the Listing Rules. Ms. Yeung will also assist Ms. Liu in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary. She is expected to work closely with Ms. Liu, and will maintain regular contact with Ms. Liu, our Directors and senior management. In addition, Ms. Liu will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the Waiver Period. Ms. Liu will also be assisted by (i) the

Compliance Advisor, particularly in relation to compliance with the Listing Rules and (ii) the Hong Kong legal advisor of our Company on matters concerning our Company's ongoing compliance with the Listing Rules and the applicable laws and regulations. The waiver will be revoked with immediate effect if Ms. Yeung ceases to provide assistance to Ms. Liu during the Waiver Period or there are material breaches of the Listing Rules by our Company. If Ms. Yeung ceases to be a joint company secretary before the end of the Waiver Period, our Company will seek another waiver from the Stock Exchange in relation to appointing another Qualified Person as a replacement.

We will liaise with the Stock Exchange before the end of the Waiver Period to enable it to assess whether Ms. Liu, having had the benefit of Ms. Yeung's and, if applicable, another Qualified Person's assistance for three years, has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

[REDACTED]

[REDACTED]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Yuan Jinhui (袁進輝)	Room 602, Unit 1, Building 12 Xiwangzhuang Residential Complex Haidian District Beijing PRC	Chinese
Mr. Liu Juncheng (柳俊丞)	Room 306, Entrance 3, Building 11 Zhongguancun North 2nd Lane Haidian District Beijing PRC	Chinese
Mr. Zeng Hua (曾華)	Room 1, Building 13 East Stadium Road Chaoyang District Beijing PRC	Chinese
Non-executive Director		
Mr. Chen Yingjie (陳英傑)	Room 2302, No. 18, Lane 688 Xizang South Road Huangpu District Shanghai PRC	Chinese
Independent Non-executive Directors		
Dr. Wu Chuan (吳川)	Flat G, 19/F Tower 10, Metro Town Tiu Keng Leng, Tseung Kwan O New Territories Hong Kong	Chinese (Hong Kong)
Dr. Li Dan (李丹)	Room 2304, Unit 1, Building 19 Shuangqingyuan Haidian District Beijing PRC	Chinese
Dr. Hou Hong (侯宏)	Room 602, Unit 1, Building 111 Zone 1, West Wangjing Garden Chaoyang District Beijing PRC	Chinese

For further details of our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors and [REDACTED]	**Huatai Financial Holdings (Hong Kong) Limited** 62/F, The Center 99 Queen's Road Central Central Hong Kong **Haitong International Capital Limited** Suites 3001-3006 and 3015-3016 One International Finance Centre No. 1 Harbour View Street Central Hong Kong

[REDACTED]

Legal Advisors to our Company	*As to Hong Kong and United States law:* **Cooley HK** 35/F, Two Exchange Square 8 Connaught Place Central Hong Kong *As to PRC law:* **Commerce & Finance Law Offices** 12-15/F, China World Office 2 1 Jianguomenwai Avenue Chaoyang District Beijing PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and United States law:* **King & Wood** 13/F, Gloucester Tower The Landmark 15 Queen's Road Central Central Hong Kong

	As to PRC law: **Han Kun Law Offices** 9/F, Office Tower C1 Oriental Plaza 1 East Chang An Avenue Dongcheng District Beijing PRC
Reporting Accountant and Independent Auditor	**PricewaterhouseCoopers** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 22/F, Prince's Building Central, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** 2504 Wheelock Square 1717 Nanjing West Road Jing'an District Shanghai PRC
Compliance Advisor	**Rainbow Capital (HK) Limited** Office No. 710, 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong

[**REDACTED**]

CORPORATE INFORMATION

Registered Office and Head Office	Room 2301, 23/F, Tower D Building 8, No. 1 Yard Zhongguancun East Road Haidian District Beijing PRC
Principal Place of Business in Hong Kong	Room 1918, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	**www.siliconflow.cn** *(The information contained on this website does not form part of this document)*
Joint Company Secretaries	Ms. Liu Liyuan (劉麗圓) Room 2301, 23/F, Tower D Building 8, No. 1 Yard Zhongguancun East Road Haidian District Beijing PRC Ms. Yeung Lai Shan (楊麗珊) *(ACG, HKACG)* Room 1918, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Dr. Yuan Jinhui (袁進輝) Room 602, Unit 1, Building 12 Xiwangzhuang Residential Complex Haidian District Beijing PRC Ms. Yeung Lai Shan (楊麗珊) Room 1918, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Dr. Li Dan (李丹) *(Chairperson)* Dr. Hou Hong (侯宏) Mr. Chen Yingjie (陳英傑)
Nomination Committee	Dr. Yuan Jinhui (袁進輝) *(Chairperson)* Dr. Hou Hong (侯宏) Dr. Wu Chuan (吳川)

Remuneration and Appraisal Committee	Dr. Wu Chuan (吳川) *(Chairperson)* Dr. Li Dan (李丹) Dr. Yuan Jinhui (袁進輝)

[**REDACTED**]

Principal Bank	**China Merchants Bank Co., Ltd.** **Beijing Tsinghua Garden Technology Finance Branch** G/F, Block B, Tsinghua Science Park 1 Zhongguancun East Road Haidian District Beijing PRC

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by Frost & Sullivan in connection with the [**REDACTED**] *(the "Frost & Sullivan Report"). The information from official government sources has not been independently verified by us, the Joint Sponsors,* [**REDACTED**]*, any of their respective directors and advisors, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

SOURCE OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare the Frost & Sullivan Report about, the token supply platform market. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. In connection with the market research services provided, we have paid a fee of RMB550,000 to Frost & Sullivan, which we believe to be consistent with market rates. In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan conducted (1) primary research includes interviewing industry participants, competitors, downstream customers and recognized third-party industry associations; and (2) secondary research includes reviewing corporate annual reports, databases of relevant official authorities, as well as the exclusive database established by Frost & Sullivan over the past decades. The market projections in the Frost & Sullivan Report are based on the following key assumptions during the forecast period: (i) the social, economic and political conditions in Chinese markets discussed will remain stable during the forecast period, (ii) government policies on China's token supply market will remain consistent during the forecast period, and (iii) token supply market will be driven by the factors which are stated in the Frost & Sullivan Report. All the data and forecasts contained in this section are derived from the Frost & Sullivan Report. The commissioned report has been prepared by Frost & Sullivan independently without influence from the Company or other interested parties. Our Directors confirm that, to the best of their knowledge, after making reasonable inquiries, there is no material and adverse change in the market information since the date of the Frost & Sullivan Report, which may qualify, contradict or have an impact on the information in this section.

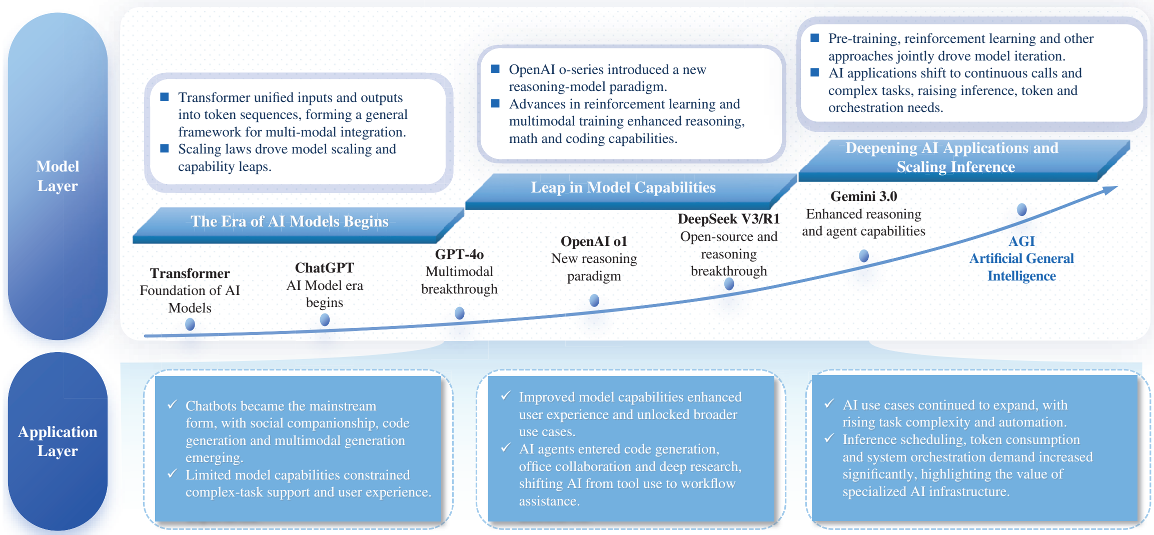
VALUE ANALYSIS OF THE AI INFRASTRUCTURE LAYER AGAINST THE BACKDROP OF THE FOURTH INDUSTRIAL REVOLUTION

AI is becoming the core driver of a new round of industrial revolution and productivity revolution. Following the eras of steam power, electricity and information technology, AI is driving the global economy and society into a new stage of development characterized by intelligence. In terms of market size, as measured by revenue, the global AI market increased from approximately RMB2.2 trillion in 2021 to approximately RMB5.9 trillion in 2025, representing a CAGR of 27.6%, and is expected to further increase to approximately RMB26.3 trillion in 2030 at a CAGR of 36.0%.

Compared with previous industrial revolutions, AI features faster technological iteration, broader application diffusion and stronger penetration into and empowerment of various industries. It not only improves efficiency, but also systematically reshapes productivity systems, business models and company organizational structures. Each industrial revolution has been underpinned by a set of infrastructure: railways in the steam age, power grids in the electricity age, and communications networks in the information age. The same applies to the current wave — AI infrastructure, which supports model training, inference, resource orchestration and service delivery, serves as the fundamental pillar enabling AI's value realization and scalable expansion.

Development History and Characteristics of the AI Industry

Development History of Global AI Industry



Source: Frost & Sullivan

- ***The AI industry remains in its early-to-mid stage, with computing resources and AI models benefiting first; in the long term, as applications are gradually commercialized, the value of system software will continue to boom***

The AI industry primarily consists of the application layer and the infrastructure layer. The application layer serves massive users and a wide range of vertical industry scenarios by providing various AI agents, software/hardware products and intelligent solutions. The infrastructure layer mainly comprises computing resources, AI models and system software.

The AI industry is currently in its early-to-mid stage. Computing resources and AI models, as the key foundation for the generation, deployment and invocation of AI capabilities, have higher certainty and have therefore gained earlier commercial and capital market recognition. In the long term, as AI applications accelerate toward large-scale commercialization, the value of upper-layer applications will gradually become more prominent, creating larger-scale commercial opportunities. In this process, the value of the system software will continue to boom with the growth in the number of applications, invocation frequency, model complexity and enterprise-grade deployment needs. On the one hand, it continuously improves the utilization efficiency of heterogeneous computing resources and various AI models; on the other hand, it supports application-side requirements for high concurrency, low latency, stable delivery and overall cost optimization, thereby becoming a key layer connecting the upper and lower ends of the AI industry stack.

- ***The large-scale deployment of AI applications and value realization are accelerating the migration of computing demand from training to inference***

Training and inference are the two main stages through which AI capabilities are formed and their value is realized. Training determines the foundation of model capabilities and is typically a centralized investment during the capability formation stage. Inference, by contrast, takes place during the actual use of AI models and represents the value realization stage that determines whether model capabilities can be continuously delivered to real-world users, real-world scenarios and real business operations. It is characterized by high frequency, continuity, distribution and real-time requirements.

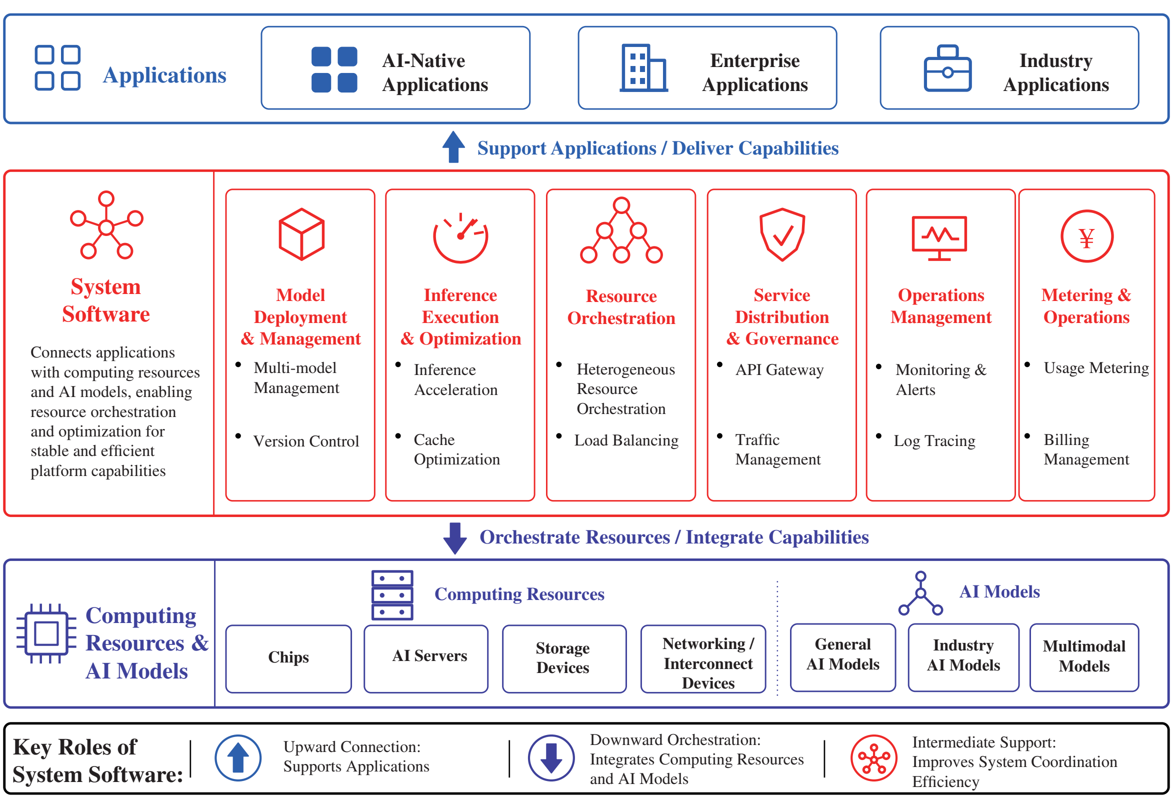
As demand from real-world scenarios surges, AI chatbots, code generation and software engineering assistants, enterprise knowledge bases, text-to-image/video creation tools, autonomous driving solutions and various intelligent applications are continuing to mature. AI applications are evolving from basic scenarios such as single-turn Q&A and text generation toward multimodal interaction, complex task execution and continuous intelligent services. This has led to higher-frequency user interactions, longer context processing, stronger real-time response requirements and increasingly complex tasks, significantly driving up inference demand and the scale of token throughput for AI models. As a result, the center of computing resources in the AI industry is accelerating its shift from training to inference, and the total volume of tokens consumed by a single model over its lifecycle will far exceed that consumed during its training stage.

Analysis of the Elements of the AI Infrastructure Layer and the Key Role of System Software

- ***The AI infrastructure layer mainly comprises computing resources, AI models and system software***

The development of AI applications relies on the continuous enhancement of infrastructure capabilities. The AI infrastructure layer mainly comprises computing resources, AI models and system software. Computing resources include AI chips, AI servers, storage devices and network/interconnect equipment, providing the underlying resource base and operating environment for model training and inference. AI models include general-purpose AI models, industry-specific AI models and multimodal AI models, determining the boundaries of AI capabilities and the scope of applications. System software serves as the intermediary layer for organizing and utilizing computing resources, undertaking functions such as model deployment, inference execution, heterogeneous computing resource orchestration, service distribution, thereby maximizing the potential of computing resources and AI models.

Key Role of System Software



Source: Frost & Sullivan

- ***Token supply platform has emerged as an important product and commercial form of AI infrastructure system software***

By adapting to and encapsulating computing resources and AI models, system software provides downstream applications with callable, manageable and continuously operable AI capabilities. Against the backdrop of the large-scale expansion of AI applications and the rapid growth of inference demand, the token supply platform has emerged in the industry as a product and commercial form built upon AI infrastructure system software. A token supply platform integrates key system software capabilities such as inference engines, heterogeneous computing resource orchestration, model deployment, service distribution, operations management, metering and token delivery. By organizing and orchestrating these capabilities around token production, orchestration, optimization and delivery, the token supply platform transforms dispersed computing resources and models into stable, efficient and scalable token services.

- ***Token supply platform emerges as a key value-creating segment for cross-chip adaptation, model deployment and inference efficiency improvement***

Currently, AI inference is characterized by the coexistence of multiple elements across chip architectures, computing resources, model types, deployment methods and customer needs. Meanwhile, the continuous launch and iteration of new chips and AI models further raises the requirements for rapid adaptation, migration and performance optimization at the inference level. On the computing resource side, different chips vary in hardware architecture, software ecosystem and maturity of adaptation. On the model side, different models have their own focuses in terms of parameter scale, context length, inference efficiency, and applications, with AI models, as well as general-purpose and vertical models, iterating rapidly. On the customer side, enterprises have developed differentiated demands for serverless token services, dedicated instances, on-premise deployment.

This diversified landscape has promoted specialization across the industry chain, while also significantly increasing the complexity of large-scale deployment of "cross-chip × multi-model" combinations across different types of customers and application scenarios. Therefore, the core value of the system software layer as a token supply platform has become increasingly prominent. On the one hand, it adapts to and encapsulates various computing chips and models, and conducts in-depth optimization of operators, precision, chip memory and inference frameworks, thereby ensuring the delivery of stable inference services across different applications. On the other hand, through inference engine optimization, computing resource orchestration, and service and operations management, it continuously improves the token production efficiency per unit of computing resource on existing hardware, while ensuring stable service and scalable delivery.

Therefore, as AI applications expand at scale, demand for AI infrastructure system software oriented toward inference scenarios will continue to grow. Token supply platform with cross-chip, multi-model and multi-scenario adaptation capabilities will become a key infrastructure supporting the large-scale deployment and value realization of AI industry applications.

The Token Revolution and Its Far-reaching Impact Amid the Rise of AI Applications

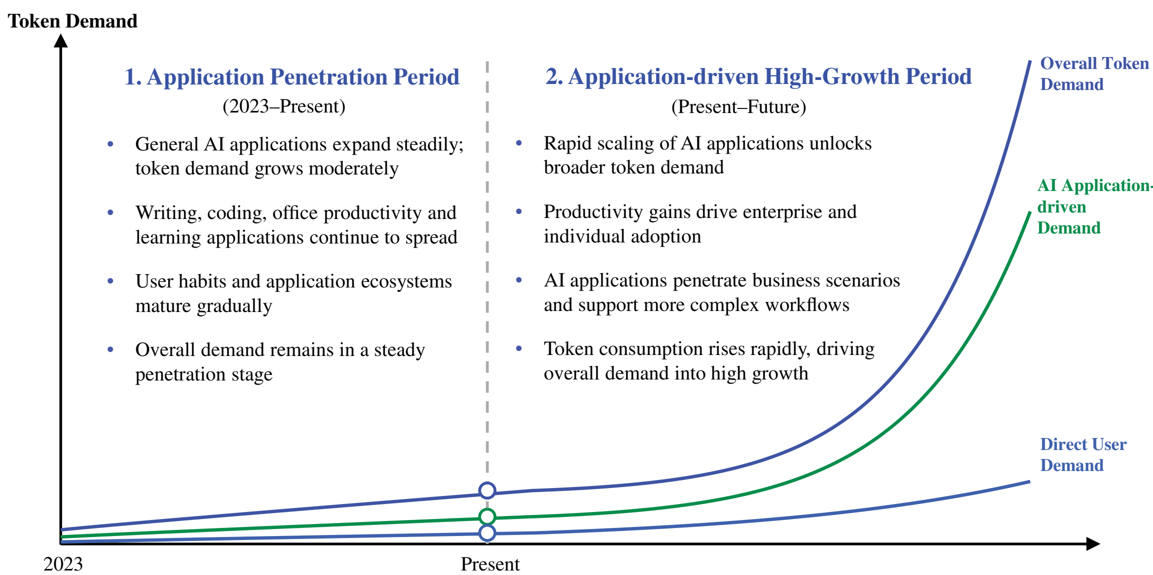
- ***Tokens are evolving from a unit of measurement for model usage into a standardized product form for end applications***

AI applications are evolving from single-turn Q&A and text generation toward multimodal interaction, complex task execution and continuous intelligent services, giving rise to more frequent and continuous demand for token service. In 2025, China's token throughput expanded rapidly to approximately 2,426.3 trillion tokens. Tokens are no longer merely a unit of measurement in the input and output process of AI models, but are gradually becoming a standardized product form for end applications. Token supply platform produces and delivers tokens through the capabilities of computing resources, AI models and system software, while AI applications deliver intelligent services through the continuous consumption of tokens.

- ***Token quality and production efficiency determine effective supply capacity and become key to supporting the large-scale deployment of AI applications***

As the large-scale deployment of AI applications unlocks broader token demand, the key focus of industry competition is no longer merely the scale of underlying computing resources, but whether dispersed and heterogeneous chip resources, model capabilities and deployment environments can be efficiently converted into stable and usable token production. While token demand is growing rapidly, the supply side remains subject to physical constraints in terms of chips, memory capacity, electricity, data centers and computing cluster construction, as well as supply chains, construction cycles and resource allocation. Under the dual catalysis of rapidly released demand and relatively limited supply, improving token production efficiency and enhancing the stability and availability of token services have become key capabilities supporting AI applications in moving from pilot exploration to large-scale deployment.

Evolution of Token Demand Driven by the Rise of AI Applications



Source: Frost & Sullivan

GLOBAL AND CHINA TOKEN SUPPLY MARKET ANALYSIS

Current Status and Pain Points of the Token Supply Industry

- ***Heterogeneous Computing Environments Increase Adaptation and Orchestration Complexity, Constraining Token Quality and Production Efficiency***

From the perspective of the AI chip ecosystem, global computing resource supply is primarily supported by NVIDIA and domestic vendors. Different chips vary significantly in hardware architecture, software ecosystems, performance boundaries, adaptation maturity and cost structures. On the one hand, such differences raise the barriers to cross-chip deployment adaptation, operator optimization and performance tuning for the same model. On the other hand, cross-chip hybrid clusters further increase the complexity of overall computing resource orchestration, making it difficult for heterogeneous computing pools to orchestrate inference workloads evenly and often resulting in imbalanced hardware utilization and idle resources. If enterprises lack mature capabilities in cross-chip adaptation, deep inference engine optimization and end-to-end engineering tuning, key metrics such as token throughput, cluster resource utilization, efficiency, user experience and cost per-token may fluctuate significantly. As a result, the underlying computing resources may fail to fully unlock peak performance or reliably support massive AI inference workloads, thereby increasing the overall cost of token production and substantially weakening the economic viability of large-scale token service procurement by enterprise customers. Accordingly, competition within the AI infrastructure layer is shifting from the simple accumulation of computing resources toward token production efficiency.

- ***Highly Diverse Models and Deployment Ecosystems Require Stable Token Services***

From the perspective of the model ecosystem, multiple AI models, including DeepSeek, Qwen, GLM and Kimi, currently coexist in the market. These models differ in parameter scale, architecture, inference efficiency, context length, deployment requirements and applications. Together with enterprises' diversified requirements for deployment approaches, data security and model selection, the industry has gradually evolved into an inference infrastructure landscape characterized by the coexistence of cross-chip, multi-model and multi-deployment approaches. For enterprise customers, the value of token services depends not only on model capabilities themselves, but also on whether tokens can be invoked in a stable, continuous and low-latency manner while maintaining a stable experience across different business scenarios. This requires an intermediate infrastructure layer to centrally manage, deploy and orchestrate heterogeneous computing resources and AI models, thereby ensuring token production speed, service stability and scenario adaptability.

The Role of Token Supply Platform Across the Token Production Lifecycle

In an industry environment characterized by the coexistence of diverse computing resources, multiple models, and multiple deployment approaches, token supply platform serves as a system software layer connecting computing resources, models, and applications. By organizing, orchestrating, and optimizing the entire token production and delivery process, the token supply platform addresses key industry challenges, including fluctuations in token production efficiency, uneven resource utilization, and rising requirements for service stability.

- ***Token Production Lifecycle: Underlying Resource Access, Application Demand Intake, Model Selection, Heterogeneous Computing Orchestration, Inference Execution, Token Encapsulation, and Result Delivery.***

Token production is a continuous service process comprising computing resource orchestration, model deployment, and application delivery. First, token production requires access to infrastructure, including energy, data, models, computing clusters, high-speed interconnects, and liquid cooling systems, to form the underlying resource base available for invocation. Subsequently, users initiate token requests via APIs, application interfaces, agents, or various application systems. The platform then performs model selection, task routing, and resource matching based on request content, task type, model capability, context length, response latency, SLA requirements, etc.

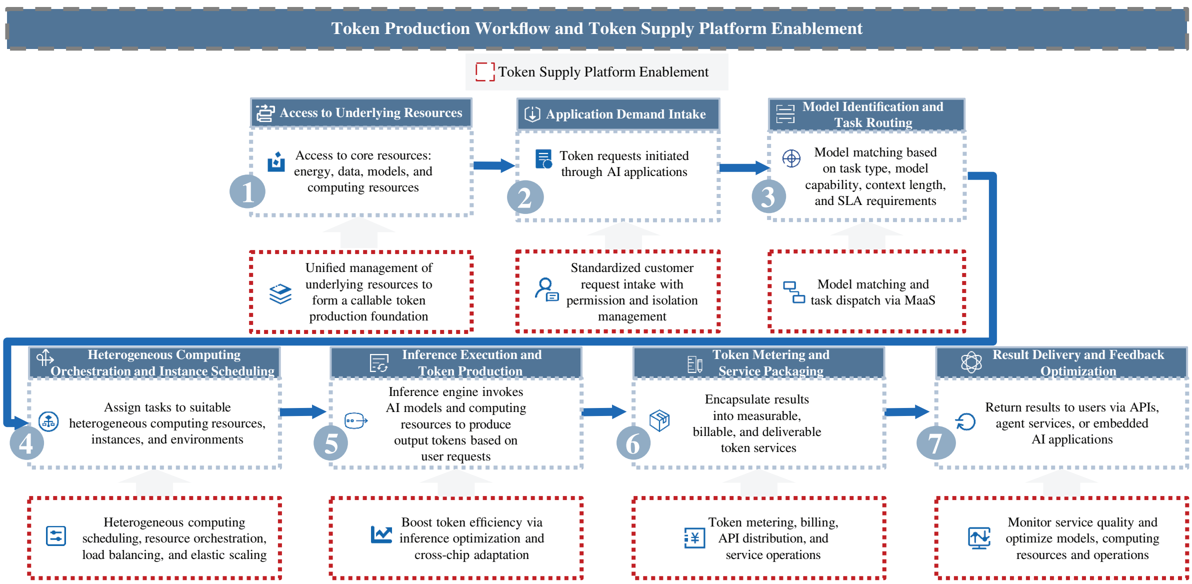
Once inference begins, the platform allocates tasks to appropriate heterogeneous computing resources, inference instances, and runtime environments. The inference engine invokes underlying chips, servers, and models to perform computation and produce output tokens based on user requests. Finally, the generated results are encapsulated into standardized token services that are measurable, billable, and deliverable. They are delivered to users via various AI applications. Meanwhile, the platform continuously monitors service quality, resource utilization, and unit token cost, using these insights to optimize model deployment, computing orchestration, and operational strategies.

- ***Token Supply Platform Empowers the Entire Token Production Lifecycle: Delivering Strategic Value Through Enhanced Token Supply Efficiency, Stability, and Scalability***

In the token production value chain, token supply platform serves as the central layer connecting computing resources, models and applications. Through capabilities such as cross-chip adaptation, model deployment, inference optimization, heterogeneous computing resource orchestration, elastic scaling, service distribution, metering and billing, and service monitoring, token supply platform empowers the entire token production and delivery lifecycle. By transforming complex inference demands into standardized, manageable, and scalable token services, token supply platform improves supply efficiency, reduces the complexity of cross-chip and multi-model adaptation, and enhances service stability and continuity.

For customers, token supply platform provides not merely computing resource or model access, but encapsulated, ready-to-use token supply services featuring cost efficiency, stable performance and multi-scenario adaptability. For the computing and model ecosystem, they enable heterogeneous computing resources and multi-model capabilities to be more efficiently transformed into token production capacity through engineering optimization and service-oriented delivery. As such, token supply platform has become a critical infrastructure layer supporting the large-scale deployment of AI applications.

Token Production Workflow and Token Supply Platform Enablement



Source: Frost & Sullivan

Market Drivers Analysis

- ***Demand: Diverse Model Invocation Needs Driven by Differentiated Model Capabilities***

Different models exhibit distinct strengths, capabilities, and application scenarios, making it difficult for a single model to meet all business needs. As a result, the same enterprise, business unit or even single product often needs to invoke multiple models simultaneously to match different task requirements and scenario-specific needs, driving continued growth in token consumption and increasing demand for highly adaptive multi-model token supply services.

- ***Supply: Cost Reduction and Efficiency Gains Drive the Development of Specialized Token Supply Services***

As enterprise-grade AI applications enter production environments, customers are placing greater emphasis on token access costs, response speed, service stability, and invocation efficiency. Through capabilities such as inference optimization, resource orchestration, caching mechanisms, and service operations, specialized token supply platform can improve token production efficiency, reduce generation and invocation costs, and enable customers to access AI capabilities more efficiently.

- ***Technology: Coexistence of Heterogeneous Computing Resources and Multi-Model Ecosystems Drives Growing Adaptation Needs***

The market is characterized by the coexistence of heterogeneous computing resources, including NVIDIA and various domestic AI chips, as well as a broad model ecosystem comprising DeepSeek, Qwen, Kimi, GLM, and Wan. Industry policies, the development of domestic AI chips, competition among multiple technology pathways, and increasingly differentiated deployment requirements have collectively reinforced a long-term heterogeneous landscape, further increasing the importance of cross-chip adaptation, model deployment, inference optimization, and unified scheduling capabilities.

- ***Ecosystem: Diverging Enterprise-grade Deployment Needs Enhance the Value of Independent Ecosystem***

Enterprise customers are exhibiting increasingly diverse requirements for public/private deployment/operation, resource and access isolation, and scenario-specific adaptation, driving token supply services to evolve from a single service mode toward multiple service modes. Independent ecosystem token supply platform can connect heterogeneous computing resources, diverse model ecosystems, and various demands of enterprise customers, providing more flexible model choices, deployment options, and token service capabilities within a multi-stakeholder ecosystem.

Main Industry Service Modes

Token supply platform service modes are typically linked to customers' token consumption volumes, resource utilization patterns, service performance requirements, and deployment methods. Based on different service forms, the industry has primarily developed three service modes: serverless token services, dedicated instances, and on-premise deployment solutions.

Among these service modes, serverless token services provide token services on a shared-resource basis and are generally charged based on usage volume measured by tokens consumed, primarily targeting developers, small- and medium-sized enterprises and other customers seeking flexible and cost-effective access to AI capabilities. Dedicated instances provide reserved or dedicated computing capacity on public cloud infrastructure, with pricing based on reserved computing capacity and underlying infrastructure costs, and are designed for customers with higher requirements for performance or stability. On-premise deployment solutions deploy our inference engine and computing resource orchestration system within the customer's own data center or private computing environment, enabling customers to use tokens across a wide range of models on their own computing resources, and are primarily targeted at large enterprise customers and institutional clients.

Main Industry Service Modes

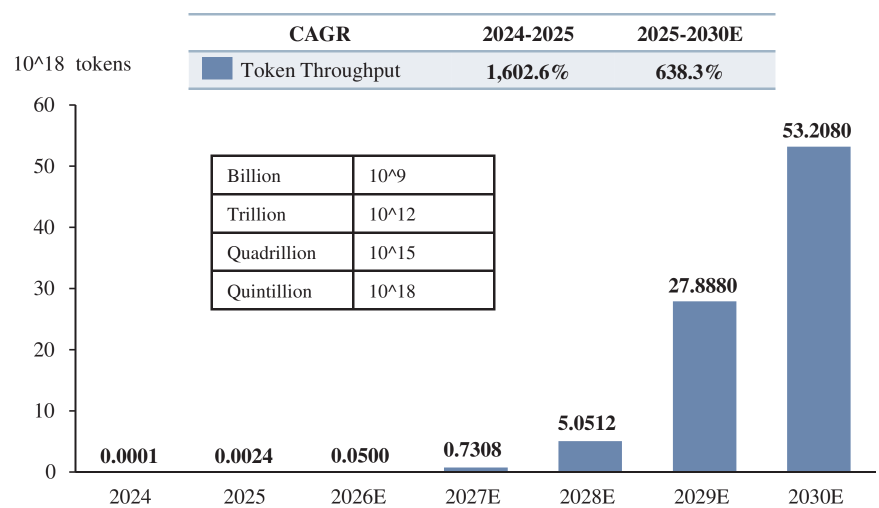
	Serverless Token Services	Dedicated Instances	On-premise Deployment Solutions
Service Mode	Standardized token services on a shared-resource basis, accessible through a single standard interface without upfront dedicated resource commitment	Reserved or dedicated computing capacity on public cloud infrastructure for specific customers	Deployment of inference engine and computing resource orchestration system within customers' own data centers or private computing environments
Billing Basis	Usage volume measured by tokens consumed; typically prepaid credits, with postpaid monthly settlement available for certain repeat customers	Reserved computing capacity, taking into account underlying infrastructure costs, including computing resources and associated operational expenses	Software licensing fees and/or professional implementation or maintenance service fees, depending on deployment scale, system configuration and customer requirements
Service Features	Flexible and cost-effective access, suitable for testing, validation and elastic invocation scenarios	Higher performance, stability, suitable for latency-sensitive and high-throughput AI workloads	Enables customers to use tokens across a wide range of models on their own computing resources; based on a standardized, modular platform architecture, with only limited customization required to accommodate customers' specific deployment environments or operational requirements
Target Customers	Developers, small and medium-sized enterprises and other customers seeking flexible and cost-effective access to AI capabilities	Enterprise users running latency-sensitive, high-throughput AI workloads and other customers with higher requirements for performance and stability	Large enterprise customers and institutional clients

Source: Frost & Sullivan

Token Supply Market Size

In 2024, China's token throughput reached approximately 142.5 trillion tokens processed and surged to approximately 2,426.3 trillion tokens processed in 2025, representing a year-on-year growth rate of 1,602.6% from 2024 to 2025. This growth was primarily driven by the continuous enhancement of AI model capabilities, as AI usage patterns have gradually expanded from single-turn Q&A and content generation to sequential task execution, complex goal decomposition, multi-step tool invocation and multimodal interaction. As a result, invocation frequency, context length, concurrency requirements and task complexity have all increased in tandem. Entering 2026, token throughput is projected to further rise to approximately 50 quadrillion tokens processed. By 2030, China's token throughput is expected to reach approximately 53.2 quintillion tokens processed, representing a CAGR of approximately 638.3% from 2025 to 2030. Against this backdrop, the token supply market is poised to unlock long-term, high-certainty market growth potential.

Token Supply Market Size (by Token Throughput in Quintillion, China, 2024-2030E



Source: Frost & Sullivan

Analysis of Market Development Trends

- ***Computing Resource Supply: Persistent Diversity in Computing Resources***

The future supply of computing resources will maintain a diversified landscape characterized by the coexistence of international and domestic AI chips, multiple vendors and parallel hardware architectures, such as GPU and NPU. As computing resource heterogeneity and ecosystem adaptation continue to evolve, multi-source, multi-vendor and multi-architecture heterogeneous orchestration capabilities will become a core industry focus.

- ***Service Mode: Expansion from Single Serverless Token Services to Multiple Service Modes***

As enterprise customers evolve from testing to production-grade deployment, their requirements for token throughput, response stability, latency tolerance, and resource/access isolation will become increasingly differentiated. Token supply platform will expand their service modes from shared-pool API throughput to a parallel mix of API throughput, dedicated instances, and on-premise deployment, satisfying elastic scaling, stable supply, and private deployment needs.

- ***Product Capability: Deepening Focus on Inference Efficiency and Service Stability***

In an environment where multiple models, chips, and deployment approaches coexist, token supply platform needs to enhance technical capabilities across the entire token production lifecycle. The inference engine layer will improve token output efficiency; the cluster scheduling layer will optimize computing resource utilization; and the MaaS and API distribution/operations layer will strengthen multi-model integration, unified invocation, service monitoring, and customer operations — collectively improving the efficiency, stability, and scalability of token services.

- ***Ecosystem: The Growing Connectivity Role of Independent Ecosystem Platform***

Cloud service providers, large tech enterprises, and model vendors typically build closed ecosystems leveraging their own resources, with service systems prioritized to fit their own computing resources, models and applications. In contrast, independent ecosystem token supply platform maintains a neutral position, without favoring any single computing resource or model. It connects multiple types of computing resources, AI models, and various industry participants, delivering unique value through cross-chip, multi-model, and multi-deployment service offerings.

Analysis of Key Success Factors

- ***Cross-chip and Multi-model Adaptation with Inference Optimization Capabilities***

In a market with diverse computing resources and multi-model, enterprises need the capability to understand and adapt to different chip architectures, software ecosystems, inference frameworks, and model structures. Through cross-chip adaptation, operator optimization, model deployment optimization, and inference engine optimization, enterprises can fully unlock computing potential, improve token production efficiency, reduce token production costs, and enhance service availability and stability.

- ***Cluster Orchestration, Elastic Service, and Stable Delivery Capabilities***

As AI applications evolve from single to continuous invocations, complex task execution, and production-grade deployment, token services must operate stably under high concurrency, low latency, and cost-controlled conditions. Enterprises need the capability to orchestrate diverse computing resources, uniformly managing and efficiently dispatching third-party data center capacity, internal computing resources, and on-premise deployment resources. Building on this, unified management of GPU servers and heterogeneous computing clusters — encompassing resource orchestration, instance scheduling, elastic scaling, service monitoring, as well as operation and management — enables improved resource utilization and ensures production-grade service delivery.

- ***Neutrality, Open Positioning, and Multi-Ecosystem Integration Capabilities***

Token supply platform needs to connect chip companies, computing cluster providers, model vendors, developers, and enterprise customers, building multi-computing resource, multi-model, multi-deployment, and multi-scenario token supply capabilities. The platform focuses on infrastructure services and does not compete with application vendors or end customers in business. Compared to closed ecosystem players that combine both application development and service provision, the independent ecosystem token supply platform maintains a more neutral positioning, openly collaborating with various industry participants across the value chain.

COMPETITIVE ANALYSIS OF CHINA'S TOKEN SUPPLY MARKET

Overview of Market Competition Landscape

China's token supply market is at a stage of rapid development and formation of the competitive landscape. Industry competition mainly centers on token production efficiency, heterogeneous computing resource orchestration capabilities, multi-model adaptation capabilities, enterprise-grade service capabilities and connectivity capabilities. Currently, market participants may be classified into two types, namely independent ecosystem and closed ecosystem, with different resource endowments, ecosystem positioning and service boundaries.

Comparison of Different Ecosystems in the Token Supply Market

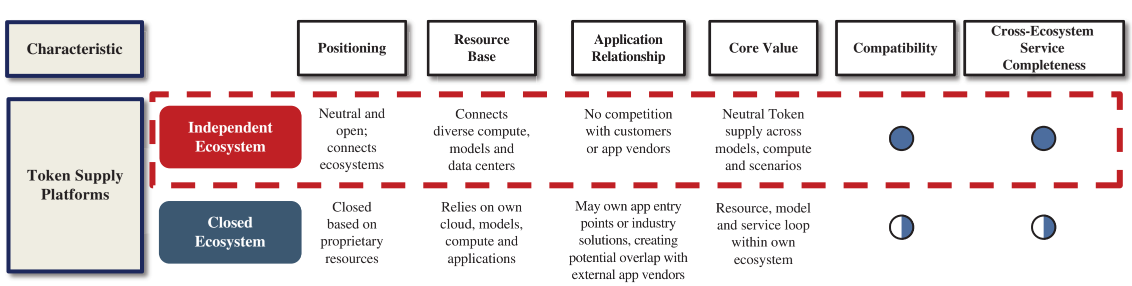
- ***The token supply market has mainly formed two types of business modes: independent ecosystem and closed ecosystem***

Independent ecosystem token supply platform is generally not bound to any cloud provider, model or application scenario. Instead, it provides token supply services across models, chips and deployment environments by connecting multiple types of computing resources, diverse models, different computing centers and enterprise customer needs. Closed ecosystems are typically developed by cloud service providers, large technology companies or model companies based on their own cloud resources, models, computing infrastructure and application scenarios, enabling resource integration, model invocation and service closed-loop within their own ecosystems.

- ***The independent ecosystem has neutral, open and cross-ecosystem connectivity value under a diversified heterogeneous landscape***

Compared with closed ecosystems, independent ecosystem token supply platform features neutrality, openness, diversified connectivity and horizontal adaptation capabilities, allowing customers to freely combine computing resources and AI models based on their needs. Such neutral positioning is more likely to earn customer trust in the multi-party competitive landscape of the AI industry in its early-to-mid stage, and can connect across different ecosystems, thereby accumulating differentiated value that is difficult for closed ecosystems to replace.

Comparison of Participants in the Token Supply Market



Source: Frost & Sullivan

Analysis of Company Ranking and Market Share

Overall Company Ranking and Market Share

In 2025, in terms of annual token throughput, the Company ranked fourth in China's token supply market, with a market share of approximately 1.5%.

Ranking of Token Supply Platforms (by token throughput), China, 2025

Ranking	Company Name	Token Throughput (trillion tokens)	Market Share
			(%)
1.	Company A	1,036.0	42.7
2.	Company B	788.5	32.5
3.	Company C	286.3	11.8
4.	**The Company**	**36.7**	**1.5**
5.	Company D	34.8	1.4
	Others	243.9	10.1
	Total	2,426.3	100.0

Notes:

(1) Company A is a private company established in 2020 and headquartered in Beijing, China. It focuses on cloud and AI services, with services mainly covering cloud infrastructure, video and content distribution, big data, AI, and development and operations.

(2) Company B is a private company established in 2009 and headquartered in Zhejiang, China. It is affiliated with a listed group and provides cloud computing and AI services, with services mainly covering computing, storage, networking, databases, big data, AI model services and cloud-native services.

(3) Company C is a private company established in 2001 and headquartered in Beijing, China. It is affiliated with a listed group and operates AI cloud services, with services mainly covering cloud infrastructure, AI development platforms, model services and industry AI solutions.

(4) Company D is a private company founded in 2019 and headquartered in Shanghai, China. It focuses on distributed cloud computing services, with services mainly covering intelligent computing, model services, edge computing and edge CDN.

Ranking and Market Share of Independent Ecosystem Token Supply Platforms

In 2025, in terms of annual token throughput, the Company ranked first among independent ecosystem token supply platforms in China's token supply market, with a market share of approximately 1.5%.

Analysis of Industry Entry Barriers

- ***Seamless connection and performance optimization barriers across chips and models***

Token supply platforms need to achieve seamless connection across multiple types of chips, diverse models and different inference engines. Relevant capabilities involve multiple aspects, including model deployment, operator optimization, inference engine optimization and multi-computing resource orchestration. Due to significant differences in software ecosystems, operator compatibility and model structures across different chips, such capabilities require long-term engineering practice and continuous iteration and accumulation. New entrants find it difficult to develop reusable and scalable adaptation and optimization capabilities within a short period of time.

- ***Large-scale token service operation barriers***

Token supply platforms need to operate stably under conditions of high concurrency, low latency and controllable costs, which imposes high requirements on enterprises' capabilities in cluster orchestration, resource orchestration, elastic scaling, load balancing, service monitoring and operations management. Especially in production-grade application scenarios, customers have higher requirements for the stability, response speed and continuous delivery capability of token services. Enterprises lacking large-scale operational experience find it difficult to satisfy the long-term needs of enterprise customers.

- ***Ecosystem collaboration and resource acquisition barriers***

Token supply platforms need to connect chip vendors, computing resource providers, model companies, developers and enterprise customers to form service capabilities across computing resources, AI models and scenarios. The accumulation of ecosystem resources depends not only on the number of participants connected to the platform, but also on enterprises' ability to build partnerships and deliver services across diverse partners. New entrants usually need a relatively long period of time to establish partnerships, acquire resources and build customer trust.

- ***Commercial validation and customer loyalty barriers***

The capabilities of a token supply platform need to be continuously validated across multiple service modes, including serverless token services, dedicated instances and on-premise deployment. Through repeated model testing, chip adaptation, deployment migration, inference optimization, computing resource orchestration and service operations, platform providers accumulate reusable engineering know-how and delivery toolchains. As enterprise customers increasingly rely on such platforms for production-level AI inference, stable service performance, accumulated integration experience and higher switching costs help strengthen customer loyalty, enabling experienced platform providers to build sustainable competitive advantages.

This section summarizes the principal PRC laws, rules and regulations which relate to our operations in the PRC.

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecom Regulations**"), promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, is the primary PRC law governing telecommunications services. The Telecom Regulations defines value-added telecommunications services as telecommunications and information services provided via public network infrastructure such as fixed networks, mobile networks and the Internet. According to the Catalog of Telecommunications Business (《電信業務分類目錄》), attached to the Telecom Regulations and last amended on June 6, 2019, the Internet information services fall within the value-added telecommunications services.

The Administrative Measures for Internet Information Services (《互聯網信息服務管理辦法》) (the "**Measures for Internet**") promulgated by the State Council on September 25, 2000, and last amended in December 6, 2024, and became effective on January 20, 2025. Pursuant to the Measures for Internet, Internet information services providers, also referred to as Internet content providers, or ICPs, that provide commercial services are required to obtain an operating permit from the Ministry of Industry and Information Technology (the "**MIIT**") or its provincial counterpart before engaging in any commercial Internet information service operations in the PRC.

Foreign direct investment in telecommunications companies in China are governed by the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the "FITE Regulations"), which were issued by the State Council on 11 December 2001, became effective on 1 January 2002, last amended on 29 March 2022 and took effect on 1 May 2022. The FITE Regulations requires foreign-invested telecommunications enterprises in the PRC, to be established as Sino-foreign joint ventures, and foreign investors shall not acquire more than 50% of the equity interest of such an enterprise, except as otherwise provided. In addition, according to the 2024 Negative List, the proportion of foreign investments in an entity engaging in value-added telecommunications services (except for e-commerce, domestic multi-party communications, storage-forwarding and call centers) shall not exceed 50%.

According to the notice of the MIIT on the pilot program for expanding the opening up of value-added telecommunications services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》) issued on April 8, 2024, in certain districts of Beijing, Shanghai, Hainan and Shenzhen, the restrictions on the foreign equity ratios for certain value-added telecommunications services are removed.

REGULATIONS ON CORPORATION AND FOREIGN INVESTMENT

Companies established and operating in the PRC shall be subject to the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") and was most recently amended on December 29, 2023 and effective from July 1, 2024. The Company Law governs the establishment, corporate structure, and corporate management, which also applies to foreign-invested enterprises in the PRC. Unless otherwise provided in the PRC foreign investment laws, the provisions in the Company Law shall prevail.

Pursuant to the Catalogue of Industries for Encouraged Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025版)》) (the "**Catalogue**"), and the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單) (2024年版)》) (the "**Negative List**"), both promulgated jointly by the MOFCOM and the NDRC, classifying industries with foreign investment into three categories: "Encouraged," "Restricted," and "Prohibited". Industries not listed in either the Catalogue or the Negative List are generally considered to be in the "Permitted" category unless otherwise expressly restricted by other PRC laws and regulations.

On March 15, 2019, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the "**Foreign Investment Law**") was promulgated by the NPC, and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》) (the "**Implementing Rules**"), to further clarify and elaborate the relevant provisions of the Foreign Investment Law. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC. The Implementing Rules introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules.

REGULATIONS ON INTELLECTUAL PROPERTY

Patents

The SCNPC promulgated the Patent Law of the PRC (《中華人民共和國專利法》), which was last amended on October 17, 2020 and became effective on June 1, 2021. The State Council promulgated the Implementation Regulation for the Patent Law (《中華人民共和國專利法實施細則》), which was last amended on December 11, 2023 and became effective on January 20, 2024. The PRC patent system adopts a "first to file" principle, which means that where more than one person files applications for the same patent (such as inventions, utility models, or designs), such patent shall be granted to the person who filed the application first. To be patentable, it must meet three conditions: novelty, inventiveness, and practical applicability.

A patent is valid for 20 years in the case of an invention, ten years in the case of utility models and 15 years in the case of designs, starting from the application date. Except under certain specific circumstances provided by laws, any third-party user shall obtain prior consent or a proper license from the patent owner to use the patent, otherwise, such third party may result in an infringement of the rights of the patent holder.

Trademarks

According to the Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**") promulgated by the SCNPC, which was last amended on April 23, 2019 and became effective on November 1, 2019, and the Implementation Regulation for the Trademark Law (《中華人民共和國商標法實施條例》) promulgated by the State Council, which was amended on April 29, 2014 and became effective on May 1, 2014, the registered trademarks are valid for a term of 10 years from the date of the registration. A registration renewal application shall be filed within twelve months prior to the expiration of the term. As with trademarks, the Trademark Law has adopted a "first come, first file" principle with respect to trademark registration. Where a trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Copyrights

According to the Copyright Law of the PRC (《中華人民共和國著作權法》), promulgated by the SCNPC on September 7, 1990 and latest amended on November 11, 2020 which became effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002 and latest amended on January 30, 2013, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation, and other rights shall be enjoyed by the copyright owners. Reproducing, publishing, performing, projecting, broadcasting, or plagiarizing without permission from the owner of the copyright, unless otherwise provided in the Copyright Law, shall constitute infringements of copyrights.

In order to further implement the Computer Software Protection Regulations (《計算機軟件保護條例》), promulgated by the State Council l, and amended on December 20, 2001 and January 30, 2013 respectively, the National Copyright Administration issued the Computer Software Copyright Registration Procedures (《計算機軟件著作權登記辦法》) on February 20, 2002, which was revised on July 1, 2004, specify detailed procedures and requirements with respect to the registration of software copyrights.

Domain Names

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 (effective from November 1, 2017), the Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》) released by the China Internet Network Information Center on June 18, 2019 (effective on the same day), and the Notice of the MIIT on Regulating the Use of Domain Names in Internet Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) which promulgated on November 27, 2017 and became effective on January 1, 2018, domain name owners must register their domain names that it owns. The MIIT oversees China's Internet domain names, while provincial, autonomous region, and municipal telecommunications management bureaus are responsible for domain name services within their respective regions. Registration operates on a "first come, first file" basis. Applicants must provide accurate information and enter registration agreements with domain name registration service providers. Upon completing the registration process, applicants become the domain name holders.

REGULATIONS ON CYBERSECURITY, PRIVACY AND DATA PROTECTION

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") promulgated by the SCNPC, which was amended on October 28, 2025 and became effective on January 1, 2026, requires that when constructing and operating a network, or providing services through a network, technical measures and other necessary measures shall be taken in accordance with laws, administrative regulations and the compulsory requirements set forth in national standards to ensure the secure and stable operation of the network, to effectively cope with cybersecurity events, to prevent criminal activities committed on the network, and to protect the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks must not endanger network security or use networks to engage in activities endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**"), which took effect on September 1, 2021. The Data Security Law imposes data security and privacy obligations on entities and individuals carrying out data processing activities. A data processor shall carry out data processing activities in accordance with PRC laws and regulations, establish and improve the whole-process data security management system, organize and carry out data security education and training, and take relevant technical measures and other measures necessary to safeguard data security. The Data Security Law also provides for a national security review procedure for data activities that affect or may affect national security and imposes export restrictions on certain data and information.

According to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**PRC Civil Code**") promulgated by the NPC on May 28, 2020, and effective from January 1, 2021, the personal information of a natural person shall be protected by law. Any organization or individual obtaining personal information of others shall do so legally, and shall not illegally collect, use, process, transmit, buy, sell, provide, or publish such information.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**") was promulgated on August 20, 2021 and came into effect on November 1, 2021. Instead of relying solely on "notification and consent" as established in the Cybersecurity Law, the Personal Information Protection Law reiterates the circumstances under which a personal information processor could process personal information and the requirements for such circumstances. It also stipulates the obligations of a personal information processor. Violation of the Personal Information Protection Law may subject a personal information processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses, being entered into the relevant credit record or even criminal liabilities.

On December 28, 2021, the CAC and other relevant PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), or the Cybersecurity Review Measures, which came into effect on February 15, 2022. According to the Cybersecurity Review Measures, critical information infrastructure operators (the "**CIIOs**") that purchase internet products and services or network platform operators that carry out data processing activities must be subject to a cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulate that network platform operators possessing more than one million users' personal information and seeking to list abroad are obliged to apply for cybersecurity review. Where cybersecurity review working mechanism determines that the network products and services and data processing activities affect or may affect national security, the Cybersecurity Review Office shall report to the Central Cyberspace Affairs Commission and conduct the review in accordance with relevant regulations. Our PRC Legal Advisor made a telephonic consultation on a named basis with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (the "CCRC") which is the competent authority entrusted by the CAC to set up cybersecurity review consultation hotline. The CCRC confirmed that the term "listing in a foreign country" under the Measures for Cybersecurity Review does not apply to listings in Hong Kong, and thus the obligation to proactively apply for cybersecurity review by an entity seeking listing in a foreign country shall not be applicable to the proposed [**REDACTED**].

On September 24, 2024, the State Council promulgated the Regulations on the Security Management of Network Data (《網絡數據安全管理條例》), which came into effect on January 1, 2025. This regulation clarifies the general provisions on network data security management, and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform service providers.

On July 7, 2022, the CAC issued the Measures on Security Assessment of Cross-border Data Transfer (數據出境安全評估辦法), which became effective on September 1, 2022. On February 22, 2023, the CAC promulgated Measures for the Standard Contract for Outbound Transfer of Personal Information (個人信息出境標準合同辦法), which came into effect on June 1, 2023. Pursuant to Measures for the Standard Contract for Outbound Transfer of Personal Information, personal information processor transferring personal information abroad shall conclude a Standard Contract if it meets all the following conditions: (1) the data processor who intends to transfer personal information abroad is not a critical information infrastructure operator; (2) the data processor processes personal information of less than one million individuals; (3) the data processor has cumulatively transferred abroad the personal information of less than 100,000 individuals since January 1 of the previous year; and (4) the data processor has cumulatively transferred abroad the sensitive personal information of less than 10,000 individuals since January 1 of the previous year. It should be noted that this system, together with data outbound security assessment and personal information protection certification, constitutes the three major compliance pathways for cross-border transfer of personal information, with clearer applicable conditions under the latest cross-border data flow regulatory framework.

On March 22, 2024, the CAC issued the Provisions on the Promotion and Regulation of Cross-border Data Flows (《促進和規範數據跨境流動規定》) (the "**New Data Transfer Regulations**"). According to the New Data Transfer Regulations, transfers of data collected and generated during international trade, cross-border transport, academic cooperation, transnational manufacturing, and marketing, which do not involve personal information or important data, are exempted from data export security assessment, standard contracts, or obtaining personal information protection certification requirements. The New Data

Transfer Regulations also stipulate that, if a data processor, who is not a critical information infrastructure operator, transfers personal information (excluding sensitive personal information) of less than 100,000 individuals cumulatively as of January 1 of the current year, it may be exempted from the requirement to undergo a data export security assessment, entering into a standard contract for transferring personal information abroad, or obtaining personal information protection certification. The Measures for the Risk Assessment of Network Data Security (《網絡數據安全風險評估辦法》) were promulgated on June 18, 2026, and will take effect on August 20, 2026. These Measures provide that processors of important data shall conduct risk assessments on an annual basis. Network data processors handling general data are encouraged to conduct risk assessments at least once every three years. Network data processors may conduct risk assessments on their own or entrust third-party assessment institutions to do so. Where a network data processor conducts a risk assessment on its own, it shall designate a dedicated person to be responsible therefor. Where a network data processor entrusts an assessment institution to conduct a risk assessment, it shall, through entering into a contract or other legally binding instruments, clarify the rights and obligations of both parties, among other matters. If cyberspace administration departments, competent telecommunications departments, public security authorities, and other relevant departments at or above the provincial level discover any of the following circumstances involving a network data processor during the verification of risk assessment reports, supervision and inspections, or other related work, they may require the processor to entrust a certified assessment agency to conduct a risk assessment:

(i) the network data processing activities pose significant security risks that may endanger national security or public interests;

(ii) a network data security incident has occurred, resulting in the leakage or theft of important data or large-scale personal information; or

(iii) other circumstances as stipulated by the relevant departments.

REGULATIONS ON ARTIFICIAL INTELLIGENCE

On December 31, 2021, the CAC and three other departments jointly issued the Provisions on the Administration of Algorithm Recommendations for Internet Information Services (《互聯網信息服務算法推薦管理規定》), which came into effect on March 1, 2022. These provisions apply to algorithm-recommended service providers that use generation and synthesis, personalized push, selection sort, search filtering, scheduling decision, and other algorithm technologies to provide information to users. Algorithm-recommended service providers with public opinion attributes or the capacity for social mobilization shall, in accordance with the law, complete filing procedures and carry out security assessments in compliance with relevant national regulations.

On November 25, 2022, the CAC and two other departments jointly issued the Provisions on the Administration of Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》), which came into effect on January 10, 2023. These provisions impose obligations on deep synthesis service providers, technical supporters, and users, including verifying users real identities, implementing data security and personal information protection measures, strengthening the management of deep synthesis content, and labeling information content that is generated or edited using deep synthesis technologies. Deep synthesis service providers with public opinion attributes or the capacity for social mobilization shall complete the filing procedures for their deep synthesis service algorithms, as well as procedures for changes and deregistration of such filings. Technical supporters shall follow these provisions when performing filing, change, and deregistration procedures by reference. Where deep synthesis service providers develop and launch new products, applications, or features that possess public opinion attributes or the capacity for social mobilization, they shall carry out security assessments in accordance with relevant national regulations.

On July 10, 2023, the CAC and six other departments jointly issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》) (the AIGC Administration Measures), which came into effect on August 15, 2023. As defined in the AIGC Administration Measures, generative AI technologies refer to models and related technologies that generate text, images, audio, and video content. Generative AI service providers refer to organizations or individuals that use generative AI technology to provide generative AI services (including generative AI services provided via programmable interfaces and other means). With regard to the regulation of generative AI services, the AIGC Administration Measures require generative AI service providers to take effective measures to prevent underage users from becoming overly dependent on or addicted to generative AI services; to lawfully assume the responsibilities of personal information processors; and to fulfill obligations to protect the input information and usage records of generative AI service users. Upon discovering illegal content, providers shall promptly take measures such as ceasing generation, halting transmission, or removal, and take corrective measures such as model optimization training. If a provider discovers that a user is using generative AI services to engage in illegal activities, it shall take relevant measures in accordance with the law and contractual agreements, retain relevant records, and report the matter to the competent authorities. Providers shall also establish and improve mechanisms for complaints and whistleblowing.

On March 7, 2025, the CAC and three other departments jointly issued the Measures for the Identification of AI-Generated and Synthesized Content (《人工智能生成合成內容標識辦法》) (the Identification Measures), which came into effect on September 1, 2025. According to the Identification Measures, internet information service providers within the scope of algorithm-generated recommendations, deep synthesis, or the AIGC Administration Measures are subject to these Identification Measures. The Identification Measures specify that service providers shall add explicit identification to AI-generated and synthesized content such as text, audio, images, video, and virtual scenes. When providing functions such as downloading, copying, or exporting such content, providers shall ensure that the files contain the required explicit identification. In addition, implicit identification shall be embedded in the metadata of files containing AI-generated and synthesized content. Furthermore, service providers shall add implicit labeling to the file metadata of generated or synthesized.

On March 20, 2026, the MIIT and nine other departments jointly issued the Interim Measures for the Administration of AI Technology Ethics Review and Services (人工智能科技倫理審查與服務辦法(試行)), which came into effect on the date of issuance. The measures apply to AI technology activities carried out within the territory of the PRC that may pose ethical risks. Conducting AI technology activities shall comply with AI technology ethics principles, including enhancing human welfare, respecting life rights, upholding fairness and impartiality, reasonably controlling risks, maintaining transparency, protecting privacy and security, and ensuring controllability and trustworthiness. The measures require entities engaged in AI technology activities–including higher education institutions, research institutions, healthcare institutions, and enterprises–to establish AI technology ethics committees and assume the primary responsibility for ethics review management. The measures serve as a refinement of the Provisions on the Administration of Science and Technology Ethics Review (for Trial Implementation) in the AI field, providing targeted provisions tailored to the characteristics of AI technology with respect to ethics principles, review priorities, and the coordination of expert re-review procedures, thereby better addressing the practical needs of AI technology ethics review. Violations of the measures shall be investigated and punished in accordance with the Cybersecurity Law of the PRC (中華人民共和國網絡安全法) (the "Cybersecurity Law"), the Data Security Law of the PRC (中華人民共和國數據安全法) (the "Data Security Law"), the Personal Information Protection Law of the PRC (中華人民共和國個人信息保護法) (the "Personal Information Protection Law"), the Science and Technology Progress Law, and other applicable laws and regulations.

REGULATIONS ON REAL PROPERTY

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) promulgated by the SCNPC, and last amended on August 26, 2019, and took effect on January 1, 2020, when leasing premises, the lessor and lessee must enter into a written lease contract. In addition, pursuant to the Law on Administration of Urban Real Estate of the PRC and the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and became effective on February 1, 2011, both lessor and lessee are required to register the lease within 30 days from execution of the property lease contract with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines ranging from RMB1,000 to RMB10,000. According to the PRC Civil Code, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Failure to complete the registration and filing procedures for the lease contract does not affect the validity of the contract.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) (the "**Labor Law**"), which was promulgated by the SCNPC, last amended on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the "**Labor Contract Law**"), which was promulgated by the SCNPC, and last amended on December 28, 2012 and became effective on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), promulgated by the State Council on September 18, 2008 and came into effect on the same day. According to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages.

Social Insurance

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was amended on December 29, 2018, and other relevant PRC laws and regulations, the employer shall register with the social insurance authorities and contribute to social insurance plans covering basic pensions insurance, basic medical insurance, maternity insurance, work injury insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees, while work injury insurance and maternity insurance contributions shall be paid only by employers, and employers who failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; and where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

Pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law, the people's court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people's court shall support such requests in accordance with the law.

Housing Provident Fund

According to the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999 and latest amended on March 24, 2019, any newly established entity shall make deposit registration at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. Any entity that fails to make payment of housing provident funds within the time limit or has a shortfall in payment of housing provident funds will be ordered to make the payment or make up the shortfall within a prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

REGULATIONS ON TAXATION

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**") which was enacted by the NPC on March 16, 2007 and last amended on December 29, 2018 and the Implementing Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (collectively with the EIT Law, the "**PRC EIT Laws**") which was promulgated by the State Council on December 6, 2007 and latest amended on December 6, 2024, took effect on January 20, 2025, apply a uniform 25% enterprise income tax rate to both foreign-invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. Enterprises qualifying as "High and New Technology Enterprises" are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate.

Value-added Tax

On December 25, 2024, the SCNPC issued the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the "**VAT Law**"), which became effective from January 1, 2026. According to the VAT Law, any entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers and shall pay VAT in accordance with the VAT Law. Except for taxpayers' export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified for by the State Council, the rate of VAT for sale of goods, labor services of processing, repair or replacement, or tangible movable property leasing services or import of goods is 13% unless otherwise specified. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

Dividends Withholding Tax

Pursuant to the PRC EIT Laws and its implementation rules, dividends generated after January 1, 2008 and payable by foreign-invested companies in China to their foreign investors that are non-resident enterprises as defined under the law are subject to withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with PRC that provides for a different withholding arrangement. Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the "**Double Tax Avoidance Arrangement**") promulgated on August 21, 2006 and last amended on July 19, 2019, where a Hong Kong resident enterprise that holds more than a 25% equity interest in a PRC resident enterprise at any time within 12 consecutive months before receiving the dividend, the competent PRC tax authority may determine the Hong Kong resident enterprise to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement, and the withholding tax rate on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% from 10% applicable under the PRC EIT Laws.

However, based on the Notice of the State Administration of Taxation on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) promulgated and took effect on February 20, 2009 by the SAT, where PRC tax authorities determine that a company benefits from such reduced rate due to a primarily tax-driven transaction or arrangement, they may adjust the preferential tax treatment. The Announcement of the State Administration of Taxation on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Treaties (《國家稅務總局關於發佈<非居民納稅人享受協定待遇管理辦法>的公告》), which was issued on October 14, 2019 and took effect on January 1, 2020, provides that applicant who intends to prove his or her "beneficial owner" status shall gather and retain relevant documents, and shall submit the relevant documents to the competent tax bureau upon post-request by such tax bureau.

REGULATIONS ON FOREIGN EXCHANGE

The principal regulations governing foreign currency exchange in the PRC are the Administrative Regulations for Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) (the "**Foreign Exchange Regulations**"), which was promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008. Under the Foreign Exchange Regulations, the RMB is freely convertible for current account items, including the distribution of dividends, interest payments, trade, and service-related foreign exchange transactions, but not for capital account items, such as direct investments, loans, repatriation of investments and investments in securities outside of the PRC, unless the prior approval of the SAFE, is obtained and prior registration with the SAFE is made.

According to the Guidelines for Foreign Exchange Business under the Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》), which was promulgated by the SAFE on April 3, 2024 and came into effect on May 6, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

The SAFE issued the Circular on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**") on February 13, 2015, and it took effect on June 1, 2015 and was partially repealed on December 30, 2019. The SAFE Circular 13 requires PRC residents or entities to register with qualified banks rather than SAFE or its local branches in relation to direct investment in foreign exchange beyond China. The Circular on Further Reforming Foreign Exchange Administration and Improving the Verification of Authenticity and Compliance (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) was promulgated by the SAFE on January 26, 2017 and became effective on the same day, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, and which stipulates that domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide proof when completing the registration procedures in connection with an outbound investment.

On May 10, 2013, the SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents (《國家外匯管理局關於印發<外國投資者境內直接投資外匯管理規定>及配套文件的通知》), subsequently revised on October 10, 2018, and partially repealed on December 30, 2019, which specifies that the administration by the SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration. Institutions and individuals shall register with the SAFE and/or its branches for their direct investment in the PRC. Banks shall process foreign exchange business relating to direct investment in the PRC based on the registration information provided by the SAFE and its branches.

The SAFE released the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**") on March 30, 2015 and it became effective on June 1, 2015 and was partially repealed on December 30, 2019 and last amended on March 23, 2023. In accordance with the SAFE Circular 19, the foreign exchange capital of foreign invested enterprises shall be subject to the "discretional foreign exchange settlement" approach. The proportion of discretional foreign exchange settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined to be 100%, while SAFE can adjust the aforementioned proportion in due time based on the situation of the international balance of payments.

On June 9, 2016, the SAFE published the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**SAFE Circular 16**"), which became effective immediately and was later amended on December 4, 2023. According to the SAFE Circular 16, enterprises that have registered in the PRC may also discretionally determine to convert their foreign debts from foreign currency to RMB. In addition, SAFE promulgated the Circular of the State Administration of Foreign Exchange Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (the "**SAFE Circular 28**") on October 23, 2019 and was later amended on December 4, 2023. The SAFE Circular 28 expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as there is a truthful investment and such investment is in compliance with the foreign investment-related laws and regulations.

According to the Circular of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》), which was issued and came into effect on December 4, 2023 by the SAFE, the equity transfer consideration paid in foreign currency by domestic entities owe to domestic equity transferors (including institutions and individuals), as well as the foreign exchange funds raised by domestic enterprises listed overseas, can be remitted to the capital project settlement account directly. The funds in the capital project settlement account can be independently settled and utilized.

On April 10, 2020, the SAFE promulgated Notice of the SAFE on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), according to which, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc. for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

REGULATIONS ON EQUITY INCENTIVE PLANS

The Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Used for Domestic Individuals' Participation in Equity Incentive Plans of Companies Listed Overseas (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the "**SAFE Circular 7**"), was enacted by SAFE on February 15, 2012 and became effective on the same date. Under the Circular 7 and other relevant rules, domestic employees, directors, supervisors, consultants, and other senior management taking part in any equity incentive plan of an overseas publicly listed company who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year shall complete the registration and other procedures with SAFE and its local branch. The PRC residents joining the equity incentive plan must retain one domestically qualified agent to handle the registration in SAFE, the opening of bank accounts, capital transfer, and other procedures relevant to the equity incentive plan. At the same time, an overseas institution shall be entrusted, as well, to perform the exercise, trade the corresponding shares or equities, capital transfer and other issues. The income of the foreign exchange PRC residents by selling the shares according to the equity incentive plan and the dividend distributed by the overseas-listed company shall be distributed to the PRC residents after being remitted to the bank account in China opened by the domestic institutions.

REGULATIONS ON ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

The PRC Anti-monopoly Law (《中華人民共和國反壟斷法》), which was promulgated by SCNPC, and last amended on 24 June 2022 and took effect on 1 August 2022, prohibits monopolistic conduct such as entering into monopoly agreements, abusing market dominance and concentration of undertakings that may eliminate or restrict competition. The Provisions on Declaration Threshold for Concentration of Undertakings (《國務院關於經營者集中申報標準的規定》) promulgated by the State Council and was last amended on 22 January 2024, which further clarifies when a concentration of undertakings occurs and reaches any of the statutory thresholds, the undertakings concerned shall file a prior notification with the anti-monopoly authorities. Where the concentrations do not meet the statutory thresholds but there is evidence that the concentrations have or may have the effect of excluding or restricting competition, the SAMR is entitled to require an examination of concentration of undertakings.

Competition among business operators is generally governed by the Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the "**Anti-unfair Competition Law**"), which was promulgated by SCNPC and last amended on June 27, 2025. Under the Anti-unfair Competition Law, operators must abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the Anti-unfair Competition Law should bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances. On May 6, 2024, the SAMR issued Interim Provisions Against Unfair Competition in Cyberspace (《網絡反不正當競爭暫行規定》), which took effect on September 1, 2024. Such provisions provide a regulatory basis for preventing and curbing unfair competition acts on the internet, maintaining the market order of fair competition, encouraging innovation, protecting the legitimate rights and interests of business operators and consumers, and promoting the standardized, sustainable and sound development of the digital economy.

REGULATIONS ON OVERSEAS SECURITIES OFFERING AND LISTING

On July 6, 2021, the General Office of the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), which emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings of China-based companies, and proposed to take effective measures, and provided that the special provisions of the State Council on overseas offering and listing by those companies limited by shares will be revised.

On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and five supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures and Supporting Guidelines will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic enterprises' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic enterprises' securities by adopting a filing-based regulatory regime.

According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either by direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration of China jointly issued the Provisions on Strengthening Confidentiality and Archives Administration in Respect of Overseas Issuance and Listing of Securities by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which took effect on March 31, 2023, according to which, overseas securities regulators and competent overseas authorities may request to inspect, investigate or collect evidence from a domestic company concerning its overseas offering and listing or from the domestic securities companies and securities service providers that undertake relevant businesses for such domestic enterprises, such inspection, investigation and evidence collection shall be conducted under a cross-border regulatory cooperation mechanism, and the CSRC or other competent Chinese authorities will provide necessary assistance pursuant to bilateral and multilateral cooperation mechanisms. The domestic company, securities companies and securities service providers shall first obtain approval from the CSRC or other competent Chinese authorities before cooperating with the inspection and investigation by the overseas securities regulator or competent overseas authority, or providing documents and materials requested in such inspection and investigation. To be specific, a domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals or entities including securities companies, securities service providers and overseas regulators, (i) any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities and file with competent secrecy administrative department; (ii) any other documents and materials that, if leaked, will be detrimental to national security or the public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. A domestic company that provides documents and materials to securities companies and securities service providers shall abide by applicable national regulations on confidentiality in handling such documents and materials, and shall provide a written statement simultaneously.

REGULATIONS ON FULL CIRCULATION OF H SHARE

In accordance with the Guidelines for the Application by H-share Companies for "Full Circulation" of Unlisted Shares (《H股公司境內未上市股份申請"全流通"業務指引》) which was promulgated by the CSRC on November 14, 2019 and came into effect on the same date, which was partly revised on August 10, 2023, the term "full circulation" means the circulation of domestically unlisted shares (including domestically unlisted shares held by domestic shareholders prior to the listing abroad, additional domestically unlisted shares issued domestically after listing abroad and unlisted shares held by foreign shareholders) of H-share companies on the Stock Exchange. On the premise of complying with relevant laws and regulations as well as policies governing state-owned asset management, foreign investment and industrial supervision, the shareholders of domestically unlisted shares may determine the number and proportion of shares under application for circulation through negotiation at their discretion and entrust a H-share company to file an application for "full circulation". After the domestically unlisted shares are listed for circulation on the Stock Exchange, they shall not be transferred back to the Mainland China. A shareholder of domestically unlisted shares may reduce or increase its holding of the shares involved that are circulating on the Stock Exchange according to relevant business rules. H share companies shall submit a report on the relevant information to the CSRC within 15 days from completion of registration of the shares involved in the application to China Securities Depository and Clearing Co., Ltd. (the "**CSDC**").

In accordance with the Guidelines for H-shares "Full Circulation" Business of China Securities Depository and Clearing Co., Ltd Shenzhen Branch (《中國證券登記結算有限責任公司深圳分公司H股"全流通"業務指南》) which was promulgated by CSDC Shenzhen Branch, and was latest amended on June 27, 2025 and became effective on June 30, 2025, it specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. According to the guidelines, the H-share companies shall transfer the full amount of cash dividends in RMB to the bank account of CSDC Shenzhen Branch before 16:00 on the distribution date of cash dividends as published in the announcement. The CSDC Shenzhen Branch shall complete clearing of the dividend funds within three H-share "full circulation" working days after the distribution date of cash dividends as published in the announcement, and then the dividend funds will be released to domestic securities companies, and the domestic securities companies will release the dividend funds to the investors.

According to the Overseas Listing Trial Measures, in respect of a domestic company directly listed overseas, shareholders holding its unlisted domestic shares who apply to convert such shares held by them into listed overseas shares and to be listed in an overseas stock exchange, shall comply with the relevant regulations of the CSRC and file with the CSRC.

OVERVIEW

We are a leading open, independent token supply platform in China, operating at the forefront of an era defined by the rapid application of models across enterprises.

Our history dates back to August 2023 when Beijing SiliconFlow Technology Co., Ltd. (北京硅基流動科技有限公司) (formerly known as Beijing SiliconFlow Technology Co., Ltd. (北京硅動科技有限公司)) was established in the PRC. Since then, under the leadership of our co-founders, namely Dr. Yuan, Mr. Liu Juncheng (柳俊丞), Mr. Zeng Hua (曾華), Ms. Zhao Zhen (趙震), and Mr. Hu Jian (胡健), we have developed into a leading token supply platform in China. In June 2026, our Company was converted from a limited liability company into a joint stock limited company and renamed to Beijing SiliconFlow Technology Co., Ltd. (北京硅基流動科技股份有限公司).

BUSINESS DEVELOPMENT MILESTONES

The table below summarizes our key business development milestones.

Year	Milestone
2023	Our Company was established in the PRC
	We conducted series angel financing
2024	We conducted series angel+ financing
	We launched our serverless token services, marking the transition to large-scale commercialization of our public cloud-based services
	We launched our dedicated instances services, providing enterprise customers with reserved computing resources for production-grade AI workloads
2025	We became the industry's first to deploy DeepSeek R1 & V3 token services on domestic chips
	We started offering our full-stack on-premise deployment solutions to enterprise customers
	We conducted series pre-A and A financing, with Alibaba as the lead investor
	We officially launched our serverless token services for international customers
	We commenced large-scale commercial deployment of cross-chip and multi-model adaptation
	We served over 10,000 enterprise customers
2026	Our daily token throughput exceeded one trillion for the first time, and the number of registered users on our platform exceeded 10 million
	Our overseas monthly revenue exceeded US$1 million
	We conducted series A+, series B and B+ financing
	Our Company was converted to a joint stock limited company

OUR MAJOR SUBSIDIARIES

The table below sets out the principal business activities and the dates of establishment or incorporation of our major subsidiaries having key strategic value to our Group.

Subsidiary	Place of establishment/ incorporation	Date of establishment/ incorporation	Principal business activities
SiliconFlow (Shanghai) Technology Co., Ltd. (硅基流動(上海)科技有限公司) . .	PRC	December 5, 2024	Research and development
Silicon Cloud (Shanghai) Technology Co., Ltd. (硅基雲聯(上海)科技有限公司)	PRC	May 16, 2025	Research and development
SiliconFlow Labs (HK) Limited (硅基流動實驗室(香港)有限公司)	Hong Kong	May 5, 2026	Information technology services

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(a) Establishment and Early Development of Our Company

On August 29, 2023, our Company was established as a limited liability company in the PRC with an initial registered capital of RMB1,000,000 fully subscribed by Dr. Yuan.

On December 28, 2023, Dr. Yuan entered into equity transfer agreements with each of Silicon Innovation, Silicon Future and Silicon Exploration, respectively, pursuant to which Dr. Yuan transferred RMB200,000 registered capital of our Company to each of Silicon Innovation, Silicon Future, and Silicon Exploration.

(b) Conversion into a Joint Stock Limited Company

On June 1, 2026, the then registered Shareholders resolved to, among others, convert our Company from a limited liability company into a joint stock limited company and change the name of our Company to Beijing SiliconFlow Technology Co., Ltd. (北京硅基流動科技股份有限公司). On June 17, 2026, our Company convened the inaugural general meeting and passed resolutions approving, among others, the conversion of our Company into a joint stock limited company. Upon completion of the conversion in June 2026, the registered capital of our Company became RMB20,664,369 divided into 20,664,369 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then registered Shareholders in proportion to their respective equity interest in our Company before the conversion.

(c) Share Subdivision before the [REDACTED]

Pursuant to the Shareholders resolutions dated June 26, 2026, our Shares will be subdivided on a one-for-[**REDACTED**] basis immediately prior to the [**REDACTED**], and the nominal value of each Share will be changed from RMB1.00 to RMB[**REDACTED**]. Following the Share Subdivision, the registered capital of our Company immediately prior to the [**REDACTED**] will be RMB[**REDACTED**], comprising [**REDACTED**] Shares with a nominal value of RMB[**REDACTED**] each.

(d) Pre-[REDACTED] Investments

Since December 2023, we have received seven rounds of Pre-[**REDACTED**] Investments from a number of Pre-[**REDACTED**] Investors. For details of the principal terms of the Pre-[**REDACTED**] Investments and background information of the major Pre-[**REDACTED**] Investors, see "— Pre-[**REDACTED**] Investments" below.

MATERIAL MERGER, ACQUISITION AND DISPOSAL

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any merger, acquisition or disposal that we consider to be material to us.

PRE-[REDACTED] INVESTMENTS

1. Overview

Between December 2023 and June 2026, we conducted seven rounds of Pre-[**REDACTED**] Investments through capital injections and equity transfers. Details of those capital injections and equity transfers are summarized below.

a. *Capital Injections*

	Series Angel Financing[1]	Series Angel+ Financing[2]	Series Pre-A Financing[3]	Series A Financing[4]	Series A+ Financing[5]	Series B Financing[6]	Series B+ Financing[7]
Date of agreement(s)	December 28, 2023	May 24, 2024; January 16, 2025	January 16, 2025	May 9, 2025; June 24, 2025	February 11, 2026; March 9, 2026	April 30, 2026	June 9, 2026
Amount of registered capital subscribed for (RMB)[8]	2,089,330	1,632,050	1,097,523	2,402,939	1,457,104	2,387,881	2,436,952
Approximate amount of consideration paid	RMB47.20 million	RMB65.84 million	RMB71.48 million	RMB285.99 million	RMB220 million	RMB520 million	RMB740 million
Date of payment of consideration in full	March 19, 2024	March 10, 2025	February 20, 2025	July 10, 2025	March 20, 2026	June 5, 2026	June 17, 2026
Approximate cost per Share[9]	RMB22.59	RMB40.34	RMB65.13	RMB119.02	RMB150.98	RMB217.77	RMB303.66
Approximate discount to the [**REDACTED**][9]	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%
Implied pre-money valuation of our Group[10]	RMB232.8 million	RMB500.0 million	RMB913.5 million	RMB2,000 million	RMB2,900 million	RMB4,500 million	RMB7,000 million
Implied post-money valuation of our Group[11][12]	RMB280.0 million	RMB565.8 million	RMB985.0 million	RMB2,286 million	RMB3,120 million	RMB5,020 million	RMB7,740 million

b. *Equity Transfers*

Concurrent round	Date of equity transfer agreement	Date of settlement of consideration	Transferor	Transferee	Registered capital transferred	Consideration	Approximate cost per Share[9]	Approximate discount to the [REDACTED][9]
					(RMB)	*(RMB)*	*(RMB)*	
Series Pre-A[3]	January 16, 2025	February 24, 2025	Dr. Yuan	Puhua Fund	207,584	13,519,714	65.13	[**REDACTED**]%
Series B[6]	April 30, 2026	May 7, 2026	Dr. Yuan	Chongqing Longze	66,232	10,000,000	150.98	[**REDACTED**]%
Series B+[7]	June 9, 2026	June 15, 2026	Dr. Yuan	Nanjing Lianchuang	68,881	15,000,000	217.77	[**REDACTED**]%
Series B+[7]	June 9, 2026	June 18, 2026	Beijing Qihoo	Huakong Frontier Fund	19,210	5,000,000	260.28	[**REDACTED**]%

Notes:

(1) The series angel financing investors included Beijing Sinovation Ventures Zhichuang Equity Investment Partnership (Limited Partnership) (北京創新工場智創股權投資合夥企業(有限合夥)) ("**Beijing Sinovation**"), Suzhou Glory Ventures Investments Fund III L.P. (蘇州耀途股權投資合夥企業(有限合夥)) ("**Suzhou Glory**"), Beijing Miracle Plus Phase II Venture Investment Center (Limited Partnership) (北京奇績創壇二期創業投資中心(有限合夥)) ("**Miracle Plus**"), Ms. Tang Yuyu (唐宇煜) and Mr. Wang Huiwen (王慧文) ("**Mr. Wang**"). Apart from investing in the series angel financing for a registered capital of RMB22,133 of our Company at a total consideration of RMB5,000,000, Mr. Wang also subscribed for a registered capital of RMB30,499 of our Company at a total consideration of RMB30,499.

(2) The series angel+ financing investors included Shenzhen Hubble Technology Investment Partnership (Limited Partnership) (深圳哈勃科技投資合夥企業(有限合夥)) ("**Hubble Technology**"), Suzhou Glory, Shuimu Huaqing (Beijing) Venture Investment Partnership (Limited Partnership) (水木華清(北京)創業投資合夥企業(有限合夥)) ("**Shuimu Huaqing**"), Beijing Qihoo Technology Co., Ltd. (北京奇虎科技有限公司) ("**Beijing Qihoo**"), Beijing Zhipu Huazhang Technology Co., Ltd. (北京智譜華章科技有限公司) ("**Zhipu Huazhang**"), and Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司) ("**Tianjin Sankuai**"). Concurrently with the series pre-A financing, Zhipu Huazhang transferred all registered capital to its affiliate Beijing Xinglian Dingsen Equity Investment Fund Partnership (Limited Partnership) (北京星連鼎森股權投資基金合夥企業(有限合夥)) ("**Xinglian Dingsen**") and ceased to be a shareholder of our Company.

(3) The series pre-A financing investors included Nanjing Lvyong Jinhang Equity Investment Management Partnership (Limited Partnership) (南京綠湧錦航股權投資管理合夥企業(有限合夥)) ("**Nanjing Lvyong**"), SME Development Fund Puhua (Hangzhou) Venture Investment Partnership (Limited Partnership) (中小企業發展基金普華(杭州)創業投資合夥企業(有限合夥)) ("**Puhua Fund**") and Suzhou Glory.

(4) The series A financing investors included Hangzhou Duoxiang Network Technology Co., Ltd. (杭州多項網絡科技有限公司) ("**Hangzhou Duoxiang**"), Hubble Technology, and Beijing Sinovation.

(5) The series A+ financing investor included Wuxi Jiyuan Zheyuan Equity Investment Partnership (Limited Partnership) (無錫紀源哲遠股權投資合夥企業(有限合夥)) ("**Jiyuan Zheyuan**"), Shenzhen Huakong Frontier Technology Private Equity Venture Investment Fund Partnership (Limited Partnership) (深圳華控前沿科技私募創業投資基金合夥企業(有限合夥)) ("**Huakong Frontier Fund**"), Beihai Juzhitou Venture Investment Co., Ltd. (北海巨之投創業投資有限公司) ("**Beihai Juzhitou**"), Shanghai Lingang Guotai Jun'an Frontier Technology Industry Private Equity Fund Partnership (Limited Partnership) (上海臨港國泰君安科技前沿產業私募基金合夥企業(有限合夥)) ("**Lingang Guotai**"), Shanghai Bailian Guotai Jun'an Chuangling Private Equity Fund Partnership (Limited Partnership) (上海百聯國泰君安創領私募基金合夥企業(有限合夥)) ("**Bailian Guotai**"), Taixing Yizhuang Synergy Co-Creation Industrial Investment Fund Partnership (Limited Partnership) (泰興亦莊協同共創產業投資基金合夥企業(有限合夥)) ("**Taixing Yizhuang**"), and Shenzhen Xingxin Investment Co., Ltd. (深圳星芯投資有限公司) ("**Shenzhen Xingxin**").

(6) The series B financing investors included Jiyuan Zheyuan, Chongqing Longze Private Equity Investment Fund Partnership (Limited Partnership) (重慶龍澤私募股權投資基金合夥企業(有限合夥)) ("**Chongqing Longze**"), Muhua Shuiqing (Shanghai) Venture Investment Partnership (Limited Partnership) (木華水清(上海)創業投資合夥企業(有限合夥)) ("**Muhua Shuiqing**"), Kingdee Software (China) Co., Ltd. (金蝶軟件(中國)有限公司) ("**Kingdee**"), Guokai Technology Venture Investment Co., Ltd. (國開科技創業投資有限責任公司) ("**Guokai Technology**"), Chengdu Hi-Tech Xindongneng Huajing Equity Investment Fund Partnership (Limited Partnership) (成都高新芯動能華景股權投資基金合夥企業(有限合夥)) ("**Chengdu Hi-Tech**"), Wondershare Technology (Hunan) Co., Ltd. (萬興科技(湖南)有限公司) ("**Hunan Wondershare**"), Gongqingcheng Chongye Rongtai No. 3 Venture Investment Partnership (Limited Partnership) (共青城崇業融泰三號創業投資合夥企業(有限合夥)) ("**Chongye Rongtai**"), Nanjing Huaxi Ruiding Venture Investment Partnership (Limited Partnership) (南京華熙睿登創業投資合夥企業(有限合夥)) ("**Huaxi Ruideng**"), Shenzhen Minyin Kechuang No. 1 Private Equity Investment Fund Partnership (Limited Partnership) (深圳民銀科創一號私募股權投資基金合夥企業(有限合夥)) ("**Minyin Kechuang**"), Shandong Fuhong New Energy Industry Investment Fund Partnership (Limited Partnership) (山東孚弘新能源產業投資基金合夥企業(有限合夥)) ("**Shandong Fuhong**"), Wuxi Weiding Equity Investment Partnership (Limited Partnership) (無錫蔚鼎股權投資合夥企業(有限合夥)) ("**Wuxi Weiding**"), Shanghai Daohe Fengli Venture Investment Partnership (Limited Partnership) (上海道禾豐利創業投資合夥企業(有限合夥)) ("**Shanghai Daohe**").

(7) The series B+ financing investors included Lingang Guotai, Huakong Frontier Fund, Shanghai Kehui Venture Investment Co., Ltd. (上海科慧創業投資有限公司) ("**Shanghai Kehui**"), Lexy Electric Co., Ltd. (萊克電氣股份有限公司) ("**Lexy**"), Gongqingcheng Yuqiu Venture Investment Partnership (Limited Partnership) (共青城玉虬創業投資合夥企業(有限合夥)) ("**Gongqingcheng Yuqiu**"), Wuxi Jinjie Zhitou Venture Investment Partnership (Limited Partnership) (無錫金捷智投創業投資合夥企業(有限合夥)) ("**Wuxi Jinjie**"), Shangrao Tanhe Industry Equity Investment Fund Center (Limited Partnership) (上饒市碳和產業股權投資基金中心(有限合夥)) ("**Shangrao Tanhe**"), Shangrao Changxin No. 8 Enterprise Management Center (Limited Partnership) (上饒市長鑫捌號企業管理中心(有限合夥)) ("**Shangrao Changxin**"), Guangzhou Biren Intelligent Technology Co., Ltd. (廣州壁仞智慧科技有限公司) ("**Guangzhou Biren**"), Unicom Cybersecurity Equity Investment Fund (Guangzhou) Partnership (Limited Partnership) (聯通網絡安全股權投資基金(廣州)合夥企業(有限合夥)) ("**Unicom Cybersecurity**"), Nanjing Lianchuang Digital Equity Investment Partnership (Limited Partnership) (南京聯創數字股權投資合夥企業(有限合夥)) ("**Nanjing Lianchuang**"), Beijing Zhongguancun Science City Phase IV Technology Growth Equity Investment Partnership (Limited Partnership) (北京中關村科學城四期科技成長股權投資合夥企業(有限合夥)) ("**Zhongguancun Science City**"), Beijing Beigong Kechuang Equity Investment Fund Partnership (Limited Partnership) (北京北工科創股權投資基金合夥企業(有限合夥)) ("**Beigong Kechuang**"), Beijing iSoftStone Investment Holdings Co., Ltd. (北京軟通動力投資控股有限公司) ("**Beijing iSoftStone**"), Shenzhen Qinglan Hongju China Soft International Private Equity Venture Investment Fund Partnership (Limited Partnership) (深圳青藍鴻聚中軟國際私募創業投資基金合夥企業(有限合夥)) ("**Shenzhen Qinglan**"), Gongqingcheng Baosheng Zhishu Venture Investment Center (Limited Partnership) (共青城寶盛智數創業投資中心(有限合夥)) ("**Baosheng Zhishu**"), Gongqingcheng Baosheng Zhisuan Venture Investment Center (Limited Partnership) (共青城寶盛智算創業投資中心(有限合夥)) ("**Baosheng Zhisuan**"), Hangzhou Zhihui Xinneng Equity

Investment Partnership (Limited Partnership) (杭州智匯鑫能股權投資合夥企業(有限合夥)) ("**Hangzhou Zhihui**"), Xiamen Mingrun Zhida Investment Partnership (Limited Partnership) (廈門明潤智達投資合夥企業(有限合夥)) ("**Mingrun Zhida**"), Zhejiang SenseTime Technology Development Co., Ltd. (浙江商湯科技開發有限公司) ("**Zhejiang SenseTime**"), Beijing Guoxiang Shangheng Equity Investment Fund Partnership (Limited Partnership) (北京國香商恒股權投資基金合夥企業(有限合夥)) ("**Guoxiang Shangheng**"), Shenzhen Mairui Xinyue Kechuang Investment Enterprise (Limited Partnership) (深圳市邁睿新躍科創投資企業(有限合夥)) ("**Shenzhen Mairui**").

(8) On September 3, 2024, the then shareholders of our Company approved, among other things, increasing the registered capital of our Company by capitalization of the capital reserve of our Company in the sum of RMB12,381,921 on a pro rata basis to all the then shareholders of our Company. Upon completion of the capitalization of the capital reserve, the registered capital of our Company was increased from RMB1,375,769 to RMB13,757,690. For illustration purpose, the amount of registered capital subscribed for is adjusted by the capitalization of the capital reserve of our Company.

(9) The discount to the [**REDACTED**] is calculated based on (i) the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] of HK$[**REDACTED**] to HK$[**REDACTED**] per [**REDACTED**]) after taking into account the Share Subdivision and (ii) the exchange rate set out in "Information about this Document and the [**REDACTED**]." For the purpose of calculating the discount, the cost per Share is calculated based on the amount of investment made by the relevant Pre-[**REDACTED**] Investors and the number of the Shares they held after the conversion of our Company into a joint stock company in June 2026.

(10) The implied pre-money valuation of our Group is calculated based on (i) the cost per RMB1.0 of registered capital paid to our Company for the corresponding round of Pre-[**REDACTED**] Investment and (ii) the registered capital of our Company immediately prior to the corresponding round of Pre-[**REDACTED**] Investment.

(11) The implied post-money valuation of our Group is the sum of (i) the implied pre-money valuation for the corresponding round of Pre-[**REDACTED**] Investment and (ii) the total funds received by our Company from the corresponding round of Pre-[**REDACTED**] Investment.

(12) The increase in the valuation of our Group was primarily due to the R&D progress and business prospects of our Group and the prevailing market sentiment in the venture capital markets at the time the investments were made. Specifically:

(i) the increase in our Group's valuation from the series angel financing to the series angel+ financing was primarily due to the development and business prospects of our serverless token services and the technological breakthrough of our proprietary inference engine;

(ii) the increase in our Group's valuation from the series angel+ financing to the series pre-A financing was primarily due to the launch of our serverless token services and our dedicated instances services, providing enterprise customers with reserved computing resources for production-grade AI workloads;

(iii) the increase in our Group's valuation from the series pre-A financing to the series A financing was primarily due to our industry's first deployment of DeepSeek R1 & V3 token services on domestic chips;

(iv) the increase in our Group's valuation from the series A financing to the series A+ financing was primarily due to (i) the launch of our serverless token services for international customers; (ii) the commercialization of our serverless token services, dedicated instances services, and on-premise deployment solutions; and (iii) the commencement of large-scale commercial deployment of cross-chip and multi-model adaptation;

(v) the increase in our Group's valuation from the series A+ financing to the series B+ financing was primarily because our daily token throughput exceeded one trillion for the first time, and the number of registered users on our platform exceeded 10 million, demonstrating continued growth in developer and enterprise adoption of our services; and

(vi) the increase in our Group's valuation from the series B+ financing to the [**REDACTED**] was primarily due to (a) our business expansion, (b) our overseas monthly revenue exceeding US$1 million, and (c) the improved [**REDACTED**] of the H Shares following the [**REDACTED**].

2. Other Principal Terms

Basis of determination of valuation and consideration: The valuation of our Group and consideration for each round of Pre-[**REDACTED**] Investments were determined based on arm's length negotiation between our Group/existing shareholders and the Pre-[**REDACTED**] Investors taking into account the timing of the Pre-[**REDACTED**] Investments and our business prospects.

Use of proceeds from the Pre-[REDACTED] Investments: We utilized the proceeds from the Pre-[**REDACTED**] Investments to finance our R&D activities and business operations. As of the Latest Practicable Date, approximately 32% of the net proceeds from the Pre-[**REDACTED**] Investments (conducted through capital injection) had been utilized.

Lock-up: Pursuant to applicable PRC law, within 12 months following the [**REDACTED**], all existing Shareholders (including the Pre-[**REDACTED**] Investors) shall not dispose of any of the Shares held by them.

Strategic benefits to our Group brought by the Pre-[REDACTED] Investors: Our Directors are of the view that our Group could benefit from the additional capital provided by the Pre-[**REDACTED**] Investors and their industry knowledge and experience. The Pre-[**REDACTED**] Investments also demonstrated the Pre-[**REDACTED**] Investors' confidence in and endorsement of our R&D capabilities and business prospects.

3. Special Rights of the Pre-[REDACTED] Investors

Pursuant to the shareholders' agreement entered into among our Company and our Shareholders, the Pre-[**REDACTED**] Investors were granted certain customary special rights, including, among others, redemption right, liquidation preference right, information right, pre-emptive right, anti-dilution right, co-sale right, drag-along right, and dividend rights. The redemption rights was terminated one day prior to our Company's first submission of the first [**REDACTED**] to the Stock Exchange, and all other special rights granted to the Pre-[**REDACTED**] Investors will be terminated upon the [**REDACTED**], provided the special rights so terminated shall be reinstated in the event that (i) the Company withdraws or terminates its [**REDACTED**] for the [**REDACTED**]; (ii) the Company's [**REDACTED**] for the [**REDACTED**] is refused, rejected, returned or otherwise terminated by the relevant regulatory authorities; (iii) the Company's [**REDACTED**] for the [**REDACTED**] lapses and is not refiled within six months thereof; or (iv) the Company fails to consummate a qualifying [**REDACTED**] within 12 months from the date of the Company's submission of [**REDACTED**] for the [**REDACTED**] (or such longer period as the parties may agree) or before December 31, 2030.

4. Joint Sponsors' Confirmation

On the basis that (i) the respective consideration for the Pre-[**REDACTED**] Investments was settled no less than 120 clear days before the [**REDACTED**], and (ii) the redemption rights granted to the Pre-[**REDACTED**] Investors ceased to be exercisable one day prior to our Company's first [**REDACTED**] of the first [**REDACTED**] to the Stock Exchange, and all other special rights granted to the Pre-[**REDACTED**] Investors will be terminated upon the [**REDACTED**], the Joint Sponsors confirm that the Pre-[**REDACTED**] Investments are in compliance with Chapter 4.2 of the Guide.

5. Information about Our Pre-[REDACTED] Investors

Our Pre-[**REDACTED**] Investors include certain Pathfinder SIIs and other SIIs. In accordance with Chapter 2.5 of the Guide, (i) our Pathfinder SIIs each held more than 3% and in aggregate more than 10% of our issued share capital as of the submission date of our [**REDACTED**] for the [**REDACTED**] and the commencement date of the 12-month pre-[**REDACTED**] period; and (ii) our Pathfinder SIIs and other SIIs will hold in aggregate [**REDACTED**]% of our total issued share capital immediately following completion of the [**REDACTED**].

The background information of our Pathfinder SIIs, other SIIs and other key Pre-[**REDACTED**] Investors is set out below. To the best knowledge of our Directors, save for being a Shareholder, (i) each of our Pathfinder SIIs and other SIIs is independent from and not connected with any Director, chief executive or substantial Shareholder of our Company, its subsidiaries or any of their respective associates; (ii) save for those entities as identified in the section headed "— Capitalization of our Company," each of these investors is independent from each other; and (iii) each of the Pre-[**REDACTED**] Investors and their ultimate beneficial owners or controllers is an independent third party.

Pathfinder SIIs

Alibaba Group

Hangzhou Duoxiang[1] is a limited liability company established in the PRC. It is a consolidated entity of Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company listed on the New York Stock Exchange (Stock Symbol: BABA) and the Stock Exchange (Stock Code: 9988 (HKD Counter) and 89988 (RMB Counter)) ("**Alibaba Group**"). As of March 31, 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company) and March 31, 2026 (being a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), the carrying value of Alibaba Group's equity securities in listed equity securities and investments in privately held companies was approximately RMB173.80 billion and RMB231.04 billion, respectively. Hangzhou Duoxiang held approximately 7.42% and 9.85% of our total issued share capital as of the submission date of our [**REDACTED**] for the [**REDACTED**] and the commencement date of the 12-month pre-[**REDACTED**] period, respectively.

(1) In accordance with paragraph 18(i) of Chapter 2.5 of the Guide, as Hangzhou Duoxiang is not an existing core connected person of our Company or its close associate at the time of signing the definitive agreement for investment in our Company, Hangzhou Duoxiang, with board representation, will not be classified as a core connected person.

Glory Ventures

Suzhou Glory is a limited partnership established in the PRC and is the RMB-denominated investment fund under the brand of "Glory Ventures" (耀途資本). Its general partner is Shanghai Glory Ventures Investment Management Co., Ltd. (上海曜途投資管理有限公司) ("**Shanghai Glory**"), holding approximately 1.6% of the partnership interest. Shanghai Glory is wholly owned by Shanghai Glory Ventures Investment Consulting Co., Ltd. (上海曜途投資諮詢有限公司), which is controlled by Mr. Bai Zongyi (白宗義). As of the Latest Practicable Date, Suzhou Glory had 38 limited partners, none of which held 30% or more of the partnership interest.

Suzhou Glory is one of the investment funds under the brand of Glory Ventures, a technology-focused venture capital platform dedicated to identifying and investing in high-growth innovative enterprises, particularly those operating in specialist technology sectors. The investment team of Glory Ventures comprises professionals with extensive experience gained from leading venture capital institutions, investment firms and global semiconductor companies. The investment activities of all its RMB-denominated and USD-denominated funds operated under the brand of Glory Ventures are primarily managed by its investment committee, which is responsible for reviewing and approving investment opportunities, overseeing portfolio management and monitoring the performance of investee companies. The investment committee evaluates proposed investments based on factors such as technological strength, commercial prospects, growth potential and investment risks, and makes decisions in accordance with Glory Ventures' investment strategy and objectives.

As of June 30, 2023 (being a date no more than six months prior to the date of the investment agreement), the aggregate size of the investment portfolio under management of the investment committee of Glory Ventures was below HK$5 billion. As of May 31, 2026, the aggregate size of the investment portfolio under management of the investment committee of Glory Ventures exceeded HK$5 billion, consisting primarily of investments in Specialist Technology companies.

The growth in the aggregate investment portfolio between the two dates above is attributable to the investment experience, knowledge and expertise of Glory Ventures in the Specialist Technology sector, in particular (i) the appreciation in the valuations of Specialist Technology portfolio companies that Glory Ventures had identified and invested in at an early stage, based on the investment committee's deep domain knowledge in semiconductors, AI infrastructure and related technologies — including its investments in Shanghai Biren Technology Co., Ltd. (上海壁仞科技股份有限公司) (6082.HK), Axera Semiconductor Co., Ltd. (愛芯元智半導體股份有限公司) (0600.HK), Hanbo Semiconductor (Shanghai) Co., Ltd. (瀚博半導體(上海)股份有限公司) and DeepRoute.ai Technology Co., Ltd. (深圳元戎啟行科技有限公司), several of which have since listed on major stock exchanges or attracted significant institutional follow-on capital, leading to increases in their assessed valuations; and (ii) the incremental deployment of capital into further Specialist Technology companies, driven by its team's industry networks and technical evaluation capabilities in the Specialist Technology sector.

Suzhou Glory held approximately 3.01% and 3.99% of our total issued share capital as of the submission date of our [**REDACTED**] for [**REDACTED**] and the commencement date of the 12-month pre-[**REDACTED**] period, respectively.

Puhua Capital

Puhua Fund is a limited partnership established in the PRC. Its general partner is Hangzhou Puhua Zhiqin Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (杭州普華至勤創業投資合夥企業(有限合夥)) ("**Puhua Zhiqin**") holding approximately 1% of the partnership interest. Puhua Zhiqin is managed by its general partner Zhejiang Puhua Tianqin Equity Investment Management Limited Corporation (浙江普華天勤股權投資管理有限公司) ("**Puhua Capital**"), which is ultimately controlled by Mr. Shen Qinhua (沈琴華). As of the Latest Practicable Date, Puhua Fund had 14 limited partners, with its largest limited partner, National Small and Medium Sized Enterprise Development Fund Co., Ltd. (國家中小企業發展基金有限公司) holding approximately 30% of the partnership interest. None of remaining limited partners of Puhua Fund held 30% or more of the partnership interest.

Puhua Fund is managed by Puhua Capital, a leading venture capital investment and asset management firm in China focusing on new technology, new energy, new materials, new healthcare, and new consumption sectors. Puhua Capital had more than HK$15 billion in assets under management as of December 31, 2024 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company) and December 31, 2025 (being a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]). Puhua Fund held approximately 1.81% and 2.40% of our total issued share capital as of the submission date of our [**REDACTED**] for [**REDACTED**] and the commencement date of the 12-month pre-[**REDACTED**] period, respectively.

Other SIIs

Jiyuan Capital

Jiyuan Zheyuan is a limited partnership established in the PRC. Its general partner is Shanghai Jican Management Consulting Co., Ltd. (上海紀璨管理諮詢有限公司) ("**Shanghai Jican**"), holding approximately 0.0001% of the partnership interest. As of the Latest Practicable Date, Shanghai Jican was owned by Mr. Xu Bingdong (徐炳東), Mr. Wu Chenyao (吳陳堯) and Mr. Li Haojun (李浩軍) as to 33.4%, 33.3% and 33.3%, respectively. As of the Latest Practicable Date, Jiyuan Zheyuan had three limited partners, with its largest limited partner Wuxi Jiyuan Hongying Private Equity Fund Partnership (Limited Partnership) (無錫紀源宏盈私募基金合夥企業(有限合夥)) holding approximately 58.12% of the partnership interest and its second largest limited partner Nanjing Jiyuan Hongming Equity Investment Partnership (Limited Partnership) (南京紀源宏明股權投資合夥企業(有限合夥)) holding approximately 30.60% of the partnership interest. The remaining limited partner of Jiyuan Zheyuan held less than 30% of the partnership interest.

Jiyuan Zheyuan is an investment vehicle of Jiyuan Capital. Founded in 2017, Jiyuan Capital is a venture capital firm focusing on investments across sectors of semiconductors, artificial intelligence, new energy, information technology, medical technology, industries of environment and materials, industrial technology, enterprise services and consumer technology with the key investment portfolio of XPeng Inc. (9868.HK), JINGDONG Industrials, Inc. (京東工業股份有限公司) (7618.HK), Moore Threads Intelligent Technology (Beijing) Co., Ltd. (摩爾線程智能科技(北京)股份有限公司) (688795.SH), Axera Semiconductor Co., Ltd. (愛芯元智半導體股份有限公司) (0600.HK), SENASIC Electronics Technology Co., Ltd. (琻捷電子科技(江蘇)股份有限公司) (6675.HK), Geneplus Technology (Shaoxing) Co., Limited (吉因加科技(紹興)股份有限公司), Shanghai Synyi Medical Technology Co., Ltd. (上海森億醫療科技股份有限公司) and Manycore Tech Inc (0068.HK). Jiyuan Capital had an investment portfolio of more than HK$5 billion derived primarily from Specialist Technology investment as of December 31, 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]). Jiyuan Zheyuan held approximately 1.48% of our total issued share capital as of the Latest Practicable Date.

Guotai Jun'an

Lingang Guotai is a limited partnership established in the PRC. Its general partner is Guotai Jun'an Innovation Investment Co., Ltd. (國泰君安創新投資有限公司) ("**Guotai Jun'an Innovation**"), which holds approximately 18.70% of the partnership interest and is wholly owned by Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) (2611.HK; 601211.SH). As of the Latest Practicable Date, Lingang Guotai had 13 limited partners and none of them held 30% or more of the partnership interest.

Bailian Guotai is a limited partnership established in the PRC. Its general partners are Guotai Jun'an Innovation and Shanghai Shangtou Venture Investment Co., Ltd. (上海商投創業投資有限公司) ("**Shanghai Shangtou**"), each holding approximately 6% and 0.5% of the partnership interest, respectively. Shanghai Shangtou is ultimately wholly owned by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會). As of the Latest Practicable Date, Bailian Guotai had six limited partners, with its largest limited partner Shanghai Bailian Commercial Brand Investment Co., Ltd. (上海百聯商業品牌投資有限公司) holding approximately 30% of the partnership interest. None of remaining limited partners of Bailian Guotai held 30% or more of the partnership interest.

Lingang Guotai and Bailian Guotai are investment vehicles managed by Guotai Jun'an Innovation. Guotai Jun'an Innovation is engaged in private equity management and investment management. As of December 31, 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), Guotai Jun'an Innovation had more than RMB25.5 billion in assets under management. Lingang Guotai and Bailian Guotai held in aggregate approximately 1.56% of our total issued share capital as of the Latest Practicable Date.

Shanghai Kehui

Shanghai Kehui is a limited liability company established in the PRC. Shanghai Kehui is directly owned by Yang Xiaoli (楊曉莉) and Yang Qin (楊欽), both are independent third parties, as to 99.00% and 1.00%, respectively and controlled through contractual arrangements by Ctrip Travel Network Technology (Shanghai) Co., Ltd. (攜程旅遊網絡技術(上海)有限公司), which is indirectly wholly owned by Trip.com Group Limited (攜程集團有限公司) (9961.HK; TCOM.NASDAQ) ("**Trip.com**"). Trip.com's equity investments amounted to approximately RMB33.1 billion as of December 31, 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]). Shanghai Kehui held approximately 1.29% of our total issued share capital as of the Latest Practicable Date.

Kingdee

Kingdee is a limited liability company established in the PRC and a wholly owned subsidiary of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司) (268.HK) ("**Kingdee International**"). According to Frost & Sullivan, Kingdee International is a leading global enterprise management AI company. In terms of revenue in China's enterprise management cloud SaaS market in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), Kingdee International ranked the first and was a key participant in the downstream enterprise SaaS AI application segment of the Company's AI token supply platform industry. Kingdee held approximately 1.26% of our total issued share capital as of the Latest Practicable Date.

Meituan

Tianjin Sankuai is a limited liability company established in the PRC. Tianjin Sankuai is wholly owned by Beijing Sankuai Technology Co., Ltd. (北京三快科技有限公司), which is in turn controlled by Meituan (美团) (3690.HK) through contractual arrangements. As of December 31, 2024 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company) and December 31, 2025 (being a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), the value of the diverse investment portfolio held by Meituan was approximately RMB41.3 billion and RMB45.6 billion, respectively. Meituan held approximately 1.05% of our total issued share capital as of the Latest Practicable Date.

Huakong Frontier Fund

Huakong Frontier Fund is a limited partnership established in the PRC. Its general partner is Shenzhen Shentou Huakong Industrial Investment Co., Ltd. (深圳市深投華控產業投資有限公司) ("**Shentou Huakong**"), holding approximately 0.44% of the partnership interest, and its manager is Khorgos Huakong Venture Capital Co., Ltd. (霍爾果斯華控創業投資有限公司) ("**Huakong Capital**"), which is ultimately controlled by Mr. Zhang Yang (張揚). As of the Latest Practicable Date, Huakong Frontier Fund had 21 limited partners, none of which held 30% or more of the partnership interest.

Huakong Frontier Fund is an investment vehicle of Huakong Capital, a leading investment firm in China supporting high-growth and high-technology enterprises in China. Huakong Capital had more than HK$15 billion in assets under management as of December 31, 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]). Huakong Frontier Fund held approximately 1.05% of our total issued share capital as of the Latest Practicable Date.

Jinko Solar

Shangrao Tanhe is a limited partnership established in the PRC. Its general partners are Jinneng Private Equity Fund Management (Shanghai) Co., Ltd. (金能私募基金管理(上海)有限公司) ("**Jinneng**"), and Jiangxi Yunjin Assets Management Co., Ltd. (江西雲錦資產管理有限公司), each holding approximately 0.42% of the partnership interest. Jinneng is ultimately controlled by Jinko Solar Investment Limited (晶科能源投資有限公司) ("**Jinko Solar Investment**"), which is in turn wholly owned by Jinko Solar Holding Co., Ltd. (JKS.NYSE) ("**Jinko Solar**"). As of the Latest Practicable Date, Shangrao Tanhe had eight limited partners, none of which held 30% or more of the partnership interest.

Shangrao Changxin is a limited partnership established in the PRC. Its general partner is Shangrao Hongxin Equity Investment Co., Ltd. (上饒市弘信股權投資有限公司) ("**Shangrao Hongxin**"), holding approximately 0.17% of the partnership interest. Shangrao Hongxin is wholly owned by Jinko Solar Investment, which is in turn wholly owned by Jinko Solar. As of the Latest Practicable Date, Shangrao Changxin had one limited partner, Shangrao Changxin Enterprise Management Center (Limited Partnership) (上饒市長鑫企業管理中心(有限合夥)) ("**Shangrao Changxin Centre**"), holding approximately 99.83% of the partnership interest. Shangrao Changxin Centre is ultimately controlled by Jinko Solar.

Shangrao Tanhe and Shangrao Changxin are investment vehicles of Jinko Solar. Jinko Solar is a global leader in clean energy technology, providing photovoltaic and energy storage products and solutions worldwide. According to Frost & Sullivan, in terms of module shipments in global renewable energy and photovoltaic industry in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), Jinko Solar ranked among the top three globally and was a key participant in the upstream renewable energy solutions supporting the broader green computing infrastructure ecosystem underlying the Company's AI token supply platform industry. Shangrao Tanhe and Shangrao Changxin held in aggregate approximately 0.90% of our total issued share capital as of the Latest Practicable Date.

Giant Network

Beihai Juzhitou is a limited liability company established in the PRC and is ultimately wholly owned by Giant Network Group Co., Ltd. (巨人網絡集團股份有限公司) (002558.SZ) ("**Giant Network**"). Giant Network is a leading gaming company in China. According to Frost & Sullivan, in terms of revenue in China's online gaming industry in 2024 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company) and 2025 (being a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), Giant Network ranked among the top 20 and top 20 and was a key participant in the downstream online gaming and interactive entertainment segment of the Company's AI token supply platform industry, accounting for approximately 1% and 1.5% market share in 2024 and 2025, respectively. Beihai Juzhitou held approximately 0.78% of our total issued share capital as of the Latest Practicable Date.

Intellifusion

Shenzhen Xingxin is a limited liability company established in the PRC and is wholly owned by Shenzhen Intellifusion Technologies Co., Ltd. (深圳雲天勵飛技術股份有限公司) (688343.SH) ("**Intellifusion**"). Intellifusion is dedicated to the design, development and commercialization of NPU-powerd AI inference chip-related products and services for enterprise, consumer and industry applications. Intellifusion is a key upstream provider of AI inference chips which are widely applied across diverse industries, including the token supply platform market in which the Company operates. According to Frost & Sullivan, in terms of revenue in China's AI inference chip-related products and services industry in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), Intellifusion was a leading participant in the upstream AI inference chip and processor supporting the Company's AI token supply platform industry. Shenzhen Xingxin held approximately 0.78% of our total issued share capital as of the Latest Practicable Date.

iSoftStone

Beijing iSoftStone is a limited liability company established in the PRC and is wholly owned by iSoftStone Information Technology (Group) Co., Ltd. (軟通動力信息技術(集團)股份有限公司) (301236.SZ) ("**iSoftStone**"). iSoftStone is a leading full-stack intelligent products and services provider in China. According to Frost & Sullivan, in terms of revenue in China's digital technology services industry in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), iSoftStone ranked among the top 20 and was a key participant in the downstream digital technology and intelligent services segment of the Company's AI token supply platform industry in 2025. Beijing iSoftStone held approximately 0.65% of our total issued share capital as of the Latest Practicable Date.

China Unicom

Unicom Cybersecurity is a limited partnership established in the PRC and is managed by its general partner, China Unicom Xinwo Venture Capital Management (Shanghai) Co., Ltd. (聯通新沃創業投資管理(上海)有限公司) ("**Unicom Xinwo VC**"). Unicom Xinwo VC is a licensed fund manager controlled by China Unicom (Hong Kong) Limited (中國聯合網絡通信(香港)股份有限公司) (762.HK) ("**China Unicom**"). China Unicom provides comprehensive mobile, broadband, and international digital services, operating as the third-largest wireless carrier in China and a major global service provider. According to Frost & Sullivan, in terms of revenue in China's telecommunications, cloud and digital infrastructure services industry in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), China Unicom ranked among the top five and was a key participant in the upstream telecommunications, cloud and computing infrastructure segment of the Company's AI token supply platform industry, accounting for approximately 20% market share in 2025. Unicom Cybersecurity held approximately 0.65% of our total issued share capital as of the Latest Practicable Date.

Zhongguancun Science City

Zhongguancun Science City is a limited partnership established in the PRC. Its general partner is Beijing Zhongguancun Science City Technology Investment Management Co., Ltd. (北京中關村科學城科技投資管理有限公司) ("**Zhongguancun Investment**"), holding 1% of the partnership interest, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Haidian District People's Government (北京市海淀區人民政府國有資產監督管理委員會) ("**Haidian SASAC**"). As of the Latest Practicable Date, Zhongguancun Science City had one limited partner, Beijing Haidian District State Owned Assets Investment Group Co., Ltd. (北京市海淀區國有資產投資集團有限公司), which is ultimately controlled by Haidian SASAC. Zhongguancun Investment had approximately RMB30 billion in assets under management as of March 31, 2026 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]). Zhongguancun Science City held approximately 0.65% of our total issued share capital as of the Latest Practicable Date.

Wondershare

Hunan Wondershare is a limited liability company established in the PRC and is wholly owned by Wondershare Technology Group Co., Ltd. (萬興科技集團股份有限公司) (300624.SZ) ("**Wondershare**"). Wondershare is a global leader in digital creativity software, providing innovative video editing, document editing, and diagramming solutions integrated with advanced AIGC capabilities for creators worldwide. According to Frost & Sullivan, in terms of revenue in the AIGC video creativity software market in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), Wondershare ranked among the top ten and was a key participant in the downstream AIGC creativity software application segment of the Company's AI token supply platform industry, accounting for approximately 1.5% market share in 2025. Hunan Wondershare held approximately 0.54% of our total issued share capital as of the Latest Practicable Date.

360

Beijing Qihoo is a limited liability company established in the PRC and is wholly owned by 360 Security Technology Inc. (三六零安全科技股份有限公司) (601360.SH) ("**360**"). 360 is a leading provider of comprehensive internet and security products and services. According to Frost & Sullivan, in terms of revenue in China's cybersecurity services industry in 2023 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company) and 2025 (being a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), 360 ranked among the top 15 and top ten and was a key participant in the upstream cybersecurity and AI security infrastructure segment of the Company's AI token supply platform industry accounting for approximately 1.5% and 2% market share in 2023 and 2025, respectively. Beijing Qihoo held approximately 0.41% of our total issued share capital as of the Latest Practicable Date.

Biren

Guangzhou Biren is a limited liability company established in the PRC and is wholly owned by Shanghai Biren Technology Co., Ltd. (上海壁仞科技股份有限公司) (6082.HK) ("**Biren**"). Biren is a leading domestic provider of general-purpose intelligent computing solutions, delivering powerful, secure and efficient computing infrastructure across industries. According to Frost & Sullivan, in terms of market position in China's general-purpose AI computing chip industry in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), Biren ranked among the top ten and was a key participant in the upstream GPU and general-purpose AI computing chip segment of the Company's AI token supply platform industry in 2025. Guangzhou Biren held approximately 0.39% of our total issued share capital as of the Latest Practicable Date.

SenseTime

Zhejiang SenseTime is a limited liability company established in the PRC and is wholly owned by SenseTime Group Inc. (商湯集團股份有限公司) (0020.HK) ("**SenseTime**"). Guoxiang Shangheng is a limited partnership established in the PRC and is managed by Beijing Guoxiang Shangheng Fund Management Co., Ltd. (北京國香商恒私募基金管理有限公司), a wholly owned subsidiary of SenseTime. SenseTime is a leading AI company with full-stack capabilities in AI infrastructure, AI model development and generative AI applications. According to Frost & Sullivan, in terms of revenue and market share in China's generative AI and native AI cloud industry in 2025 (being a date not more than six months prior to the signing of the first definitive agreement for investment in our Company and a date not more than six months prior to the submission date of our [**REDACTED**] for [**REDACTED**]), SenseTime ranked among the top ten and was a key participant in the upstream generative AI and native AI cloud segment of the Company's AI token supply platform industry in 2025. Zhejiang SenseTime and Guoxiang Shangheng held in aggregate approximately 0.64% of our total issued share capital as of the Latest Practicable Date.

Other Key Pre-*[REDACTED] *Investors

We have also received investments from the other major Pre-[**REDACTED**] Investors, each of which held 2.00% or more interest in the Company as of the Latest Practicable Date.

Hubble Technology

Hubble Technology is a limited partnership established in the PRC. Its general partner is Hubble Technology Venture Capital Co., Ltd. (哈勃科技創業投資有限公司), a venture capital institution wholly owned by Huawei Investment & Holding Co., Ltd. (華為投資控股有限公司), a company focusing on investments in technology and information technology application innovation.

Sinovation Ventures

Beijing Sinovation is a limited partnership established in the PRC. Its general partner is Sinovation (Beijing) Equity Investment Management Co., Ltd. (創新工場(北京)股權投資管理有限公司), which is wholly-owned by Beijing Sinovation Private Equity Fund Management Co., Ltd. (北京創新工場私募基金管理有限公司) ("**Sinovation Ventures**"). Sinovation Ventures is a leading technology-focused venture capital firm in China, with investment focus in artificial intelligence and hard tech, robotics and automation, general technology, and healthcare technology.

Nanjing Lvyong

Nanjing Lvyong is a limited partnership established in the PRC. Its general partner is Nanjing Lvyong Jinhao Equity Investment Management Partnership Enterprise (Limited Partnership) (南京綠湧錦皓股權投資管理合夥企業(有限合夥)) ("**Lvyong Jinhao**"), holding approximately 0.88% of the partnership interest. Lvyong Jinhao is managed by its general partner Ningbo Meishan Minheng Qizhi Investment Management Center (Limited Partnership) (寧波梅山保税港區民恒啟智投資管理中心(有限合夥)), which is ultimately controlled by Ms. Wu Haiyan (吳海燕). As of the Latest Practicable Date, Nanjing Lvyong had 13 limited partners, none of which held 30% or more of the partnership interest.

PUBLIC FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, assuming the [**REDACTED**] is not exercised, the [**REDACTED**] of our H Shares upon the [**REDACTED**] is expected to be approximately HK$[**REDACTED**] billion, HK$[**REDACTED**] billion, and HK$[**REDACTED**] billion based on the low-end, mid-point or high-end of the indicative [**REDACTED**], and therefore the minimum prescribed public float percentage applicable to our H Shares is [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]%, respectively.

Immediately following completion of the [**REDACTED**] and the conversion of Unlisted Shares into H Shares, assuming the [**REDACTED**] is not exercised, [**REDACTED**] Unlisted Shares (taking into account the Share Subdivision) held by our Shareholders, representing approximately [**REDACTED**]% of our total issued Shares upon completion of the [**REDACTED**], will not be considered as part of the public float as the Shares are Unlisted Shares which will not be [**REDACTED**] on the Stock Exchange following completion of the [**REDACTED**].

To the best knowledge of our Director, save as disclosed above, immediately following completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised, [**REDACTED**] H Shares (taking into account the Share Subdivision) held or controlled by our Shareholders who are not our core connected persons, representing approximately [**REDACTED**]% of our total issued Shares immediately following completion of the [**REDACTED**], will be counted towards the public float, which is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

LOCK-UP AND FREE FLOAT

The table below sets out the list of persons who will be subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules.

Person	Capacity	Number of Shares (taking into account the Share Subdivision) subject to lock-up requirement immediately following completion of the [REDACTED][(1)]	Percentage of Shares subject to lock-up requirement immediately following completion of the [REDACTED][(1)]	Lock-up period
			(%)	
Key persons				
Dr. Yuan	Our founder, chairman of our Board, executive Director, CEO, general manager and financial controller	[**REDACTED**]	[**REDACTED**]	The period commencing on the date of this document and ending on the date which is 24 months from the [**REDACTED**][(3)]
Silicon Innovation	Close associate of Dr. Yuan	[**REDACTED**][(2)]	[**REDACTED**]	
Silicon Future		[**REDACTED**][(2)]	[**REDACTED**]	
Silicon Exploration		[**REDACTED**][(2)]	[**REDACTED**]	
Silicon Excellence		[**REDACTED**][(2)]	[**REDACTED**]	
Existing investors				
Hangzhou Duoxiang	Pathfinder SII	[**REDACTED**]	[**REDACTED**]	The period commencing on the date of this document and ending on the date which is 12 months from the [**REDACTED**][(4)]
Suzhou Glory		[**REDACTED**]	[**REDACTED**]	
Puhua Fund		[**REDACTED**]	[**REDACTED**]	

Notes:

(1) Based on the assumptions that the [**REDACTED**] is not exercised.

(2) Silicon Future, Silicon Innovation, Silicon Exploration, and Silicon Excellence are our Employee Incentive Platforms. We had granted incentive equity to participants under the Employee Incentive Scheme. Our co-founders and core members of our R&D team, namely Dr. Yuan, Mr. Liu Juncheng (柳俊丞), Mr. Zeng Hua (曾華), Ms. Zhao Zhen (趙震), Mr. Hu Jian (胡健), Mr. Chen Houjiang (陳後江), Mr. Liao Xingyu (廖星宇), Mr. Li Yipeng (李一鵬), and Mr. Zhang Wenxiao (張文驍) are limited partners of our Employee Incentive Platforms. As of the Latest Practicable Date, (i) Dr. Yuan, our founder, chairman of our Board, executive Director, CEO, general manager and financial controller, held approximately 0.00005%, 0.00005%, 0.00005%, and 0.00006% of the partnership interests in Silicon Future, Silicon Innovation, Silicon Exploration, and Silicon Excellence, respectively; (ii) Mr. Liu Juncheng, our executive Director and chief technology officer, held approximately 35.00% of the partnership interest in Silicon Innovation; (iii) Mr. Zeng Hua, our executive Director and deputy general manager, held approximately 25.00% of the partnership interest in Silicon Innovation; (iv) Ms. Zhao Zhen, our chief operating officer, held approximately 1.00%, 15.00%, 1.00%, and 3.57% of the partnership interests in Silicon Future, Silicon Innovation, Silicon Exploration, and Silicon Excellence, respectively; (v) Mr. Hu Jian, our deputy general manager, held approximately 15.00% and 5.95% of the partnership interests in Silicon Innovation and Silicon Excellence, respectively; (vi) Mr. Chen Houjiang, core member of our R&D team, held approximately 7.44% of the partnership interests in Silicon Exploration; (vii) Mr. Liao Xingyu, core member of our R&D team, held approximately 10.70% and 9.30% of the partnership interests in Silicon Future and Silicon Exploration, respectively; (viii) Mr. Li Yipeng, core member of our R&D team, held approximately 9.30% of the partnership interests in Silicon Exploration; and (ix) Mr. Zhang Wenxiao, core member of our R&D team, held approximately 16.42% and 6.20% of the partnership interests in Silicon Excellence and Silicon Exploration, respectively. Such partnership interests held by our co-founders and core members of our R&D team in our Employee Incentive Platforms will be subject to lock-up period ending on the expiry of 24 months from the [**REDACTED**]. Save as disclosed above, no other senior management or key R&D personnel holds any interest in our Company.

(3) In the event that upon notification by the Stock Exchange that our Company will no longer be regarded as a Pre-Commercial Company after the [**REDACTED**], the lock-up period will expire on the later of (i) the date which is 12 months from the [**REDACTED**] and (ii) the date falling on the 30th day after the announcement on the removal of designation as a Pre-Commercial Company as required under Rule 18C.24 of the Listing Rules.

(4) In the event that upon notification by the Stock Exchange that our Company will no longer be regarded as a Pre-Commercial Company after the [**REDACTED**], the lock-up period will expire on the later of (i) the date which is six months from the [**REDACTED**] and (ii) the date falling on the 30th day after the announcement on the removal of designation as a Pre-Commercial Company as required under Rule 18C.24 of the Listing Rules.

Immediately following completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised, the expected [**REDACTED**] of the H Shares which are not subject to any disposal restrictions calculated based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the low-end of the indicative [**REDACTED**]) will be approximately HK$[**REDACTED**] billion. Therefore, our Company will satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules at the time of [**REDACTED**].

CAPITALIZATION OF OUR COMPANY

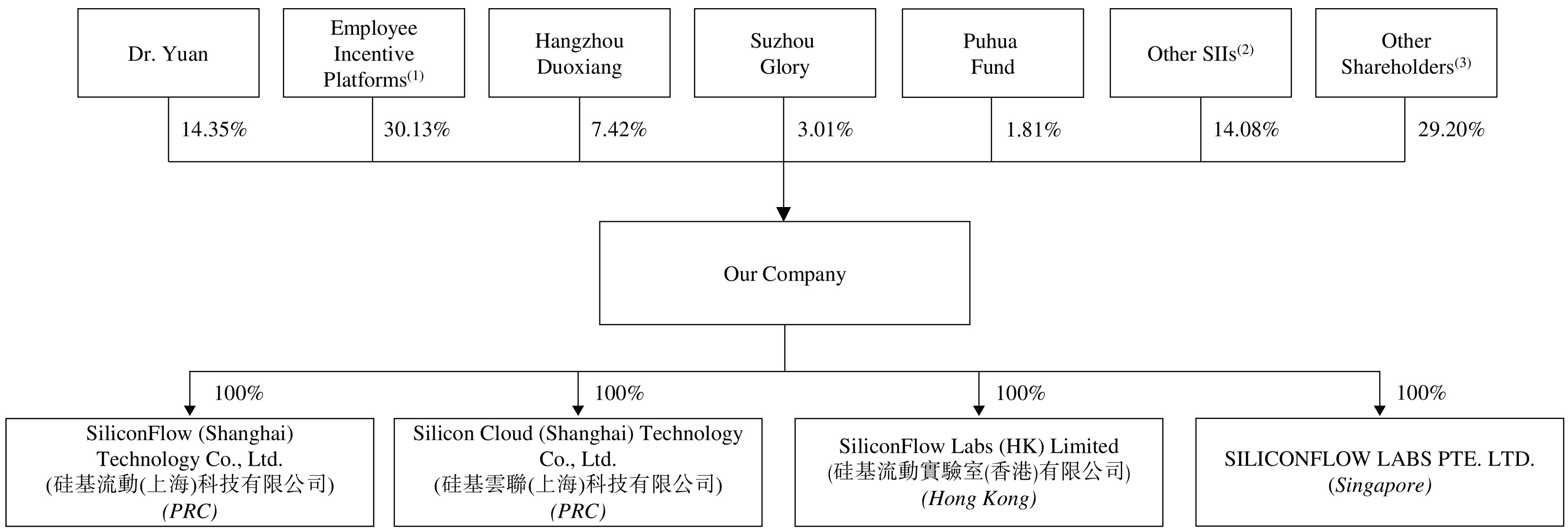
The table below sets out the capitalization of our Company as of the Latest Practicable Date and immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

	As of the date of the document		Immediately following completion of the [REDACTED] (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)		
Shareholder	**Number of Unlisted Shares held**	**Approximate ownership percentage**	**Number of H Shares held**	**Number of Unlisted Shares held**	**Approximate ownership percentage**
		(%)			*(%)*
Dr. Yuan	3,657,303	14.35	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Silicon Innovation	2,000,000	7.85	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Silicon Future	2,000,000	7.85	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Silicon Exploration	2,000,000	7.85	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Silicon Excellence	1,680,433	6.59	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Hangzhou Duoxiang	1,891,319	7.42	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Hubble Technology	1,037,736	4.07	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Beijing Sinovation	1,023,174	4.01	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Nanjing Lvyong	767,710	3.01	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Suzhou Glory	767,311	3.01	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Mr. Wang	526,320	2.06	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Puhua Fund	460,626	1.81	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guotai Jun'an entities					
Lingang Guotai	264,560	1.04	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Bailian Guotai	132,464	0.52	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	397,024	1.56	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

	As of the date of the document		Immediately following completion of the [REDACTED] (taking into account the Share Subdivision and assuming the [REDACTED] is not exercised)		
Shareholder	Number of Unlisted Shares held	Approximate ownership percentage	Number of H Shares held	Number of Unlisted Shares held	Approximate ownership percentage
		(%)			(%)
Jiyuan Zheyuan	377,081	1.48	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Tang Yuyu	371,830	1.46	[REDACTED]	[REDACTED]	[REDACTED]
Chongqing Longze	341,757	1.34	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Kehui	329,318	1.29	[REDACTED]	[REDACTED]	[REDACTED]
Kingdee	321,446	1.26	[REDACTED]	[REDACTED]	[REDACTED]
Huaxi Ruideng	321,446	1.26	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Sankuai	268,680	1.05	[REDACTED]	[REDACTED]	[REDACTED]
Huakong Frontier Fund	267,304	1.05	[REDACTED]	[REDACTED]	[REDACTED]
Miracle Plus	247,890	0.97	[REDACTED]	[REDACTED]	[REDACTED]
Jinko Solar entities					
Shangrao Tanhe	131,727	0.52	[REDACTED]	[REDACTED]	[REDACTED]
Shangrao Changxin	98,795	0.39	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	230,522	0.90	[REDACTED]	[REDACTED]	[REDACTED]
Guokai Technology	229,604	0.90	[REDACTED]	[REDACTED]	[REDACTED]
Chengdu Hi-Tech	229,604	0.90	[REDACTED]	[REDACTED]	[REDACTED]
Chongye Rongtai	229,604	0.90	[REDACTED]	[REDACTED]	[REDACTED]
Beihai Juzhitou	198,696	0.78	[REDACTED]	[REDACTED]	[REDACTED]
Taixing Yizhuang	198,696	0.78	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Xingxin	198,696	0.78	[REDACTED]	[REDACTED]	[REDACTED]
Shuimu entities					
Shuimu Huaqing	123,940	0.49	[REDACTED]	[REDACTED]	[REDACTED]
Muhua Shuiqing	45,921	0.18	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	169,861	0.67	[REDACTED]	[REDACTED]	[REDACTED]
Unicom Cybersecurity	164,659	0.65	[REDACTED]	[REDACTED]	[REDACTED]
Zhongguancun Science City	164,659	0.65	[REDACTED]	[REDACTED]	[REDACTED]
Beigong Kecuang	164,659	0.65	[REDACTED]	[REDACTED]	[REDACTED]
Beijing iSoftStone	164,659	0.65	[REDACTED]	[REDACTED]	[REDACTED]
SenseTime Entities					
Zhejiang SenseTime	82,329	0.32	[REDACTED]	[REDACTED]	[REDACTED]
Guoxiang Shangheng	82,329	0.32	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	164,658	0.65	[REDACTED]	[REDACTED]	[REDACTED]
Lexy	148,193	0.58	[REDACTED]	[REDACTED]	[REDACTED]
Hunan Wondershare	137,762	0.54	[REDACTED]	[REDACTED]	[REDACTED]
Minyin Kechuang	137,762	0.54	[REDACTED]	[REDACTED]	[REDACTED]
Shandong Fuhong	137,762	0.54	[REDACTED]	[REDACTED]	[REDACTED]
Wuxi Weiding	137,762	0.54	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Daohe	137,762	0.54	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Mairui	131,727	0.52	[REDACTED]	[REDACTED]	[REDACTED]
Xinglian Dingsen	123,940	0.49	[REDACTED]	[REDACTED]	[REDACTED]
Nanjing Lianchuang	118,279	0.46	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Qihoo	104,730	0.41	[REDACTED]	[REDACTED]	[REDACTED]
Guangzhou Biren	98,795	0.39	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Qinglan	98,795	0.39	[REDACTED]	[REDACTED]	[REDACTED]
Baosheng Zhishu	98,795	0.39	[REDACTED]	[REDACTED]	[REDACTED]
Hangzhou Zhihui	98,795	0.39	[REDACTED]	[REDACTED]	[REDACTED]
Jinding Capital entities					
Wuxi Jinjie	49,398	0.19	[REDACTED]	[REDACTED]	[REDACTED]
Gongqingcheng Yuqiu	32,932	0.13	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	82,330	0.32	[REDACTED]	[REDACTED]	[REDACTED]
Baosheng Zhisuan	65,864	0.26	[REDACTED]	[REDACTED]	[REDACTED]
Mingrun Zhida	65,864	0.26	[REDACTED]	[REDACTED]	[REDACTED]
Sub-total	**25,489,202**	**100.00**	[REDACTED]	[REDACTED]	[REDACTED]
[**REDACTED**] participating in the [**REDACTED**]	–	–	[REDACTED]	–	[REDACTED]
Total	**25,489,202**	**100.00**	[REDACTED]	[REDACTED]	**100.00**

CORPORATE AND SHAREHOLDING STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

The chart below sets out our Group's corporate and shareholding structure immediately before completion of the [**REDACTED**].



Notes:

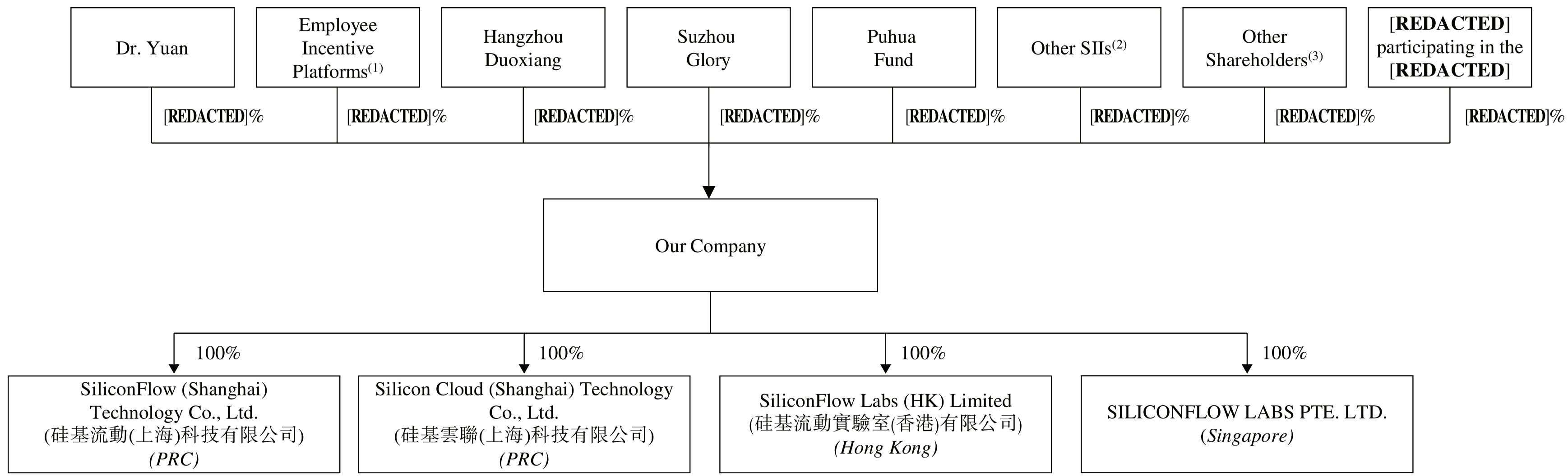
(1) Employee Incentive Platforms include Silicon Future, Silicon Innovation, Silicon Exploration, and Silicon Excellence.

(2) Other SIIs include Jiyuan Zheyuan, Shanghai Kehui, Linggang Guotai, Bailian Guotai, Kingdee, Tianjin Sankuai, Huakong Frontier Fund, Shangrao Tanhe, Shangrao Changxin, Beihai Juzhitou, Shenzhen Xingxin, Beijing iSoftStone, Unicom Cybersecurity, Zhongguancun Science City, Hunan Wondershare, Beijing Qihoo, Guangzhou Biren, Guoxiang Shangheng and Zhejiang SenseTime. For further details of the Other SIIs, see "— Pre-[**REDACTED**] Investments — 5. Information about our Pre-[**REDACTED**] Investors — Other SIIs" in this section.

(3) For the identities and shareholding information of the other Shareholders, see "— Capitalization of Our Company" in this section.

CORPORATE AND SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The chart below sets out our Group's corporate and shareholding structure immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).



Notes (1) to (3): See notes 1 to 3 to the chart in "— Corporate and Shareholding Structure Immediately before Completion of the [**REDACTED**]" above.

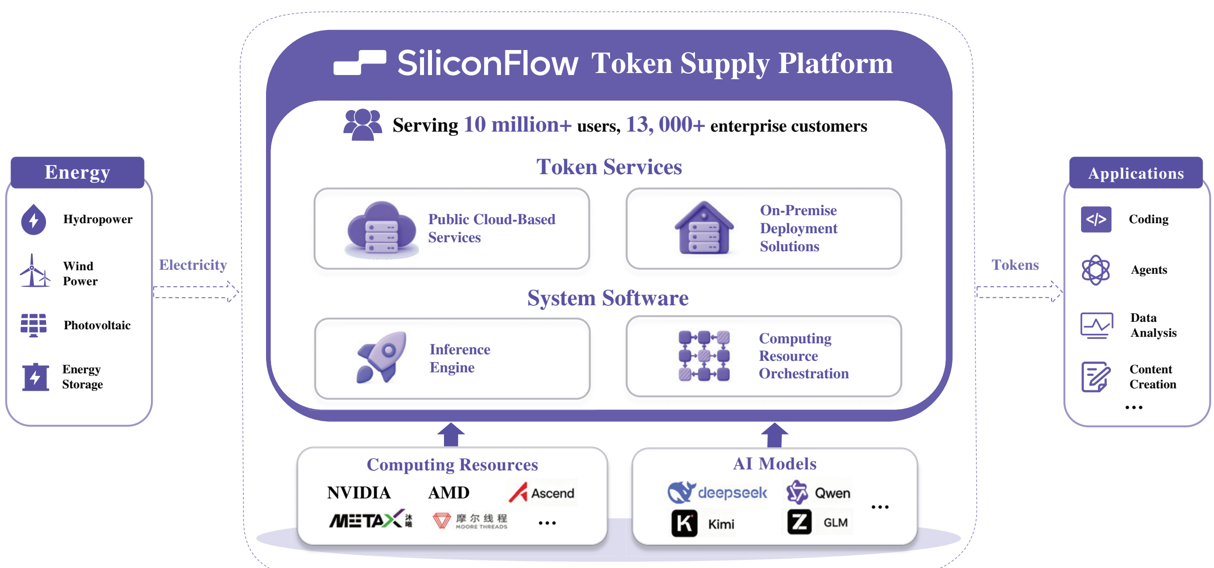
OVERVIEW

Who We Are

We are a leading open, independent token supply platform in China, operating at the forefront of an era defined by the rapid deployment and application of AI models across enterprises. As AI models become increasingly integrated into everyday workflows, the demand for tokens is growing exponentially, while the need for high-quality token supply, characterized by accuracy, generation speed, cost efficiency, stability and security, is becoming increasingly critical. By connecting computing resources and AI models with system software capabilities, our token supply platform offers one-stop AI infrastructure services, enabling high-quality token delivery at scale.

In China, we are the largest independent ecosystem token supplier and one of the top five players among all token suppliers, as measured by annual token throughput in 2025, according to Frost & Sullivan. Powered by our proprietary inference engine and computing resource orchestration system, we effectively aggregate, optimize, and orchestrate heterogeneous computing resources across diverse hardware architectures from different vendors, thereby converting underlying computing power into standardized, reliable and scalable token supply. This enables seamless access to and deployment of AI capabilities across a broad range of state-of-the-art models with industry-leading performance-to-cost efficiency. To capture diversified commercial demands, we deliver our core capabilities primarily through public cloud-based services and on-premise deployment solutions, serving customers across a wide range of sectors.

The diagram below illustrates our platform in the AI value chain:



As of April 30, 2026, our platform had over 10 million registered users. We recorded average daily token throughput of approximately 578.5 billion and peak daily token throughput of approximately 1,071.4 billion in April 2026. As of the Latest Practicable Date, we had served over 13,000 enterprise customers, and our platform had supported a cumulative total of over 170 models. The following chart highlights some of our key achievements to date:

Leading Industry Position[1]	**No. 1 in China** Largest independent ecosystem token supplier and one of top five players among all token suppliers in China[2]	**High Adoption** Global leader in: • token throughput • registered users • monthly active users	**Global Leadership** Globally leading in overseas platform downloads and token throughput on authoritative platforms
Top-tier Technical Capabilities[1]	**Pioneer** Among the few companies globally to have launched and commercially deployed proprietary inference engine at scale	**No. 1 Globally** No. 1 in cross-chip and multi-model adaptation capabilities globally[3]	**Industry Leader** Industry-leading capability to orchestrate computing resources at scale
Commercialization Capabilities	**Sevenfold** Our revenue increased more than sevenfold from 2024 to 2025	**Rapid Growth** Average daily token throughput: • Dec. 2024: 47.8 billion • Dec. 2025: 163.1 billion • Apr. 2026: 578.5 billion	**Strong Coverage** Strong coverage across key industry players (e.g., AI, internet, energy, finance and telecommunications)

Notes:

(1) According to Frost & Sullivan

(2) As measured by annual token throughput in 2025

(3) Measured by the number of supported chips and models

Our Value Propositions

The AI technology stack is centered around three core pillars: computing resources, AI models and system software. Computing resources provide the processing power required for AI training and inference; models define the capabilities and intelligence of AI systems, and system software connects computing resources with models and enables AI capabilities to be deployed in real-world applications. As a critical system software pillar within the AI technology stack, we bridge computing resources and models with AI applications, offering a compelling set of value propositions to participants across the AI industry value chain.

For customers. We provide customers across a broad range of industries with one-stop access to diverse AI models and infrastructure capabilities, enabling more efficient and cost-effective deployment of AI applications.

- *Simplified deployment*. Our unified and standardized APIs enable customers to rapidly access AI capabilities through a single interface, significantly reducing integration complexity, shortening deployment cycles and lowering technical barriers to adoption.

- *Enhanced performance*. Our proprietary inference engine is designed to improve token throughput, reduce latency and enhance operational stability across different computing environments.

- *Optimized cost efficiency.* Leveraging our cross-chip and multi-model adaptability, we can flexibly match computing resources and models based on customers' specific performance, latency and cost requirements. This enables customers to reduce unit token costs while maintaining service quality.

- *Flexibility and scalability.* Our elastic scaling architecture and diversified deployment options allow customers to tailor computing capacity, AI model selection and deployment architecture based on application needs. This supports the full lifecycle of AI adoption, from research and testing to enterprise-grade production deployment.

For ecosystem partners. Our open and independent positioning creates a collaborative environment that aligns incentives and strengthens interoperability across the AI value chain. Through our full-stack software capability – comprising cross-chip and multi-model adaptation, inference engine optimization, heterogeneous computing resource orchestration and standardized token delivery capabilities – we help:

- *chip designers* accelerate the commercialization of AI chips by enabling efficient, scalable and production-ready inference across real-world workloads.

- *computing resource providers* convert fragmented computing resources into commercially deliverable token production capabilities.

- *model developers* achieve scalable and reliable AI inference across diverse computing environments.

- *toolchain and application creators* accelerate product deployment and commercialization.

Our compelling customer value proposition has driven significant expansion of our customer base. As we serve a broader range of customers and use cases, diverse customer requirements support targeted technical optimization, while expanding application scenarios accelerate technology iteration and create additional opportunities for new customer acquisition. As an open and independent platform, we continue to enhance the versatility of our technology by broadening compatibility across a wider range of computing resources and models. By leveraging our accumulated technology capabilities and implementation experience, we are able to reduce adaptation costs and accelerate deployment when entering new computing and model environments. This, in turn, further strengthens our core value proposition and reinforces our influence within the industry ecosystem.

Our Core Technology Foundation

We continuously invest in the development of our proprietary inference engine and computing resource orchestration system, both purpose-built for AI inference workloads.

Full-stack inference engine. Our inference engine serves as the critical system software operating directly on top of chips. Through technologies such as Expert Parallelism (EP), Prefill-Decode (PD) separation, KV cache optimization, pipeline parallelism, operator optimization, runtime optimization and scheduling optimization, our inference engine transforms underlying computing resources into high-throughput, low-latency and cost-efficient tokens.

Computing resource orchestration system. Our computing resource orchestration system is designed for AI inference scenarios characterized by heterogeneous computing environments, high-memory requirements, low-latency inference and bursty high-concurrency demand. Evolving beyond traditional cloud capabilities, our system integrates computing, storage, networking, scheduling, security and observability into a unified framework focused on inference instance scheduling, deployment, scaling, monitoring and operations. Together, our inference engine and computing resource orchestration system form an integrated technology stack supporting large-scale token production.

Leveraging our engineering capabilities across computing resources, AI models and system software, we are able to replicate inference optimization best practices across different models, chip architectures, computing resource providers and customer environments, while rapidly adapting to technology iterations.

Our Products and Services

We have established a comprehensive software and service product matrix spanning both public cloud and private deployment environments. Through standardized and highly compatible unified APIs and full-stack software capabilities, we provide customers with stable, low-latency and cost-efficient production-grade tokens and full-lifecycle technical support.

Public Cloud-Based Services. Our public cloud-based services are designed to deliver standardized, high-quality tokens at scale, providing customers with unified and flexible access to cumulatively more than 170 AI models through a single, standard interface, covering a broad range of AI application scenarios including coding, agents and multimodal applications. We launched our serverless token services in May 2024, marking the transition to large-scale commercialization of our public cloud-based services. The platform supports two complementary service offerings — serverless token services on a shared-resource basis and dedicated instances providing reserved computing capacity.

- *Serverless Token Services*: We provide token services on a shared-resource basis and charge based on usage volume measured by tokens consumed. These services primarily target developers, small- and medium-sized enterprises and other customers seeking flexible and cost-effective access to AI capabilities. We generally adopt a prepaid model for customers, where credits are purchased in advance and deducted based on token usage, and a postpaid model with monthly settlement for certain recurring enterprise customers.

- *Dedicated Instances*: We offer reserved or dedicated computing capacity on public cloud infrastructure, under which computing resources are reserved for specific customers. These services are designed for customers with higher requirements for performance or stability, including enterprise users running latency-sensitive, high-throughput AI workloads. Pricing is based on reserved computing capacity, taking into account underlying infrastructure costs, including computing resources and associated operational expenses.

On-Premise Deployment Solutions. We deploy our inference engine and computing resource orchestration system within the customer's own data center or private computing environment. This enables customers to use tokens across a wide range of models on their own computing resources. On-premise deployment solutions are primarily targeted at large enterprise customers and institutional clients. We generally offer such solutions through subscription-based or perpetual buyout, with fees structured as a combination of a software licensing fee (on a subscription or one-time basis), a professional implementation fee and, where applicable, a maintenance fee, each determined based on factors such as deployment scale, system configuration and customer requirements. Our on-premise deployment solutions are based on a standardized, modular platform architecture, with only limited customization required to accommodate customers' specific deployment environments or operational requirements.

Our public cloud-based services and on-premise deployment solutions form an integrated commercial system that addresses diverse customer needs. The public cloud platform enables us to serve a broad customer base, facilitate testing and validation across diverse application scenarios, and support customers' proof-of-concept and initial deployment requirements. As customers scale their usage or require greater control over performance, stability, physical location of data, network boundaries, and supply chain assurance, they may opt for dedicated instances or on-premise deployment solutions, thereby deepening engagement and expanding revenue opportunities.

Our Commercialization and Financial Performance

Leveraging our open and independent positioning, full-stack inference optimization technologies and diversified product matrix, we have achieved rapid commercial scale-up. Following our inception in August 2023, our revenue grew significantly, surging more than sevenfold from RMB7.3 million in 2024 to RMB55.3 million in 2025.

We have established relationships with leading customers across key sectors including AI, internet, energy, finance and telecommunications, as well as ecosystem partners, such as chip designers and model developers. In the public cloud market, we have become a widely recognized AI infrastructure platform within the developer community, with token throughput ranking among the leading platforms globally. In the private cloud market, we have established deep integration with China's domestic computing ecosystem through large-scale deployments across leading domestic chip platforms, including Ascend, MetaX and Moore Threads. We became industry's first to launch DeepSeek-R1 and V3 token services based on domestic chips in February 2025, completed globally the first commercial deployment of Kimi-K2 token services on MetaX C550 chips in July 2025, and achieved state-of-the-art performance on DeepSeek-V3 using Moore Threads chips. These deployments demonstrate our ability to transform domestic AI chips from theoretical computing capabilities into commercially deployable token production capacity capable of supporting real-world AI applications at scale.

We believe our ability to combine technological innovation, large-scale engineering deployment and ecosystem collaboration positions us strongly to capture the growing demand for tokens and sustain our long-term growth trajectory.

OUR STRENGTHS

Open, Independent Platform Serving as a Critical Infrastructure Layer in the AI Value Chain

We are an open, independent token supply platform, providing token supply based on diverse combinations of computing resources and models with different performance-to-cost profiles. Serving a broad range of AI application developers and enterprise customers, we facilitate the scalable deployment and commercialization of AI applications and contribute to the advancement of global intelligence transformation. As of the Latest Practicable Date, we had supported a cumulative total of over 170 models, ranking among the leading independent ecosystem token supply platforms globally in terms of model coverage. Our open and independent ecosystem positioning has strengthened our global partnership network, reinforced our structural competitive advantages and established us as a critical infrastructure layer in the global AI value chain.

We believe our open positioning creates long-term strategic value within the rapidly evolving AI industry. Driven by rapid growth in AI demand, the AI value chain has attracted a broad range of participants across computing resources, models, and system software, resulting in accelerating model iteration, increasingly diversified model architectures, continuous chip innovation and multi-layered software ecosystems. As a result, interoperability and efficient coordination across chips, models and system software have become increasingly important to large-scale AI deployment. Through our open platform architecture, we effectively integrate diverse models and heterogeneous computing resources and transform them into standardized and scalable token supply services, thereby enabling broader collaboration across the AI value chain.

We are committed to maintaining an independent platform that connects the model layer and the computing layer without being tied to any single supplier. For developers, our platform provides one-stop access to diversified model capabilities and flexible deployment options. For enterprise customers, our neutral positioning enhances operational flexibility and strategic independence while enabling us to provide enterprise-grade service level guarantees. We believe our independent token supply services enable customers to achieve more flexible, efficient and reliable token services across a wide range of use cases.

Our commercialization results validate this open and independent platform strategy. The number of our customers increased from more than 2,400 in 2024 to more than 716,000 in 2025, driven by a diversified customer base spanning energy, telecommunications operators, large enterprises, and financial institutions. We believe such broad adoption demonstrates both the scalability and commercial relevance of our platform.

Full-Stack Inference Engine With Cross-Chip, Multi-Model Adaptation Capabilities

Our proprietary inference engine is purpose-built for high-performance AI model inference. It loads pre-trained model weights and computational graphs onto underlying computing hardware, processes user prompts and efficiently generates responses through a series of system-level optimization technologies. The inference engine serves as the core execution layer that transforms computing resources into usable AI capabilities. By providing unified interfaces for model loading, execution and scheduling, our inference engine abstracts the underlying architectural differences among GPUs, NPUs and ASICs, enabling the same model service to operate efficiently across different computing platforms.

Our inference engine supports a broad range of advanced inference technologies and enables the efficient deployment of mainstream AI models, including DeepSeek, GLM, Kimi and Qwen. It is designed to maximize computing resource utilization, reduce per-token costs and deliver stable, low-latency inference performance under high-concurrency AI workloads through sophisticated request scheduling and resource management. Our inference engine also supports rapid adaptation to evolving model architectures, including dense models, sparse mixture-of-experts models and multimodal models. Supported by our streamlined model adaptation and deployment workflow covering model weight acquisition, framework adaptation, performance validation, accuracy verification and production rollout, we are able to rapidly support newly released mainstream models and maintain broad compatibility across a diverse model portfolio.

Heterogeneous Compatibility Supporting Diverse AI Chips

We are among the few token suppliers capable of supporting both leading international chips, such as those from NVIDIA and AMD, as well as major domestic AI chips, including Ascend, MetaX, Moore Threads, Hygon and T-Head, in large-scale production environments. Leveraging our deep full-stack engineering capabilities, we transform heterogeneous computing resources into standardized, scalable tokens with flexible capacity allocation.

We have contributed to the advancement of domestic AI chips from theoretical compatibility to production-grade inference deployment, transforming domestic computing resources into commercially viable and cost-efficient token supply. For example, we collaborated with Huawei Cloud to jointly develop and optimize an inference solution for the CloudMatrix supernode cluster, achieving single-chip decode throughput exceeding 1,920 tokens/s on DeepSeek-R1. We also completed the world's first commercial service deployment of the Kimi-K2 on a cluster built on MetaX C550 chips. In addition, we achieved single-chip prefill throughput exceeding 4,000 tokens/s and decode throughput exceeding 1,000 tokens/s on the MTT S5000 chips developed by Moore Threads on DeepSeek-V3. We also continue to expand our collaboration with other domestic AI chip vendors. In particular, enabling AI model inference on domestic chips requires substantial system-level software reconstruction across the AI technology stack. We have overcome a series of complex technical challenges, including ecosystem compatibility challenges arising from tightly coupled codebases, missing operators and architectural differences; memory challenges relating to memory capacity and bandwidth bottlenecks; communication challenges caused by the lack of high-speed interconnect infrastructure and insufficient communication library optimization; and precision challenges resulting from limited low-precision computing support. Through these optimizations, we have enabled industry-leading AI model inference on domestic chips to operate reliably, efficiently and accurately at scale.

As global demand for low-cost, cross-chip and multi-model token services continues to grow, we believe the full-stack optimization and heterogeneous adaptation capabilities that we have developed in China's highly fragmented computing environment position us strongly to serve global AI demand.

Flexible Computing Resource Orchestration and Maximized Token Production Efficiency

We have established core competitive strengths in computing resource orchestration and token production efficiency optimization across the technology, commercial and operational dimensions of our business.

Technology. We have developed a production-grade computing resource orchestration system purpose-built for AI inference workloads. Building upon the virtualization, scheduling and delivery capabilities of traditional cloud infrastructure, we have further optimized our infrastructure stack for the unique characteristics of AI inference workloads, including heterogeneous computing resources, large-scale models, low-latency inference and burst concurrency demands. We have systematically addressed a broad range of engineering challenges relating to computing, networking, storage, scheduling, security and observability. Specifically, our secure container architecture replaces the conventional shared-kernel container model with a virtual machine-level runtime environment, enabling near hardware-level isolation and enhancing tenant data privacy and operational security. Our distributed model distribution and caching system pools storage and bandwidth resources across cluster nodes, enabling efficient storage and rapid distribution of large-scale model weights. In addition, our AI model API gateway aggregates multiple inference clusters into a unified service endpoint capable of dynamically routing requests across heterogeneous computing resources, monitoring backend system conditions in real time and performing automatic failover, thereby ensuring high service continuity.

Built on top of this infrastructure foundation, our proprietary inference engine reduces inference latency by up to 70% and improves throughput by three to five times, while our dynamic quantization technology reduces inference computation requirements by 60% to 80%, maximizing token production efficiency per chip. Our overall infrastructure architecture delivers a 99.95% SLA and supports automatic failover, circuit breaker and request-throttling capabilities, enabling stable operation of production-grade, high-concurrency AI applications.

Commercial. We have developed diversified business models.

- For developers and enterprise customers, we have supported a cumulative total of over 170 models and industry standard protocols, enabling us to rapidly attract customers through competitive pricing and broad ecosystem coverage.

- For enterprises and institutions with self-built computing clusters, we provide solutions that improve inference efficiency while enabling customers to monetize surplus computing capacity through external token services.

- In addition, we adopted a joint operations model, under which we collaborate with regional intelligent computing centers by providing our technology platform and brand support, while partners participate in revenue sharing based on actual token service volume, significantly lowering their technology investment and operational barriers.

Growing customer usage attracts additional model providers and computing resource partners to our platform, while broader model coverage and computing resource availability further enhance customer adoption and platform activity.

Operational. We have established operational capabilities spanning the full lifecycle from computing resources to scalable token supply. On the demand side, leveraging our broad model ecosystem and industry-focused solutions, we serve customers across sectors including AI, internet, energy, finance, and telecommunications, helping improve computing resource utilization and generate stable demand for our computing resource partners. On the supply side, through visualized management tools and more than 30 ready-to-use deployment templates, we reduce computing resource integration time to under three minutes without requiring manual configuration, significantly lowering onboarding complexity for computing resource providers. By connecting fragmented computing resources with diversified token demand through our platform, we continuously improve resource utilization efficiency and strengthen coordination across the AI ecosystem.

Strong Customer Acquisition and Retention Driven by Product Capabilities and Diverse Application Scenarios

As an early participant in the token supply market, we established broad influence within the AI community before global demand for token consumption accelerated at scale. Leveraging our first-mover advantages and broad model adaptation capabilities, we have attracted and retained a large base of sophisticated developers, emerging AI-native companies and enterprise customers. Through continuous platform usage and integration, we have developed strong customer stickiness and accumulated significant market recognition.

Our platform is designed to maximize the value of different combinations of chips and models, enabling customers to select the most cost-efficient token service for specific application scenarios based on their requirements for performance, latency, quality and pricing. By orchestrating heterogeneous computing resources and supporting a broad range of models, we are able to provide customers with optimized token supply across diverse AI application scenarios, including coding, AI agent, multimodal generation and enterprise AI applications. Different workloads require different trade-offs between token generation speed, model capability and cost efficiency, and our platform enables customers to dynamically select the most suitable solution for their production needs.

We provide customers with comprehensive solutions spanning the full deployment spectrum, including serverless token services, dedicated instances and on-premise deployment solutions designed for customers with stringent compliance, security and performance requirements. Our public cloud services drive developer ecosystem growth and platform-scale effects by providing convenient access to a broad range of models without requiring customers to manage complex AI infrastructure. Customers may choose among serverless, dedicated or on-premise deployment service modes based on their operational requirements and cost considerations, while also benefiting from flexible deployment options and low-latency token services. At the same time, our on-premise deployment solutions provide enterprise customers with greater data isolation, operational control and customized performance optimization capabilities, contributing higher-margin revenue streams and stronger enterprise customer retention. This diversified product portfolio enhances customer conversion across different stages of AI adoption and allows us to maintain strong and resilient customer retention as customers scale from proof-of-concept projects to large-scale production deployments.

In addition, feedback and operational insights generated from our high-quality customer base continuously improve our understanding of customer needs and application scenarios, enabling us to optimize our platform capabilities, model selection and resource orchestration strategies. We believe this creates a strong flywheel effect that enhances customer stickiness, service quality and ecosystem competitiveness over time.

A Strong Engineering Culture Rooted in Technical Excellence

Our deep technical expertise and engineering-driven culture form the foundation of our competitive strengths. Our founder, Dr. Yuan Jinhui, is a seasoned AI entrepreneur with multiple successful ventures in the AI sector. From our inception, we identified token supply as a critical opportunity in the AI value chain based on our conviction that scalable, efficient and high performance-to-cost inference would become a key bottleneck as AI models unlock diverse application scenarios and token demand continues to grow rapidly.

We have assembled a highly specialized engineering team with expertise spanning distributed systems, inference engines and cloud-native infrastructure. Our core capability lies in efficiently adapting rapidly evolving model architectures across heterogeneous computing resources and optimizing system-level performance across latency, throughput and cost efficiency. This end-to-end engineering capability enables us to complete inference engine adaptation and performance optimization for domestic chips within approximately three months, significantly faster than traditional cloud vendors according to Frost & Sullivan. Our proprietary inference engine, dynamic quantization algorithms and distributed caching systems were developed through engineer-led innovation and rapidly deployed into production environments, demonstrating our strong engineering execution capabilities. We maintain a flat and engineering-centric organizational structure in which major technical decisions are driven by teams with frontline engineering experience and validated through rigorous technical evaluation and data-driven analysis.

Our management team combines deep engineering expertise from leading global cloud computing and AI companies with strong strategic execution capabilities. We identified production-grade inference infrastructure as a strategic focus at an early stage. Through continuous technological investment and long-term engineering accumulation, we have established differentiated capabilities and deep engineering know-how across heterogeneous computing adaptation, inference optimization and large-scale resource orchestration. We believe the cumulative and compounding nature of these capabilities has created durable long-term competitive advantages in the AI model inference infrastructure market.

OUR STRATEGIES

To strengthen our competitive positioning and support our long-term growth in the AI era, we intend to pursue the following key strategies:

Enhance Token Production Efficiency and Broaden Token Application Use Cases Through Sustained Investment in Research and Development

As AI models continue to evolve rapidly and AI infrastructure continues to upgrade, we believe customers' growing demand for high-quality tokens will remain a key driver of our rapid business growth. We plan to continue investing in the research and development of our core technology foundation to further enhance efficiency across a broad range of heterogeneous chips. At the same time, we seek to deepen collaboration across the AI ecosystem and continuously expand token application scenarios for developers and enterprise customers globally. In particular, we intend to:

- *Enhance our model adaptation capabilities*. We plan to continue investing in our ability to adapt to and integrate into newly released AI models and further broaden the range of models supported by our platform. We also maintain close communication and business cooperation with model providers in order to remain aligned with emerging AI technology trends and developments;

- *Strengthen compatibility with heterogeneous chips*. We plan to continue expanding and optimizing support for a wide range of domestic and international chips and transform heterogeneous computing resources into high-performance, standardized token services with flexible resource scheduling capabilities. We also intend to further strengthen optimization capabilities for domestic chips in response to the constrained supply environment of AI computing resources;

- *Continue to improve our computing resource orchestration system*. We plan to continue investing in the research and development of our computing resource orchestration system to further enhance its scalability, reliability and security while strengthening its capabilities across computing, storage, networking, scheduling and infrastructure management. As AI inference workloads continue to evolve, we seek to further optimize our cloud software for heterogeneous computing environments and increasingly complex enterprise AI deployment scenarios;

- *Advance next-generation inference technologies*. We plan to advance a suite of next-generation inference technologies, including (i) a decentralized, dataflow-based inference architecture that replaces conventional layer-centric coordination with lightweight, on-chip processing units operating over high-speed interconnects for low-latency, high-throughput and fault-tolerant inference, and (ii) a large-scale context memory system that aggregates cluster-wide memory and storage into a scalable, fault-tolerant memory pool, enabling efficient storage and retrieval of near-infinite context for next-generation AI applications;

- *Improve token production efficiency across both the application and infrastructure layers*. At the application layer, as AI agents become a major driver of token consumption and enterprise intelligence transformation, we plan to build efficient AI agent middleware frameworks to support the development of innovative AI-native applications with lower token consumption; and

- *Continue building an open token ecosystem*. We will strengthen our position as an open and independent platform with full-stack technological capabilities and seek to promote broader adoption of our model inference and resource orchestration technologies across the AI ecosystem. In the public cloud domain, we seek to more efficiently orchestrate heterogeneous computing resources and continuously expand the scale of computing resources accessible through our platform. In the private cloud domain, we aim to provide one-stop solutions that help more enterprises unlock the value of their internal data and computing infrastructure and establish enterprise-level "token factories."

Expand Our Coverage of Key Customers and Enhance Our Market Presence

We intend to continue expanding our customer coverage, particularly among customers with significant token consumption potential. Leveraging our core technological capabilities, we also seek to deepen our penetration among customers that (i) require flexible access to multiple AI models, (ii) have substantial demand for domestic AI computing infrastructure and place significant emphasis on AI and data security, and (iii) possess heterogeneous computing infrastructure and seek to improve computing resource orchestration efficiency and utilization of existing computing assets.

We plan to continue strengthening our brand recognition and market presence. In particular, we intend to continuously enhance our product functionalities, expand our product offerings and strengthen our service capabilities in order to further improve market recognition and brand influence. We also intend to publish technical white papers, case studies, benchmarking reports and industry solutions to demonstrate our technological capabilities and service strengths and further enhance our professional reputation and market credibility. In addition, we plan to participate in AI infrastructure industry conferences, forums and technical events through keynote presentations, product demonstrations, joint solution launches and customer case sharing, thereby increasing brand visibility and improving customer acquisition and conversion efficiency.

We further intend to continue enhancing our integrated online and offline sales and marketing capabilities. In particular, we plan to expand our channel sales model through customer acquisition initiatives via our official website and developer platforms, online marketing activities, technical community development and content marketing. We also intend to strengthen our direct sales capabilities targeting key industries and large enterprise customers by expanding our sales and solution teams with experience in AI infrastructure, cloud computing, enterprise software and industry solutions.

Strengthen Computing Resource Supply Capabilities and Supply Chain Resilience

As AI applications continue to expand, we believe the supply of AI computing resources is likely to remain constrained in the near to medium term. We therefore intend to continue strengthening our computing resource supply capabilities and supply chain management in order to enhance the stability of our business operations and mitigate the impact of fluctuations in computing resource pricing. In particular, we plan to improve the stability and flexibility of our access to computing resources, expanding compatibility with a broader range of AI computing chip models and specifications, and continuously strengthening adaptation capabilities for domestic AI chips. Through these initiatives, we seek to further diversify and expand our computing resource supply and enhance the resilience of our supply chain.

We also intend to further deepen our strategic cooperation with key computing resource suppliers and explore additional cooperation models, including joint computing operations and computing resource management arrangements, in order to improve resource acquisition efficiency, utilization efficiency and overall operational coordination. We believe these initiatives will further strengthen our computing resource supply capabilities, support our continued business growth and long-term development, and enhance our position within the broader AI infrastructure ecosystem.

Advance Our Global Expansion Strategy by Leveraging Overseas Ecosystems and Our Technological Advantages

We intend to continue expanding into overseas markets and leverage the full-stack technological capabilities and product strengths we have developed in China to enhance our competitiveness globally. We believe overseas markets present attractive opportunities for token services due to abundant advanced computing resources, mature AI application ecosystems and increasing international adoption of domestic AI models driven by their performance-to-cost advantages. We plan to advance our international expansion strategy in a phased manner, with product capabilities serving as the primary driver of overseas growth. In particular, we intend to:

- Expand our overseas customer base through our token production efficiency, broad model support capabilities and integrated product offerings, together with overseas online platforms and digital marketing channels.
- Strengthen localized ecosystem partnerships by collaborating with local ecosystem partners to better serve customers requiring localized support.
- Progressively establish localized sales and operational teams in selected overseas markets in order to enhance customer service capabilities, market responsiveness and local delivery capabilities.

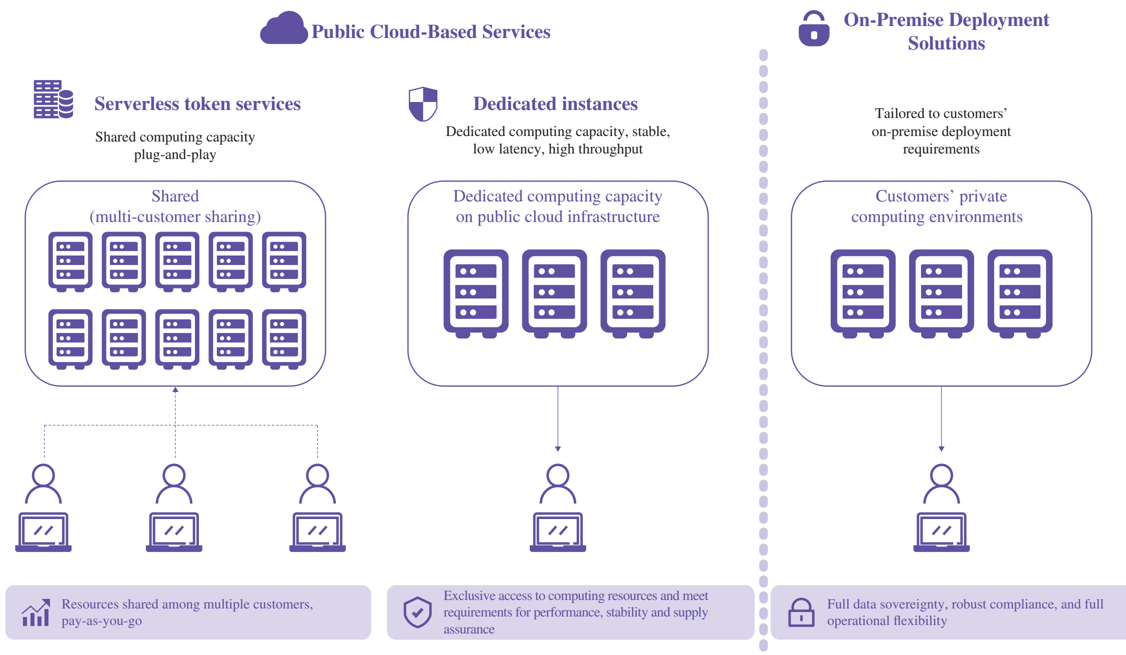
Cultivate a Globally Competitive Talent and Management Platform

We intend to continue strengthening our talent and management capabilities in key areas such as model inference and AI-native cloud infrastructure. In particular, we plan to attract experienced industry professionals, interdisciplinary talent and internationally oriented commercialization personnel across technology, management, marketing and other functions in order to support our continued technological innovation and business expansion. We highly value employees' technological expertise, industry insights, practical experience and ability to adapt to emerging AI technologies, and seek to build a high-caliber team capable of supporting our long-term development in the AI-native era. We also intend to continue fostering a fair, open and innovation-oriented organizational environment and corporate culture that provides employees with opportunities for growth and development. We believe these efforts will help us attract, develop and retain talent aligned with our business needs and support our continuing technology innovation, product optimization and business growth.

OUR PRODUCTS AND SERVICES

Our business primarily comprises two complementary product and service lines designed to address a wide range of customer deployment and usage needs: public cloud-based services and on-premise deployment solutions. Our public cloud-based services include (i) serverless token services, through which customers access and utilize a wide selection of AI models on a usage basis, and (ii) dedicated instances, under which we offer reserved computing capacity on public cloud infrastructure for customers requiring enhanced performance, stability, and customization. Under on-premise deployment solutions, we primarily provide system software that enables customers to deploy and operate our platform within their own infrastructure environments.

Our public cloud-based services and on-premise deployment solutions form an integrated commercial system that addresses diverse and evolving customer needs. The public cloud platform enables us to serve a broad customer base, support proof-of-concept and initial deployment use cases, and facilitate validation across diverse application scenarios. As customers grow their usage or require greater control over performance, stability, physical location of data, network boundaries, and supply chain assurance, they may opt for dedicated instances or on-premise solutions — deepening engagement and expanding revenue opportunities across the customer lifecycle.



The following table sets forth our revenue by business line for the periods indicated:

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Public cloud-based services	–	–	1,069	14.6	29,261	52.9
On-premise deployment solutions	6	100.0	6,277	85.4	26,069	47.1
Total	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**

Public Cloud-Based Services

Our public cloud-based services are designed to deliver standardized, high-quality tokens at scale through a single standard interface supporting a cumulative total of over 170 models. The services support a broad range of application scenarios — including coding, agents and multimodal applications — providing customers with unified, flexible access to AI capabilities. We launched our serverless token services in May 2024, marking the commencement of large-scale commercialization. The platform supports two complementary service offerings: serverless token services on a shared resource basis and dedicated instances providing reserved computing capacity, which together address the full spectrum of customer requirements, from individual developers and startups seeking cost-efficient, on-demand access, to large enterprises requiring dedicated performance, consistent stability or supply assurance.

Serverless Token Services

We provide token services on a shared-resource basis, charging fees according to token consumption. Under this model, multiple customers simultaneously utilize the same shared pool of underlying computing resources.

Customers may access our serverless token services through either (i) direct API integration, where they integrate directly with our API to access models on our platform; or (ii) Bring Your Own Key (BYOK), where customers generate an API key on our platform and use it within compatible third-party tools and applications, allowing them to retain their existing tools and workflows while selecting our platform as their token provider. As of the Latest Practicable Date, users can access models through most independent applications and development tools, including Claude Code, Hermes Agent and OpenClaw; in addition, nearly 100 of the widely used applications have pre-selected our platform as their built-in model service provider, such as LangChain, TRAE, Dify and Cherry Studio, enabling users to access our services without additional configuration.

Key features of our serverless token services are:

- *Flexible, commitment-free access.* Customers can access and switch between a broad ecosystem of leading models through a single unified interface, with no upfront infrastructure investment or long-term commitment required. Usage scales on demand, enabling customers to adapt model selection to evolving application needs.

- *Streamlined onboarding and rapid time-to-deployment.* Our standardized onboarding process – account registration, credit purchase, API key generation and application integration – is designed to minimize deployment time and enable full operational readiness within minutes.

- *Adaptable to diverse application scenarios.* Our platform supports a wide range of use cases and integration patterns, enabling customers to embed AI capabilities across varied workflows, environments and business contexts without rebuilding infrastructure for each deployment.

- *Cost-efficient, token-based pricing.* Through optimized orchestration and heterogeneous computing support, our platform improves utilization rates and reduces token costs, enabling competitive pay-as-you-go token pricing with no idle-capacity overhead.

- *End-to-end model lifecycle support.* Our platform, with its inference capabilities, supports model selection, integration and deployment, allowing customers to manage the full model customization and scaling lifecycle within a single environment – reducing reliance on disparate third-party tools.

- *Data protection by design.* Our platform is built with enterprise-grade data protection as a baseline, including non-retention of customer data during inference and flexible deployment options that give customers visibility and control over how their data is handled.

- *Bring Your Own Key (BYOK) compatibility*. Our platform supports a BYOK model under which end users of third-party AI tools and applications can configure our API key directly within those tools to access models on our platform, without modifying their existing workflows or switching applications. This allows users to freely select and switch between models available on our platform from within the tools they already use.

Our serverless token services are primarily targeted at customers seeking flexible and cost-effective access to AI capabilities, particularly developers and small- and medium-sized enterprises. Our customer base for serverless token services is highly diversified, encompassing internet companies, model developers, enterprises across a broad range of sectors and individual developers.

We generally adopt either (i) a prepaid model for customers, under which customers purchase credits in advance and usage is deducted based on tokens consumed, or (ii) a postpaid arrangement for certain recurring enterprise customers, under which we offer monthly settlement. Our systems generate itemized billing records specifying the model accessed, the volume of tokens consumed, and the corresponding charges. Input and output tokens are priced separately, and pricing may further vary depending on the model accessed and the length of the context. Pricing is generally determined with reference to prevailing market practices for token services and the pricing strategies of model providers, and we may offer pricing at a discount to such benchmark pricing, taking into account our cost structure and operational efficiencies. For large-volume customers, we may offer negotiated pricing adjustments. The shared-resource pool architecture is well-suited to token-based billing, as the underlying infrastructure costs can be spread across multiple customers, enabling competitive, usage-proportional pricing.

Dedicated Instances

We offer reserved computing capacity on public cloud infrastructure to customers, providing them with exclusive or prioritized specified resources.

Key features of our dedicated instances services are:

- *Exclusive computing resources with no resource sharing*. Dedicated computing resources are reserved for customers and are not shared with any other customers, ensuring complete separation of data and workloads. This allows predictable throughput and stable performance free from resource contention.

- *Template-based self-service configuration*. Customers can configure computing capacity, model selection and deployment architecture through a library of curated best-practice templates, enabling flexible self-service customization without requiring deep infrastructure expertise. Additional templates can be made available to accommodate specific customer requirements.

- *Enterprise SLA and service reliability*. Reserved computing resources enable enhanced availability, system reliability and performance consistency, supporting the requirements of mission-critical enterprise applications.

- *Seamless upgrade path from serverless token services*. Customers may begin with serverless token services for testing and early-stage deployment and transition to dedicated instances as usage scales or performance requirements increase, with no disruption to existing integrations.

Dedicated instances are typically offered to customers with higher requirements for performance, stability or supply assurance, as well as those with large and steady demand for computing resources, including enterprise users running latency-sensitive, high-throughput AI workloads. As of the Latest Practicable Date, our dedicated instances customers included leading technology and internet companies, global pharmaceutical enterprises and top-tier AIGC companies.

Dedicated instance customers may choose either (i) a fixed subscription fee for the reserved period, or (ii) usage-based charges measured in tokens consumed within the exclusive instance, depending on their preference. For prospective dedicated instance customers, we work closely with their technical and procurement teams to analyze their usage patterns–including average daily token volumes, peak throughput requirements, and the variability of their usage profile–to assist them in determining the most cost-effective configuration. Depending on the analysis, we may recommend a fixed dedicated instance, a flexible orchestration with elastic expansion capabilities, or a hybrid model. As a customer's usage grows and their requirements for greater performance and service stability increase, they may transition from our serverless token services to dedicated instances.

On-premise Deployment Solutions

We also provide on-premise deployment solutions, where we deploy our inference engine and computing resource orchestration system within the customer's own data center or private computing environment. Our platform, once deployed within a customer's environment, effectively creates a private-cloud-like AI infrastructure within the customer's data center, enabling staff to access a diverse range of AI models through a centralized, managed interface while ensuring that all data and inference activity remains entirely within the customer's own infrastructure. Our on-premise deployment solutions are built on a standardized, modular platform architecture, with only limited customization required to accommodate customers' specific deployment environments or operational requirements.

Key features of our on-premise deployment solutions are:

- *Customer-owned infrastructure and full data sovereignty*. Computing resources are provided and operated entirely within the customer's own infrastructure. Customers retain complete control over their data, workloads and hardware, making this solution particularly suited to regulated industries and use cases involving sensitive or confidential information. At the same time, customers benefit from the full capabilities of our token supply platform without the need to independently build or maintain the underlying software stack, combining the data control of a private deployment with the convenience of a managed service.

- *Heterogeneous computing support, with domestic chip compatibility*. Our platform supports a broad range of hardware architectures, with particular emphasis on domestic chip ecosystems. This enables customers to leverage their existing or planned heterogeneous computing environments – including domestic chips – while achieving high-performance inference.

- *User-friendly console for non-technical operators*. Our platform provides visualization and self-service operational tooling designed to enable non-technical personnel to monitor, manage and operate model deployments, reducing dependency on specialized infrastructure expertise and accelerating adoption across the organization.

Our on-premise deployment solutions are typically adopted by large enterprise customers and institutional clients with heightened requirements for physical location of data, network boundaries or supply assurance, or system integration, and may be delivered in the form of software licenses and/or integrated software-hardware solutions depending on the scale and complexity of deployment. As of the Latest Practicable Date, our on-premise deployment solutions customers included major players in the AI, internet, energy, finance and telecommunications industries.

We generally offer such solutions through subscription-based or perpetual buyout sales models, with fees typically structured as a combination of a software licensing fee, a professional implementation fee, and, where applicable, a maintenance fee, each determined based on factors such as deployment scale, system configuration and customer requirements. Subscription arrangements are available for customers who prefer to align software expenditure with annual budgeting cycles or who wish to reassess their platform requirements at regular intervals given the rapid pace of AI model development. Following delivery, we provide ongoing maintenance and support services. On-premise deployments are typically completed within a couple of weeks.

Key Operating Metrics

The following table sets forth our key operating metrics for the year/period indicated.

	As of/For the Year Ended December 31,		As of/For the Four Months Ended April 30,
	2024	2025	2026
Public cloud-based services			
– Average daily token throughput in last month of the period (in billions) [(1)]	47.8	163.1	578.5
– Number of registered users [(2)]	127,133	9,197,439	10,282,431
– Serverless token services:			
– Number of active users[(3)(4)]	57,431	5,452,952	1,453,923
– Number of serverless token services customers[(3)(5)]	2,455	716,012	642,866
– Dedicated instances:			
– Number of dedicated instance customers[(3)]	7	49	20
– Average revenue per dedicated instance customer (in RMB)	87,669	305,353	N/A
On-premise deployment solutions			
– Number of on-premise deployment customers[(3)]	28	20	5
– Average revenue per on-premise deployment customer (in RMB)	224,184	1,303,448	N/A

Notes:

* The operating metrics as of/for the year ended December 31, 2023 was not available as our Company was incorporated in August 2023 and did not generate material revenue in 2023.

(1) Average daily token throughput in the last month of the period is calculated by dividing the total number of tokens processed in that month by the number of calendar days in the month. For this purpose, "tokens" include both input tokens submitted by users and output tokens used by the models, both produced by us.

(2) Represents a cumulative number as of the period end.

(3) Represents the numbers in 2024 and 2025 and the four months ended April 30, 2026. The number for the four months ended April 30, 2026 was not annualized and therefore was lower.

(4) Active users refer to the users who used our serverless token services in the year/period indicated.

(5) Serverless token services customers refer to the users who purchased our serverless token services in the year/period indicated.

Our key operating metrics reflect the rapid expansion of our business across both our public cloud-based services and on-premise deployment solutions during the Track Record Period and into 2026.

Public Cloud-Based Services. Our platform experienced rapid growth in both user scale and token throughput. Our average daily token throughput grew by 241.1% from December 2024 to December 2025, and by a further 254.7% from December 2025 to April 2026. Our cumulative registered user base expanded by approximately 72-fold from December 31, 2024 to December 31, 2025, and continued to grow into 2026, reflecting broadening adoption of our platform driven by the rapid proliferation of AI applications and the expanding ecosystem of developers and enterprises utilizing token supply services. Specifically:

- For our serverless token services, the number of active users increased by approximately 95-fold from 2024 to 2025, while the number of paying customers grew by approximately 292-fold over the same period. This growth was primarily driven by the increasing adoption of AI applications across industries and the growing recognition of our platform's capabilities, which together attracted a significant influx of developers and enterprise users. The number of paying customers for the four months ended April 30, 2026 approached the full-year 2025 level, underscoring the continued strong momentum in user monetization into 2026.

- For our dedicated instances, the number of customers increased by 600.0% from 2024 to 2025, as enterprise customers with growing token consumption and heightened requirements for performance stability and data isolation transitioned into reserved computing resources. Average revenue per dedicated instance customer increased by 248.3% from 2024 to 2025, reflecting deeper commercial engagement and higher contract values as our enterprise relationships matured.

On-Premise Deployment Solutions. Our on-premise deployment solution is project-based in nature. The number of on-premise deployment customers decreased by 28.6% from 2024 to 2025, while average revenue per customer increased significantly by 481.4% over the same period, reflecting a shift toward larger-scale enterprise deployments with higher contract values.

Case Study

Case Study 1: Serverless token services — AI Smart Toy Company

Customer Background: The customer is an innovative company specialising in AI-powered children's toys, focused on building intelligent, interactive companion products. Its toys rely on real-time understanding of children's voice commands and conversational intent.

Customer Needs: Children are highly sensitive to response delays — even a few seconds of lag is enough to disengage them. The customer therefore needed inference that could deliver millisecond-level responses consistently. Children's speech also presents particular challenges, including unclear pronunciation, non-standard grammar and emotionally driven expression, placing high demands on the model's intent recognition capability. Beyond performance, the customer needed a cost structure that could flex with demand: usage spikes during school holidays and quieter periods overnight made fixed infrastructure investment inefficient.

Our Solution: The customer selected our serverless token services as the AI foundation for its products. We provided the customer with access to all available models on our platform via a single API call, with new model releases typically available within a week, allowing the customer to stay current with frontier capabilities without any independent deployment work.

Value Delivered: After adopting our serverless token services, the customer saw measurable gains. Average product response time fell from seconds to milliseconds; under high-concurrency conditions, latency dropped below 500ms, directly improving children's interactive experience and driving a doubling of demand volume. The pay-as-you-go model eliminated idle resource spend and gave the customer the flexibility to scale effortlessly through peak periods such as school holidays without over-provisioning. With new models accessible instantly, the team was able to test and validate model capabilities rapidly and translate insights into product improvements without carrying the burden of infrastructure operations, freeing engineering effort for product innovation and user experience optimization.

Case Study 2: Dedicated Instance — AI Coding Platform

Customer Background: The customer is an AI company in China specializing in full-stack coding workflows, covering code design, writing, completion and testing, all of which rely on real-time AI model inference. The customer had been using our serverless token services since the early stages of its product development. As its AI agent products expanded in deployment, its daily token consumption reached the hundred-billion level to maintain prompt access to the latest model.

Customer Needs: As consumption scaled, the customer's existing serverless token arrangement became less suited to its production requirements. During peak periods, computing resources were subject to contention, creating reliability risks for production workloads. At the same time, the per-token pricing structure became less cost-effective as usage grew larger and more predictable. The customer needed a way to secure stable, dedicated computing capacity with guaranteed performance and a cost structure better suited to its scale without taking on the overhead of managing infrastructure.

Our Solution: We transitioned the customer's core inference workloads to our dedicated instance service, providing exclusive computing resources for its production operations. Since the dedicated instance service uses the same API interface as our serverless token services, the migration required no application-level changes. The reserved computing resources are not shared with any other customer, which resolved the peak-period contention issue, and the service is backed by enterprise-grade SLA commitments.

Value Delivered: Following the transition, the customer saw improvements in stability, performance and cost. With resource contention eliminated, the customer achieved 99.95% SLA availability, enabling its hundred-billion-level daily token workloads to run without disruption. The customer also achieved over 50% cost reduction through tailored instance configurations combined with a cache hit rate exceeding 90%. The customer has since continued to scale its reserved capacity in line with growing business volumes, with its engineering teams freed to focus on product development rather than infrastructure operations.

Case Study 3: On-premise Deployment Solutions — State-Owned Power Enterprise

Customer Background: The customer is one of China's largest state-owned power enterprises, operating across electricity generation, transmission and renewable energy. As AI adoption accelerated across the industry, the customer sought to establish a comprehensive AI capability covering a wide range of use cases, from intelligent office operations and industrial safety management to renewable energy operations and maintenance.

Customer Needs: The customer had no unified AI platform, resulting in fragmented processes, low resource utilization and rising costs. Its production use cases demanded high throughput and low latency that open-source solutions alone could not meet. It also needed a solution that could accommodate its heterogeneous computing resources without significant custom adaptation work, and integrate the latest frontier models quickly without being held back by traditional deployment cycles.

Our Solution: We deployed our token supply platform on-premise, giving the customer a unified environment for model training, inference, knowledge base management and agent orchestration.

Value Delivered: Following deployment, the customer's heterogeneous computing resources — including domestic chips — were consolidated under a single managed platform, converting idle capacity into productive use and materially simplifying infrastructure. The platform had access to nearly 100 models, which are continuously updated, while inference performance improved substantially with DeepSeek V3 alone saw a boost of over 50%. Across operations, the platform enabled intelligent office workflows, enterprise knowledge base construction, and AI agent development, reducing administrative burden and improving day-to-day efficiency. Notably, intelligent wind turbine diagnostics now complete in a third of the time, with accuracy rising from approximately 75% to over 95%.

ELIGIBILITY ASSESSMENT UNDER CHAPTER 18C FRAMEWORK

We are seeking [**REDACTED**] under Chapter 18C of the Listing Rules. We are primarily engaged in the design, development and commercialization of a token supply platform. All of our products and services are designated Specialist Technology Products as defined under Chapter 18C of the Listing Rules. Our Directors are of the view that our products and services fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules on the following basis, as advised by Frost & Sullivan.

The table below sets out a summary for how our products and services fall within the Artificial intelligence ("AI") sector, an acceptable sector under the Specialist Technology Industries defined in Chapter 18C of the Listing Rules.

Specialist Technology Products	Specialist Technology Industry Acceptable Section	Main Function Analysis	Business Model	Timeline of Commercialization and Stage of R&D
Public cloud-based services	Artificial intelligence ("AI") (technology and infrastructure enabling AI)	Public cloud-based services are designed to deliver standardized, high-quality tokens at scale, providing customers with unified and flexible access to a cumulative total of over 170 models through a single, standard interface, covering a broad range of AI application scenarios including coding, agents and multimodal applications.	Combination of consumption-based and subscription based	Commercialization since May 2024 with ongoing R&D
On-premise deployment solutions	Artificial intelligence ("AI") (technology and infrastructure enabling AI)	On-premise deployment solutions are designed to deploy our inference engine and computing resource orchestration system within the customer's own data center or private computing environment, enabling customers to use tokens across a wide range of models.	Combination of transaction-based and subscription-based	Commercialization since December 2023 with ongoing R&D

For further details, see "— Our Products and Services."

PATH TO COMMERCIALIZATION

Commercialization Status

The following table illustrates the key commercialization timeline of our Specialist Technology Products.

Date	Milestone
December 2023	We started to generate revenue through software subscriptions, marking the beginning of our commercial operations. According to Frost & Sullivan, our commercialization timeline outpaced the industry average.
May 2024	We launched our serverless token services, marking the transition to large-scale commercialization of our public cloud-based services.
July 2024	We launched our dedicated instances services, providing enterprise customers with reserved computing resources for production-grade AI workloads.
February 2025	We became the first to deploy DeepSeek-R1 & V3 on domestic chips. This achievement represented the first successful adaptation of domestic chips for token services in the industry, demonstrating the commercial viability and usability of domestic chip architectures for production-grade AI workloads and significantly elevated our public profile. We commenced large-scale commercial deployment of cross-chip and multi-model adaptation.
April 2025	We started offering our full-stack on-premise deployment solutions to enterprise customers.
June 2025	We officially launched our serverless token services for international customers, making our services accessible to overseas developers and enterprises.
August 2025	Our serverless token services were listed on a leading AI model routing platform. This represented a further expansion of our international business.
December 2025	The number of registered users on our platform exceeded nine million and the number of our enterprise customers exceeded 10,000.
April 2026	Our peak daily token throughput exceeded one trillion for the first time, and the number of registered users on our platform exceeded 10 million, demonstrating continued growth in developer and enterprise adoption of our token services.
May 2026	Our overseas monthly revenue exceeded USD1 million.

We expect that we will satisfy the revenue requirement for a commercial company defined under Chapter 18C of the Listing Rules ("**Commercial Company**") by the end of 2026.

Commercialization Assumptions

Our projection of becoming a Commercial Company by the end of 2026 is subject to significant uncertainties, including but not limited to the following: (i) there will be no material delays or obstacles affecting our commercialization plans, product and service development roadmap or go-to-market execution; (ii) we will be able to continue to develop, deploy and deliver our services and solutions in a timely manner and with the quality and performance expected by customers; (iii) our customers and prospective customers will continue to accept and adopt our products and services, and complete their internal evaluation, testing, budget approval and procurement processes, at a pace broadly consistent with our expectations; (iv) we will be able to maintain sufficient access to computing resources from our suppliers and other infrastructure partners, as well as sufficient technical, operational, supply chain, compliance and quality control capabilities, to support our commercialization growth; (v) there will be no material adverse changes in the regulatory or policy environment affecting our services, computing resource procurement, overseas operations or commercialization activities; (vi) market demand for token services will continue to grow and will not decline materially due to macroeconomic, technological or industry-specific conditions; (vii) we will be able to continue to attract and retain key personnel in R&D, infrastructure operations and commercialization functions; and (viii) there will be no occurrence of any material adverse event described in "Risk Factors." Accordingly, while we believe we have a reasonable basis for our expectation regarding the timeline to satisfy the revenue requirement for a Commercial Company, if any of the foregoing assumptions proves to be inaccurate, our commercialization may be delayed and our revenue growth may be adversely affected. Save for the assumptions set out above, we did not foresee any material impediment to achieving our revenue target as of the Latest Practicable Date.

BUSINESS SUSTAINABILITY

Historical Loss-Making

We are a Pre-Commercial Company defined under Chapter 18C of the Listing Rules. During the Track Record Period, we successfully transitioned to the initial commercialization stage, experiencing rapid top-line growth. Our revenue increased significantly from RMB6 thousand in 2023 to RMB7.3 million in 2024, and further increased by 653.2% to RMB55.3 million in 2025, primarily driven by the expansion of our customer base across both our public cloud-based services and on-premise deployment solutions. Despite this rapid revenue growth, during the Track Record Period, we recorded a loss for the period/year of RMB12.2 million, RMB81.9 million and RMB345.5 million in 2023, 2024 and 2025, respectively, alongside an adjusted net loss (non-IFRS measure) of RMB12.2 million, RMB54.0 million and RMB187.1 million for the same periods, primarily due to the following reasons:

Gross margin pressure from early-stage commercialization. We are an emerging company in the token supply industry, and the commercialization of our platform and services remains at an early stage. Our cost of revenue, which primarily comprises computing resource costs in the form of computing power rental fees, grew at a significantly faster rate than our revenue during our early commercialization phase, increasing from RMB1 thousand in 2023 to RMB4.5 million in 2024, and further by 1,441.6% to RMB68.6 million in 2025, with computing resource costs representing 86.9% of total cost of revenue in 2025. Consequently, our overall gross margin shifted from 83.3% in 2023 to 39.4% in 2024, and to (24.0)% in 2025, resulting in a gross loss of RMB13.3 million in 2025. This margin contraction was primarily driven by substantial costs incurred from leasing computing resources as we continued to improve our products and services, while utilization of such computing resources was gradually ramping up. More specifically, this margin contraction and the growth of our cost of revenue outpacing our revenue were attributable to the following factors: (i) a structural shift in our revenue mix, as our public cloud-based services, which operate at a lower gross margin, accounted for a significantly larger percentage of our total revenue in 2025; (ii) negative gross margin due to the substantial computing resource costs, particularly computing power rental fees for public cloud-based services, required to secure sufficient capacity and maintain high service availability for our rapidly expanding user base, which outpaced our initial revenue generation during the early commercialization phase, and (iii) the decrease of gross margin for on-premise deployment solutions, as we onboarded new enterprise customers across a broader range of industries, which entailed a higher degree of deployment complexity during the initial onboarding phase. As a result, our cost levels were relatively high during the Track Record Period.

Substantial investment in R&D. During the Track Record Period, we made substantial investments in R&D to support the development of our Specialist Technology Products, with R&D expenses of RMB10.8 million in 2023, RMB64.5 million in 2024 and RMB209.2 million in 2025, representing our largest operating cost center. Demonstrating emerging operating leverage, these expenses decreased meaningfully as a percentage of total revenue from 877.7% in 2024 to 378.1% in 2025. Our R&D expenditures primarily comprised (i) R&D computing resources costs, which represent computing power rental fees utilized for model adaptation, underlying operator library optimization, and platform testing, (ii) employee benefit expenses, which represent compensation, benefits, and share-based compensation for our research and development personnel, and (iii) other expenses, which primarily include professional service fees, depreciation and amortization, and traveling expenses. As the token supply industry remains fast-evolving and technology-intensive, continuous investment in R&D is critical for maintaining performance leadership, improving cost efficiency, expanding service capabilities and supporting future commercialization. Importantly, our R&D capabilities directly underpin our path to profitability: continuous technological breakthroughs enable us to improve inference capability, which is essential for structurally lowering our unit cost of revenue and improving our gross margins over time. We expect our absolute R&D expenses to increase as we continue to advance our token supply capabilities, while we anticipate these expenses will gradually decrease as a percentage of total revenue as we achieve greater commercial scale.

Investments in sales and marketing and general and administrative expenses. Our profitability was further impacted by substantial expenditure in sales and marketing and general and administrative activities. Our sales and marketing expenses increased from RMB110 thousand in 2023 to RMB6.4 million in 2024, and further by 1,210.1% to RMB83.7 million in 2025, with promotional computing resources costs — representing the computing costs associated with the large-scale distribution of free token vouchers to acquire and onboard new users onto our public cloud platform — constituting the predominant driver at RMB54.2 million, or 64.7% of total sales and marketing expenses, in 2025. Distributing these vouchers served not only as a customer acquisition tool but also as a vital operational strategy: by generating massive real-world workloads, it helped us continuously refine our platform's usability, debug the underlying infrastructure, and optimize the overall user experience, directly contributing to the explosive growth of our registered user base to approximately 9.2 million by the end of 2025. As our platform and market presence mature, we plan to structurally reduce our reliance on widespread promotional voucher distributions, and accordingly anticipate that our sales and marketing expenses as a percentage of total revenue will steadily decrease, driving sustainable operating leverage. Our general and administrative expenses grew from RMB1.2 million in 2023 to RMB9.1 million in 2024, and further to RMB21.8 million in 2025, representing an increase of 140.2%, primarily attributable to employee benefit expenses as we expanded our administrative team to support our growing operations.

Plan to Achieve Long-Term Profitability

We believe the sustainability of our business is supported by our ability to structurally improve gross margins and operational efficiency through the following measures:

Capitalizing on Explosive Industry Growth

The token supply market is at an inflection point, with demand expanding at an unprecedented pace. We are well-positioned to capture a growing share of this expanding market, driven by the following factors:

- *Exponential growth in token demand.* According to Frost & Sullivan, China's token throughput surged from approximately 142.5 trillion tokens in 2024 to approximately 2,426.3 trillion tokens in 2025, representing year-on-year growth of 1,602.6%, and is projected to reach approximately 53.2 quintillion tokens by 2030, representing a CAGR of approximately 638.3% from 2025 to 2030. This exponential growth is underpinned by the rapid proliferation of AI applications across enterprises spanning coding, agents, multimodal generation. As AI applications continue to mature and token consumption per use case deepens, we expect demand for high-performance, cost-efficient token supply to grow significantly.

- *Leading market position to capture industry tailwinds.* As the largest independent ecosystem token supplier in China and a globally recognized token supply platform, we are well-positioned to capture a disproportionately large share of market growth as the industry scales. We expect robust industry tailwinds to underpin our long-term revenue and gross margin improvement trajectory.

Deepening Domestic Customer Engagement

We seek to grow domestic revenue by simultaneously expanding our customer base and deepening engagement with existing customers, through the following approaches:

- *Customer expansion and retention.* We serve customers across multiple segments and are particularly focused on deepening our penetration of high-value customers, who typically exhibit higher usage intensity, greater spending per account, and stronger long-term retention characteristics. Our high-value customer base has evolved materially in terms of usage scale during the Track Record Period. Customers with monthly token consumption over 100 billion began to emerge from the second half of 2025; customers consuming over 1 trillion tokens per month have appeared in 2026, and this highest-consumption cohort already accounts for more than half of, and an increasing share of, our total token throughput. As our penetration of higher-value segments increases and retention remains strong, we expect meaningful improvement in our average revenue per customer over time.

- *Migration to dedicated instance arrangements.* A key element of our enterprise strategy is the migration of customers from standard serverless token services – which we offer at competitive rates to drive platform adoption – to dedicated instances. Dedicated instances carry higher and more stable gross margins than standard serverless token services. As enterprise customers scale their AI usage on our platform, we expect a natural progression toward dedicated instances, which we believe will be a meaningful driver of gross margin expansion.

- *On-Premise deployment.* In addition to our public cloud-based services, our on-premise deployment business provides a high-margin complement to our growth strategy. Our on-premise deployment solutions generate gross margins of 82.5% in 2025, serving as a reliable source of profitability and cash generation that supports our overall financial position as we continue to invest in scaling our platform.

Accelerating Overseas Revenue Growth

We believe overseas markets represent a significant and relatively underpenetrated growth opportunity for our token supply services, and we plan to continue growing our overseas business through the following initiatives:

- *Expanding our overseas customer base through online and offline channels.* We have expanded our overseas presence by listing our serverless token services on a leading AI model routing platform. Building on this foundation, we plan to engage in more online and offline activities to increase brand visibility in key overseas markets.

- *Strengthening localized partnerships and building local operational capabilities.* We plan to recruit overseas sales, after-sales and technical personnel with relevant market experience to enhance customer service capabilities, market responsiveness and local delivery. We also intend to progressively establish and operate localized branch offices in selected overseas markets to support our local teams and strengthen our market presence in those jurisdictions.

Maximizing Computing Resource Utilization

We plan to maximize the productivity of our computing infrastructure through a combination of technology-driven improvements and intelligent scheduling strategies:

- *Heterogeneous computing adaptation*. We have developed the capability to adapt leading AI models for deployment on domestic chips, which carry substantially lower rental costs than NVIDIA GPU-based infrastructure. As the share of domestic AI chips within our computing infrastructure increases, we expect a material improvement in our overall cost structure. Our heterogeneous compatibility also reduces our dependence on any single computing resource provider, improving supply chain resilience and our ability to manage input cost volatility.

- *Inference engine optimization*. Our proprietary inference engine and underlying technology architecture are engineered to maximize computational throughput — enabling each chip to concurrently process a greater number of inference requests. This directly reduces our per-token production cost and underpins our ability to offer competitively priced services while expanding gross margin over time.

- *Off-Peak scheduling*. We are developing the capability to redirect inference capacity that is idle during off-peak hours toward batch inference workloads for academic institutions, research laboratories, and enterprise customers, offered at tiered pricing. This approach improves our around-the-clock cluster utilization rate and spreads our fixed computing resource costs across a larger volume of billable activity, directly compressing per-unit costs.

Improving Operational Efficiency

We plan to improve our cost structure and operational efficiency as our business scales through the following initiatives:

- *Procurement transformation*. During our early stage, we prioritized operational flexibility through short-term, on-demand computing resource rentals, which carried higher unit costs relative to longer-term arrangements. As our scale grows, we expect to develop greater bargaining power with computing resource providers, enabling us to progressively transition our procurement model from short-term on-demand rentals toward long-term annual contracts at materially lower unit rates, or toward joint operations arrangements under which suppliers bear a portion of the hardware costs.

- *Enhancing supply chain management*: We continue to strengthen our supply chain management capabilities by diversifying sources of computing resources and optimizing procurement and allocation, which supports operational stability and cost efficiency. We support a broad range of AI chip architectures, including both NVIDIA GPUs and domestic chips, and have developed capabilities to efficiently utilize heterogeneous computing resources across different architectures. This enhances our ability to secure computing resources supply, and improve cost efficiency.

Based on the foregoing, our Directors believe, and the Joint Sponsors concur, that our business is sustainable.

Working Capital Sufficiency

For the year ended December 31, 2025, our monthly cash burn rate was RMB14.8 million. As of December 31, 2023, 2024 and 2025 we had cash and cash equivalents of RMB4.9 million, RMB49.7 million, and RMB171.5 million, respectively, and current term deposits of RMB nil, RMB nil, and RMB100.0 million, respectively. Our Directors are of the opinion that, taking into account the estimated net [**REDACTED**] from the [**REDACTED**] and other financial resources available to us, including cash and cash equivalents and current term deposits, we have sufficient working capital to cover at least 125% of our group's costs, including research and development expenses, sales and marketing expenses, and general and administrative expenses, for the next 12 months from the date of this document.

OUR CORE TECHNOLOGIES

Our core technology foundation comprises our proprietary inference engine and computing resource orchestration system, which together form an integrated technology stack purpose-built for AI inference workloads. Our technology supports scalable and reliable AI inference across diverse models, computing architectures and deployment environments, enabling the efficient orchestration of heterogeneous computing resources and the transformation of underlying computing power into high-throughput, low-latency and cost-efficient token production.

We have established a comprehensive AI infrastructure technology system encompassing smart routing and observability of model APIs, high-performance inference acceleration for enterprise-grade models, and underlying scheduling. This enables our AI computing infrastructure to operate with high performance, high reliability, and high scalability in large-scale production environments. Our core technologies cover multiple key areas, aiming to address the computing power bottlenecks in the commercialization of models and providing customers with a low-latency, high-concurrency, and cost-effective computing foundation.

High-Performance Model Inference Engine Technology

At the underlying computing power and computing equipment level, we focus on reducing the dependency on a single hardware ecosystem and have designed several core features for heterogeneous computing scenarios:

- ***Deep Adaptation and Optimization of Heterogeneous Computing Resources:*** We have achieved deep compatibility with mainstream international advanced chips, as well as mainstream domestic chips such as Ascend, MetaX, Moore Threads, Hygon, and T-Head. Through operator optimization, memory management optimization, communication and computation co-optimization, scheduling and sampling optimization, and parallel computing algorithms, we have effectively improved the actual computational efficiency of domestic hardware. This equips them with capabilities comparable to international advanced computing power in terms of throughput and inference accuracy, thereby significantly enhancing the overall effectiveness of heterogeneous AI computing clusters.

- ***Diversified Parallelism Strategies:*** At the architecture level, we employ EP and PD separation technologies to achieve cluster-level scheduling. This architecture supports ultra-high concurrent online requests and ultra-long context processing.

- ***Standardized Deployment Pipeline:*** We adopt a highly standardized and modular pipeline design, significantly shortening the deployment cycles and iteration time of AI models on complex heterogeneous hardware architectures.

Computing Resource Orchestration Technology

To address common challenges in AI model workloads, such as computing resource idling, fragmentation, and multi-tenant isolation, we have developed proprietary orchestration technologies:

- ***Dynamic Resource Provisioning Paradigm:*** We are driving the upgrade of computing resources from the traditional "long-term reservation" model to a second-level dynamic provisioning model. The system can automatically and granularly allocate computing power based on real-time requests, load fluctuations, tenant needs, and model specifications.

- ***Cold Start Optimization and Security Isolation:*** Our core technology solves the cold start latency problem of deployments and supports seamless and smooth capacity scaling. Simultaneously, we have implemented a low-level multi-tenant security isolation mechanism tailored for heterogeneous computing environments. This maximizes the global utilization of computing resources while ensuring data security.

Model API Smart Routing and Observability Technology

At the system software and network operations level, we have developed a traffic gateway and a refined operations center that support full-lifecycle management:

- ***Multi-Dimensional Dynamic Smart Routing:*** The platform provides unified model access and seamless protocol conversion interfaces, with a built-in advanced smart routing engine. The system dynamically schedules massive concurrent requests by comprehensively considering weight, priority, session affinity, real-time cluster load, context length, and specific business dimensions, ensuring that tasks are assigned to the optimal compute nodes.

- ***Full-Link Observability and Precise Metering:*** We have embedded unified observation and telemetry probes within the system to collect real-time performance and invocation data. At the same time, the platform possesses high-precision, multi-dimensional token metering capabilities, providing reliable data support for commercial settlement, cost accounting, and resource pool planning.

RESEARCH AND DEVELOPMENT

Our ability to develop new technologies, design new services, and enhance existing services is critical for strengthening our market position. All of the R&D activities relating to our Specialist Technology Products were conducted in-house. We have full ownership of all intellectual property rights arising from such R&D activities. We do not rely on any material in-licensed third-party technologies for the development of our Specialist Technology Products. We did not outsource any R&D activities to third parties, nor did we engage in any collaboration with third parties that was material to the research and development of our Specialist Technology Products during the Track Record Period and up to the Latest Practicable Date. We have established interdisciplinary R&D capabilities that draw upon a diverse range of fields, such as computer science, applied mathematics, deep learning algorithms, distributed systems, low-level system optimization, AI framework engineering, and AI infrastructure development. During the Track Record Period, all of our research and development expenses were incurred for our Specialist Technology Products and amounted to RMB10.8 million, RMB64.5 million and RMB209.2 million in 2023, 2024 and 2025, respectively. As of the Latest Practicable Date, we are not aware of any pending or threatened legal claims, arbitral or administrative proceedings that may have a material influence on our research and development activities for any of our key Specialist Technology Products.

Our Early Trading and R&D Activities

From our incorporation on August 29, 2023 through our first revenue generation in December 2023, we were primarily engaged in substantive R&D of our inference engine and related technologies. These activities constituted the core foundation of our trading operations during this period and were not mere preparatory activities. The following table sets out the key milestones and substantive activities undertaken during this period and their direct contribution to the development of our Specialist Technology Products:

Period	Substantive R&D/Trading Activity	Contribution to Specialist Technology Products
August 2023 to September 2023 . .	Our Group was incorporated on August 29, 2023. The founding team immediately commenced development of the inference engine and related technologies, including project initiation and architecture design. We incurred R&D expenses of RMB10.8 million and general and administrative expenses of RMB1.2 million in the period of August 29, 2023 to December 31, 2023. During the same period, our total R&D expenditure accounted for 89.1% of the annual total operating expenditure for the same period.	Established the core technical architecture of our token supply platform and foundational codebase
October 2023	Completed deployment and adaptation of multiple open-source models. Development efforts focused on model parallelism technologies and optimization of key inference engine components, including sampling optimization, scheduling optimization and memory management optimization, to improve inference efficiency and resource utilization.	Established and enhanced the core capabilities of our Specialist Technology Products
November 2023	Developed pipeline parallelism capabilities, expanded support for additional AI models and further enhanced the performance of inference engine. We also commenced the initial implementation of FP8 quantization and runtime optimization.	Enhanced the scalability and model compatibility of our Specialist Technology Products
December 2023	Commenced cross-chip architecture development, including the development of accelerator plug-ins to support deployment and optimization across heterogeneous computing architectures.	Established the foundation for cross-chip compatibility
December 2023	We started to generate revenue through software subscriptions, marking the beginning of our commercial operations.	First revenue generation validated the commercial viability of our Specialist Technology Products

Our R&D Process

Our R&D process encompasses six key stages — requirements analysis, project initiation, overall design, iterative development, quality verification, and deployment with ongoing operational monitoring and feedback — as set out below:

- *Requirements Analysis*. Each R&D initiative begins with a thorough analysis of market demand, customer requirements and technical feasibility. Our team assesses the commercial opportunity, evaluates alignment with our strategic priorities, and identifies the technical challenges and resource requirements involved. This stage establishes the core rationale for the project and defines the functional objectives that will guide all subsequent development work.

- *Project Initiation.* Once the requirements are validated, the R&D project is formally initiated through an internal approval process. Our R&D team prepares project documentation covering scope, technical direction, resource allocation, key milestones and success criteria. Through collaborative review and peer discussion, potential risks are identified and a clear, agreed-upon development roadmap is established before material resources are committed.

- *Overall Design.* With a confirmed project mandate, our engineers develop the high-level architecture and system design for the proposed product or technology. This includes defining the inference pipeline structure, API interfaces, scheduling logic, and hardware compatibility requirements. The overall design serves as the technical blueprint for iterative development and ensures alignment across the relevant R&D sub-teams.

- *Iterative Development.* Development proceeds through a series of focused iteration cycles. Our engineers implement and refine algorithms, conduct performance benchmarking across heterogeneous computing environments, and progressively integrate components into a functional system. Rapid prototyping and data-driven analysis are central to this stage, enabling the team to optimize throughput, reduce latency, and lower per-token production costs in an agile manner.

- *Quality Verification.* Prior to deployment, each product or technology release undergoes systematic quality verification. This includes functional testing, performance benchmarking against target SLA metrics, accuracy verification, security assessments and compatibility testing across the supported hardware architectures and model configurations. Only upon satisfactory completion of all verification requirements is a release approved for deployment.

- *Deployment, Operational Monitoring and Feedback.* Upon successful verification, the product or technology is deployed into production. Our operations team continuously monitors service availability, inference latency, throughput and system stability. Real-time telemetry and customer feedback are collected and analyzed, and insights from operational performance are fed back into the next development cycle to drive iterative improvements. This closed-loop mechanism ensures that our platform capabilities evolve in close alignment with the needs of our customers and the broader AI ecosystem.

Our R&D Team and Core Members

As of the Latest Practicable Date, our in-house R&D department consisted of 67 personnel, a vast majority of whom hold a bachelor's degree or above. Our R&D department is organized into 6 core units, including foundation structure sector, public cloud sector, technical operation sector, design sector, innovative product sector and private cloud sector. Our R&D team is led by six core members, with details set forth in the following table:

Core R&D Members	Profile
Dr. Yuan Jinhui	Dr. Yuan Jinhui received a bachelor's degree in computer science from Xidian University (西安電子科技大學) in 2003 and earned his Ph.D. from Tsinghua University (清華大學) in 2008, where his doctoral dissertation was recognized with an Outstanding Thesis Award under the supervision of Professor Zhang Bo (張鈸), who is a member of the Chinese Academy of Sciences (中國科學院) and the founding pioneer of AI research in China. Since then, Dr. Yuan has built a track record of translating frontier research into production-grade platforms and widely adopted innovations: • Industrial AI Platform Engineering and Innovation (2013-2016): In 2013, Dr. Yuan joined Microsoft (China) Co., Ltd. (微軟(中國)有限公司). In 2014, he invented LightLDA, a high-efficiency topic model training algorithm. • Distributed Deep Learning Platform (2017–2023): In 2017, Dr. Yuan founded OneFlow, a distributed deep learning platform project. At OneFlow, he led the development of the OneFlow deep learning framework, with a strategic focus on enhancing algorithm R&D efficiency and hardware utilization, helping to bridge research innovation with scalable computing performance. • AI Infrastructure Entrepreneurship (2023–present): Since founding SiliconFlow in 2023, Dr. Yuan has led the Company's AI infrastructure initiatives. Dr. Yuan also actively engages with ecosystem partners and industry stakeholders, including participation in closed-door technical exchanges, to advance collaborative AI infrastructure ecosystems.
Mr. Liu Juncheng	Mr. Liu Juncheng is a principal development contributor to the Company's core technology stack, possessing strong capabilities in AI system software research and development. Mr. Liu holds a bachelor's degree in computer science and technology from Harbin Institute of Technology (哈爾濱工業大學).
Mr. Chen Houjiang	Mr. Chen Houjiang has over 10 years of experience in deep learning framework development, having previously served at Baidu Online Network Technology (Beijing) Co., Ltd (百度时代网络技术(北京)有限公司), Taobao (China) Software Co., Ltd. (淘宝(中国)软件有限公司) and OneFlow. Mr. Chen holds a bachelor's degree in communication engineering from China University of Geosciences (Wuhan) (中國地質大學(武漢)).
Mr. Liao Xingyu	Mr. Liao Xingyu specializes in deep learning algorithms, distributed training, and AI infrastructure perception, having previously served at AI Platform and Research Department of JD, OneFlow, and Beijing Huixi Intelligence Technology Co., Ltd. (北京輝羲智慧科技有限公司). Mr. Liao holds a master's degree in mathematics from the University of Science and Technology of China (中國科學技術大學).

Core R&D Members	Profile
Dr. Li Yipeng	Dr. Li Yipeng specializes in applied mathematics and distributed deep learning systems. Dr. Li currently holds 13 granted patents in China and the United States, with an additional 17 patents in preparation or under application. Dr. Li holds a bachelor's degree in information and computing science from the University of Science and Technology of China (中國科學技術大學) and a Ph.D. in applied mathematics from Stony Brook University in the United States.
Mr. Zhang Wenxiao	Mr. Zhang Wenxiao has over ten years of full-stack development experience spanning system development, AI frameworks, and deep learning infrastructure, and is a founding-level core contributor to the OneFlow deep learning framework. Mr. Zhang holds a bachelor's degree in software engineering from Sichuan University (四川大學) and a master's degree in software engineering from Huazhong University of Science and Technology (華中科技大學).

The above core R&D members are the key personnel responsible for the technical operations and the research and development of our Specialist Technology Products, since they hold primary technical leadership responsibility for the development, optimization and ongoing advancement of our Specialist Technology Products.

To attract and retain top-tier management and technical talent, we offer competitive compensation packages and comprehensive incentive programs. We are also committed to the long-term development of our workforce by providing structured career development pathways that deepen technical expertise and encourage cross-disciplinary collaboration, while enabling employees to expand their skills through hands-on experience in complex projects.

To preserve institutional expertise and support business continuity, we maintain robust knowledge retention and documentation systems across our R&D, product and project management functions. These continuously updated repositories facilitate the effective transfer of critical technical knowledge within our teams, while remaining subject to our information security and confidentiality protocols. We also manage employee transitions in a professional and orderly manner. Through structured handover procedures and established documentation, access control and project backup mechanisms, we seek to ensure continuity of critical technical operations and minimize disruption to team collaboration.

The key terms of our agreements with significant R&D personnel are set out below:

- *Ownership of the intellectual property:* Any inventions, creations, works, or non-patented technical achievements created by employees during their employment as a result of performing their duties or primarily utilizing our materials and technological conditions, and business information, among other things, including trade secrets, shall belong to us. We have the right to use or transfer the aforementioned intellectual property. Employees shall actively provide all necessary information, materials, and research, and take all necessary actions to assist us in obtaining and exercising the relevant intellectual property rights.

- *Confidentiality:* Employees undertake not to disclose or use any confidential information.

- *Non-competition and non-solicitation:* We reserve the right to unilaterally impose a non-competition period of up to two years following the termination of employment, with appropriate compensation provided accordingly. During the term of employment and the non-competition period imposed by us, the employee shall not engage in any competitive behavior, and they shall not solicit or attempt to solicit our employees to leave their employment.

- *Dispute resolution:* The parties shall resolve any issues arising through negotiation. If such issues remain unresolved, parties may seek arbitration from the labor arbitration committee at our location.

INTELLECTUAL PROPERTY

Intellectual property rights are crucial to our business. Our future commercial success depends, in part, on our ability to obtain and maintain patents and other intellectual property rights and proprietary protections for commercially important technologies, inventions and know-how related to our business, defend and enforce our patents, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating the intellectual property rights of third parties.

As of the Latest Practicable Date, we owned 11 registered patents and 34 patent applications, 17 software copyrights, and six registered trademarks in China. As of the same date, we also owned one registered trademark in Hong Kong, two in Singapore, one in Japan and one in the United States. As of the Latest Practicable Date, we owned all our patents as well as patent applications and had no co-ownership or co-sharing arrangements of our patents and patent applications with third parties.

For material intellectual property rights in relation to each Specialist Technology Product, see "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights" for details on the material patents for our core technologies in relation to our Specialist Technology Products. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material legal, arbitral, or administrative proceedings or claims of infringement of any intellectual property rights, in which we may be a claimant or a respondent. Our Directors confirm that they are not aware of any material legal, arbitral or administrative proceedings for infringement of any third party's intellectual property rights by us as of the Latest Practicable Date.

SALES AND MARKETING

Sales and Marketing Team

As of December 31, 2025, we had established a sales and marketing team consisting of 21 personnel with coverage across both the PRC and overseas markets. Our sales team is organized according to business segment and customer tier to enhance customer reach and responsiveness, with dedicated coverage for public cloud customers and on-premise enterprise clients respectively. Our business development and sales teams work closely with our research and development team to ensure that technical capabilities can be effectively communicated to customers and translated into commercial engagements.

We primarily sell our products and services through direct sales and channel partnerships. Given the nature of our business – which involves delivering token services over the cloud or through software licensing – our commercial model does not involve physical product distribution or traditional reseller channels. We have also expanded our overseas presence by listing our serverless token services on a leading AI model routing platform.

After-Sales Services

We consider after-sales service an important component of customer experience and platform reliability management. We have established a dedicated after-sales and operations team responsible for monitoring platform stability, responding to customer service requests, and managing incident resolution across both public cloud and on-premise deployments.

For public cloud customers, we maintain continuous real-time monitoring of platform availability, latency, and throughput performance. When anomalies are detected, our operations team is alerted immediately and works to identify root causes and restore normal service levels. For on-premise deployment customers, we manage after-sales engagement through a structured service protocol. Customers contact our service team through designated channels upon encountering post-deployment issues, and each case is tracked through our internal service management system. Our commitments include responding to incidents within one to four hours and resolving within 12 to 48 hours, depending on the severity of the incidents. We maintain a dedicated team of delivery and support engineers who provide both remote and on-site assistance as required.

During the Track Record Period, we did not experience any customer contract terminations or major customer complaints.

Marketing

Our marketing strategy is designed to continuously strengthen brand recognition, broaden our reach among developers and enterprise customers, drive product adoption and customer conversion, and further consolidate our leading position in the token supply sector. Anchored in our independent ecosystem strategy, we have established a multi-tiered market development framework spanning developers, enterprise customers, and industry partners, and we pursue sustained business growth through brand building, ecosystem operations, product promotion, and commercial development initiatives.

At the developer ecosystem level, we continuously expand our user reach and enhance product awareness and developer engagement through developer events, content marketing, and media outreach. By offering a broad selection of models, cost-effective inference services, and a streamlined development experience, we attract developers and innovative teams to adopt our products and services, driving growth in our user base and token volume.

At the enterprise customer level, we showcase our technical capabilities, product strengths, and industry use cases through industry events, technology summits, customer engagement activities, and solution promotions, thereby facilitating enterprise customers' understanding and adoption of our products and services. For customers with commercial potential, our marketing, business development, and sales teams collaborate closely to conduct needs assessments and match appropriate solutions.

We also actively engage in ecosystem collaboration with model providers, chip designers, cloud service providers, and other industry partners. Through joint promotions, technical collaboration, and co-development of ecosystem initiatives, we seek to expand market opportunities, enhance our ecosystem influence, and strengthen the overall value of our platform.

CUSTOMERS

In 2023, 2024 and 2025, our aggregate revenue from the five largest customers in each year during the Track Record Period was RMB6 thousand, RMB6.2 million and RMB24.9 million, respectively, accounting for 100.0%, 85.0% and 45.0% of our total revenue for the respective years. In the same years, our revenue from the single largest customer in each year during the Track Record Period was RMB5 thousand, RMB4.5 million and RMB7.5 million, accounting for 83.3%, 61.1% and 13.6% of our total revenue for the respective years.

The following tables set forth the details of our top five customers during the Track Record Period:

Customers	Products/services	Year of commencement of business relationship	Credit period	Payment method	Revenue	Percentage of total revenue
					(RMB'000)	
For the year ended December 31, 2023						
Customer A [(1)]	On-premise deployment solutions	2023	Pay upon order	Bank transfer	5	83.3%
Customer B [(2)]	On-premise deployment solutions	2023	Pay upon order	Bank transfer	1	16.7%
Total					**6**	**100.0%**

Customers	Products/services	Year of commencement of business relationship	Credit period	Payment method	Revenue	Percentage of total revenue
					(RMB'000)	
For the year ended December 31, 2024						
Customer C[(3)]	On-premise deployment solutions	2024	5 or 10 working days	Bank transfer	4,487	61.1%
Customer D[(4)]	On-premise deployment solutions	2024	Prepayment	Bank transfer	1,040	14.2%
Customer E[(5)]	Dedicated instances	2024	Prepayment	Bank transfer	377	5.1%
Customer F[(6)]	On-premise deployment solutions	2024	Prepayment	Bank transfer	175	2.4%
Customer G[(7)]	On-premise deployment solutions	2024	5 working days	Bank transfer	164	2.2%
Total					**6,243**	**85.0%**

Customers	Products/services	Year of commencement of business relationship	Credit period	Payment method	Revenue	Percentage of total revenue
					(RMB'000)	
For the year ended December 31, 2025						
Customer H[(8)]	On-premise deployment solutions	2025	5 working days	Bank transfer	7,547	13.6%
Customer I[(9)]	On-premise deployment solutions	2025	30 days	Bank transfer	7,100	12.8%
Customer J[(10)]	Dedicated instances	2025	30 days or prepayment	Bank transfer	4,138	7.5%
Customer K[(11)]	On-premise deployment solutions	2024	14 working days	Bank transfer	3,189	5.8%
Customer L[(12)]	On-premise deployment solutions	2025	15 working days	Bank transfer	2,903	5.2%
Total					**24,877**	**45.0%**

Notes:

(1) Customer A is an individual whose email address is associated with a private generative AI software company.

(2) Customer B is an individual whose email address is associated with an education platform.

(3) Customer C is a company headquartered in China, focusing on information system integration services and artificial intelligence basic resources and technology platforms, artificial intelligence industry application system integration services, integrated circuit design and related technology services.

(4) Customer D is a company headquartered in China, focusing on technology development, software development, computer systems services, information systems integration and related technology services.

(5) Customer E is a company headquartered in China, focusing on information systems integration and AI industry application systems integration.

(6) Customer F is a company headquartered in China, focusing on software and information technology services.

(7) Customer G is a company headquartered in China, focusing on information system integration services and technology promotion.

(8) Customer H is a company headquartered in China, focusing on the R&D, design and sales of full-stack chip products and related software stacks and computing platforms for AI training and inference, general computing and graphics rendering.

(9) Customer I is a company headquartered in China and its affiliates, focusing on information and communications technology infrastructure, smart devices, cloud computing and related ICT solutions, products and services.

(10) Customer J is a company headquartered in China, focusing on technology services, software development, computer systems services and related computer software and hardware business.

(11) Customer K is a research institute based in China, focusing on original scientific and technological innovation research.

(12) Customer L is a company headquartered in China, focusing on information system integration, operation and maintenance (O&M) software development and data processing.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties. As of the date of this document, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

Key Terms of Serverless Token Service Contracts

Key terms of our serverless token service contracts with our customers include:

- *Services*. We generally provide serverless token service to the customers, and offer technical support, including application deployment and program debugging.

- *Payment methods*. The customers generally purchases our serverless service by (i) sending emails and transferring the fees to us, or (ii) topping up their accounts on the platform. We may allow the customers to use the service prior to payment in certain cases.

- *Service limits*. The customers enjoy exclusive and non-transferable rights to use the service for personal use or the use of entities represented by them, subject to prohibitions from, among others, (i) reverse engineering, decoding or decompilation, (ii) transferring or sublicensing API keys without our prior written consent, (iii) breach of our intellectual property, (iv) using our service to process, transmit, or store unlawful content or information, and (v) breaking or undermining our servers or infrastructures. We reserve the rights to process the interaction data from the service to the customers in accordance with applicable laws, provided we determine that such data violate laws, regulations or this contract.

- *Intellectual property*. The customers understand and acknowledge that we continue to enjoy all the intellectual properties under the service and is prohibited from using such intellectual properties for any purpose unless the contract permits otherwise. The customers may use the generated outputs, provided that such use does not transfer, infringe or otherwise violate any intellectual property rights of ours or any third party.

- *Confidentiality*. The customers are required not to disclose any confidential information of ours or of other users accessible through the service.

- *Termination*. Each party is generally entitled to terminate the contract by giving the notice period specified in the relevant contract in advance.

Key Terms of Dedicated Instance Contracts

Key terms of our dedicated instance contracts with our customers include:

- *Services*. We generally provide dedicated instances to the customers, and offer technical support, including application deployment and program debugging. For certain customers, we also provide an SLA guaranteeing minimum standards for latency, throughput and stability.

- *Payment method*. The customers either pay (i) a fixed subscription fee for the reserved period, or (ii) usage-based charges measured in tokens consumed within the exclusive instance.

- *Service limits*. The customer enjoy exclusive and non-transferable rights to use the service for personal use or the use of entities represented by them, subject to prohibitions from, among others, (i) reverse engineering, decoding or decompilation, (ii) transferring or sublicensing API keys without our prior written consent, (iii) breach of our intellectual property, (iv) using our service to process, transmit, or store unlawful content or information, and (v) breaking or undermining our servers or infrastructures. We reserve the rights to process the interaction data from the service to the customers in accordance with applicable laws, provided we determine that such data violate laws, regulations or this contract.

- *Intellectual property*. The customers understand and acknowledge that we continue to enjoy all the intellectual properties under the service and is prohibited from using such intellectual properties for any purpose unless the contract permits otherwise. The customers can use the generated outcomes whereto there will be no transfer or breach of any of our or third parties' intellectual properties.

- *Confidentiality*. The customers are required not to disclose any confidential information of ours or of other users accessible through the service.

- *Extension*. The contract is generally automatically extended unless either party terminates it by giving the notice period specified in the relevant contract prior to the expiration date.

Key Terms of On-premise Deployment Solutions Contracts

Key terms of our on-premise deployment solutions contracts with our customers include:

- *Services*. We generally deploy our inference engine and computing resource orchestration system within the customers' own data center or private computing environment, with ongoing maintenance and support provided following deployment.

- *Payment*. Fees are generally structured as a combination of a software licensing fee (on a subscription or one-time basis), a professional implementation fee and, where applicable, a maintenance fee.

- *Product and service limits*. The customers should obey applicable laws when using the product and service. A breach of relevant terms of the contract by the customers will entitle us to cancel the authorization without bearing liabilities.

- *Intellectual property*. We own the intellectual properties of the software. The customers are prohibited from reverse engineering, decoding or decompilation, and are forbidden to use such intellectual properties for any purpose unless the law permits or we allow otherwise.

- *Confidentiality*. Both parties agree to use confidential information of each other in strict compliance with the contract and are prohibited from disclosing it to third parties unless the other party gives written consent in advance.

- *Termination*. The two parties may mutually agree to terminate the contract. The contract is generally automatically extended unless either party terminates it by giving the notice period specified in the relevant contract prior to the expiration date. We are also entitled to unilaterally terminate the contract in writing by giving the notice period specified in the relevant contract in advance.

SUPPLIERS

In 2023, 2024 and 2025, our aggregate purchases from the five largest suppliers in each year during the Track Record Period was RMB2.2 million, RMB11.4 million and RMB117.3 million, respectively, accounting for 100.0%, 87.6% and 70.8% of our total purchases for the respective years. For the same years, our purchase from the single largest supplier in each year during the Track Record Period amounted to RMB2.2 million, RMB6.8 million and RMB33.8 million, accounting for 100.0%, 52.1% and 20.4% of our total purchase for the respective years.

The following tables set forth the details of our top five suppliers during the Track Record Period:

Suppliers	Products/services provided	Year of commencement of business relationship	Credit period	Payment method	Purchase	Percentage of total purchase
					(RMB'000)	
For the year ended December 31, 2023						
Supplier A[1]	Computing resources	2023	N/A	Bank transfer	2,169	100.0%
Total					**2,169**	**100.0%**

Suppliers	Products/services provided	Year of commencement of business relationship	Credit period	Payment method	Purchase	Percentage of total purchase
					(RMB'000)	
For the year ended December 31, 2024						
Supplier A[1]	Computing resources	2023	10 working days	Bank transfer	6,774	52.1%
Supplier B[2]	Computing resources	2024	Prepayment and 10 days	Bank transfer	2,206	17.0%
Supplier C[3]	Computing resources	2024	Prepayment	Bank transfer	1,091	8.4%
Supplier D[4]	Computing resources	2024	Prepayment and 10 days	Bank transfer	700	5.4%
Supplier E[5]	Cloud services	2024	Prepayment	Bank transfer	604	4.6%
Total					**11,375**	**87.6%**

Suppliers	Products/services provided	Year of commencement of business relationship	Credit period	Payment method	Purchase	Percentage of total purchase
					(RMB'000)	
For the year ended December 31, 2025						
Supplier F[6]	Computing resources	2025	Prepayment	Bank transfer	33,830	20.4%
Supplier G[7]	Computing resources	2025	Prepayment	Bank transfer	25,328	15.3%
Supplier H[8]	Computing resources	2025	Monthly settlement	Bank transfer	24,491	14.8%
Supplier I[9]	Computing resources	2024	Prepayment	Bank transfer	21,005	12.7%
Supplier J[10]	Computing resources	2025	Prepayment	Bank transfer	12,616	7.6%
Total					**117,270**	**70.8%**

Notes:

(1) Supplier A is a company headquartered in China, focusing on deep learning frameworks, AI operating systems, software development and related technical services.

(2) Supplier B is a company headquartered in China, focusing on computing power services, cloud services, internet data services, software development, information systems integration and related technology services.

(3) Supplier C is a company headquartered in China, providing cloud computing, IDC hosting, IT value-added, IT outsourcing and communications integration services to customers across industries.

(4) Supplier D is a company headquartered in China, focusing on network technology and related cloud/IT services.

(5) Supplier E is a company headquartered in China, focusing on cloud computing services.

(6) Supplier F is a company headquartered in China, focusing on full-stack cloud services, including public cloud, private cloud, dedicated cloud, hybrid cloud and edge cloud services.

(7) Supplier G is a company headquartered in China, focusing on technology services, software development, computer systems services, artificial intelligence application software development, artificial intelligence basic software development and information systems integration.

(8) Supplier Group H refers to Supplier H and its affiliates. Supplier H is a telecommunications company headquartered in China, providing telecommunications services.

(9) Supplier I is a company headquartered in China, focusing on cloud computing and related technology services.

(10) Supplier J is a company headquartered in China and its affiliates, focusing on information and communications technology infrastructure, smart devices, cloud computing and related ICT solutions, products and services.

To the best of our knowledge, except for Supplier A and Supplier I, all of our five largest suppliers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, except for Supplier A and Supplier I, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year during the Track Record Period.

Key terms of our agreements with our suppliers include:

- *Services*. Our suppliers generally provide computing resources and related technical support services, with the service scope, configuration, period and fees set out in the relevant order, service list or platform records.

- *Payment*. We generally settle supplier fees through prepayment or monthly payment arrangements. Fees are typically calculated based on fixed resource packages, actual usage, bandwidth usage or supplier platform records.

- *Service support*. Suppliers generally provide operation and maintenance services, technical support and service availability commitments.

- *Compliance and data protection*. We are generally required to use the suppliers' services in compliance with applicable laws, regulatory requirements, platform rules and network security policies. Suppliers are generally required to keep our business data and confidential information confidential.

- *Term*. Supplier agreements generally have fixed service terms or framework terms. Early termination may require prior written notice.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, to the best knowledge and belief of our Directors, two of our major business partners served as both customers and suppliers to us.

Customer I, which is also Supplier J, is our second largest customer and our fifth largest supplier in 2025. We mainly provide on-premise deployment solutions to Customer I, and Supplier J mainly provides computing resources to us through a different entity within the group. In 2023, 2024 and 2025, our sales to Customer I amounted to nil, nil and RMB7.1 million, accounting for nil, nil and 12.8% of our total revenue, respectively. During the same periods, our purchases from Supplier J amounted to nil, nil and RMB12.6 million, accounting for nil, nil and 7.6% of our total purchase amount, respectively.

Supplier I is our fourth largest supplier in 2025 and is also our customer. We provided serverless token services to Supplier I in 2025 on an incidental basis, and Supplier I mainly provides computing resources to us. In 2023, 2024 and 2025, our sales to Supplier I amounted to nil, nil and RMB8, accounting for nil, nil and less than 0.1% of our total revenue, respectively. During the same periods, our purchases from Supplier I amounted to nil, RMB419 thousand and RMB21.0 million, accounting for nil, 3.2% and 12.7% of our total purchase amount, respectively.

According to Frost & Sullivan, it is common in the token supply industry for customers and suppliers to overlap. Our Directors confirmed that all transactions with the above overlapping customers and suppliers were conducted on an individual basis and that the relevant sales and purchases were neither interconnected nor conditional upon each other. All such transactions were entered into in the ordinary course of business under normal commercial terms and on an arm's length basis.

DATA SECURITY AND PRIVACY

A core principle of our platform design is that we do not store or use customer interaction data – including prompts submitted to and outputs generated by the models available on our platform.

In the ordinary course of our business, we collect and maintain limited personal information from our users, which comprises: (i) registration information, such as name and contact details, provided upon account creation; and (ii) identity verification and payment information, required by actual business operations. This personal information is stored separately from interaction data and is processed in accordance with applicable laws and regulations on data privacy and security in China and, in respect of our international platform, in the jurisdictions in which we operate. Although we operate both a domestic and an international platform, customers' personal data from each platform is stored separately. Interaction data is randomly scheduled based on computing resource availability and is deleted immediately upon completion. We do not provide personal data of our users to third parties except where required by applicable law or with the user's prior consent.

For customers using our on-premise deployment solution, all communications and inference requests are stored and processed within the customer's own infrastructure, with no exposure to our shared cloud environment.

We have implemented a range of technical and organizational measures to protect the security of data processed on our platform, including:

- Access control. We maintain an access control system for personal information in our internal systems, restricting access to authorized personnel only. Employee access to data is strictly limited based on role and function.

- Network and system security. We maintain firewalls and network security protocols to prevent information loss or leakage resulting from cyber-attacks, and we conduct periodic data security risk assessments.

- Compute isolation. Our cloud infrastructure implements computing isolation and network isolation across tenants to prevent unauthorized access to or leakage of customer data across the multi-tenant environment. We continue to evaluate and strengthen our isolation architecture, including exploring enhancements to container-level security.

- Employee confidentiality obligations. All employees are required to sign confidentiality and intellectual property assignment agreements upon joining the Company, covering confidentiality, non-compete obligations, and the treatment of intellectual property created during employment. Employees involved in important customer projects are additionally required to execute project-specific confidentiality agreements.

- Data compliance governance. We have established a data compliance system covering each department's data processing methodology, emergency response and contingency plans for information security incidents, and an internal working group that conducts regular monitoring of data compliance matters.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material malfunction, unexpected system failure, interruption, or security breach in our information technology and software systems, nor did we experience any material data leakage, data loss, or unauthorized use of customer personal information. Furthermore, we have not been subject to any litigations, arbitrations, or material administrative penalties in relation to data protection or cybersecurity that resulted in a material adverse effect during the same periods. We believe that, as a result of our strict internal controls, compliance governance, and our fundamental design principle of not storing or using customer interaction data, our business operations are in compliance with current data security laws and regulations in all markets where we operate in all material respects.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE MATTERS

ESG Governance

We strictly comply with national and local laws, regulations, and regulatory documents concerning artificial intelligence, ecological and environmental protection, labor and employment, and business ethics, and steadily enhance our ESG management performance. The Board of Directors serves as our highest supervisory and decision-making body for ESG governance. It is primarily responsible for reviewing major ESG-related matters, overseeing ESG practices, and monitoring the progress of our ESG targets. In our operations and major decision-making, we assess ESG risks and opportunities, drive the integration of sustainability principles and responsible business practices across the entire value chain through a top-down approach, and adhere to the highest standards of business ethics. The Board of Directors oversees ESG initiatives on an ongoing basis through regular meetings and dedicated issue-based communications. In addition, we conduct ESG training at least annually to enhance the Board's knowledge of ESG regulatory frameworks and industry best practices, and to continuously strengthen the Board's professional competence in sustainable governance.

To better advance our ESG initiatives, we have established an ESG Working Group comprising management personnel from various departments. Its key responsibilities include: (i) identifying ESG risks and opportunities and formulating risk mitigation measures, (ii) developing ESG-related policies and tracking their implementation, (iii) assessing the impacts of climate change and formulating coping strategies, (iv) coordinating ESG data management and daily ESG administrative workflows, and (v) organizing ESG-related training for employees across all departments.

We are currently formulating our ESG policies with reference to the relevant requirements of the Listing Rules of the Stock Exchange of Hong Kong (《上市規則》). Post-[**REDACTED**], we will establish a normalized ESG information disclosure system, and regularly publish ESG Reports to practically safeguard the rights and interests of our stakeholders.

ESG Risk Management

The Directors, having made all reasonable inquiries, confirm that as of the Latest Practicable Date, we are in full compliance with all applicable ESG laws and regulations across all operating jurisdictions, with no material non-compliance affecting our operations, financials, performance, or reputation, nor any material regulatory penalties received.

To continuously enhance the effectiveness of risk management and control, the ESG Working Group is responsible for specific ESG risk assessments, root cause analysis, and the formulation of corresponding emergency response mechanisms, with relevant outcomes submitted to the Board of Directors at least once a year. Moving forward, we will continuously improve our ESG risk control system to build a solid foundation for sustainable corporate development.

Materiality Assessment

We construct our ESG material issue pool based on the ESG regulatory guidance documents of the Stock Exchange of Hong Kong and the Sustainability Accounting Standards Board Standards, while integrating our actual conditions. We distribute questionnaires to stakeholders, including our Directors, senior management, suppliers, and other relevant parties, and determine the materiality ranking of ESG issues through a combination of expert judgment and collective deliberation by the Board of Directors. According to the assessment results, we consider issues such as product responsibility, R&D and innovation, intellectual property protection, supply chain management, development and training, labor standards, anti-corruption, and climate change to be the key ESG issues that require our focused attention, and we place special emphasis on these aforementioned issues when implementing ESG management, control, and practices.

Environmental

Based on the nature of our business, we do not engage in manufacturing activities, and our environmental risks are relatively low. We formulate internal Environmental Protection Policies and advocate for green and low-carbon concepts. We promote green offices, standardize the use and management of electrical equipment, and encourage employees to adopt green travel practices. As of the Latest Practicable Date, we have obtained the ISO 14001:2015 Environmental Management System Certification. During the Track Record Period, we did not experience any environment-related complaints or penalties, and our cumulative expenses incurred in connection with environmental compliance during the Track Record Period was approximately RMB40 thousand.

Environmental Management Targets

To align with China's national Dual Carbon strategy, using 2025 as the baseline year, we have committed to reducing energy consumption intensity by 5% by 2028 and 10% by 2030, and reducing greenhouse gas emission intensity by 5% by 2028 and 10% by 2030. To ensure the implementation of these targets, we will implement these targets in phases through measures such as energy efficiency improvements, clean energy substitution, and the enhancement of employee environmental awareness.

Waste Management

Our daily business operations do not involve the discharge of hazardous waste and only generate non-hazardous waste, which primarily consists of domestic office waste generated from employees' daily office activities. The non-hazardous waste is centrally collected and disposed of by the property management of the building where our offices are located. Meanwhile, we encourage methods such as paperless office practices to reduce waste generation.

Energy Management and Water Resource Utilization

We strictly comply with laws and regulations relating to energy management and continuously promote the efficient utilization of resources. The energy consumed in our daily operations includes purchased electricity and office water. Given our business nature, almost all of our computing power is acquired through market-based leasing. As our business continues to expand, both headcount and office premises have been scaling up since 2024, which has directly led to a corresponding increase in the scale of energy consumption. To further practice the concept of green operations, we implement energy-saving management and control measures among all staff on a normalized basis, guiding employees to properly implement water and electricity conservation requirements, thereby continuously reducing resource consumption from the operational end. During the Track Record Period, our energy consumption is as follows:

Indicator	Unit	2023	2024	2025
Total Electricity Consumption	kWh	1,162.50	9,432.49	30,352.00
Electricity Intensity	kWh/RMB'000 of revenue	193.75	1.28	0.55

(1) Since the commencement of our operations, all water-related expenses for our office premises have been consistently covered by the property management service provider of the building. Given that the office building has not installed separate meters to measure our actual water consumption, data regarding water resource usage is currently unavailable.

In addition to daily operations, we integrate green concepts into the full lifecycle management of products, spanning from technical R&D to commercial application. Through a combination of self-developed technologies, including a high-performance inference engine, lossless precision dynamic quantization, multi-level caching and smart routing, and the unified scheduling of heterogeneous computing resources, we significantly reduce computing resource consumption during the token production process, thereby directly lowering energy consumption. For deployed models including MiniMax-M2.5 and DeepSeek-V3.2, our technical stack delivers a 60%—80% reduction in inference compute volume on reserved instances (dedicated compute) versus the unoptimized baseline. Under actual system-level benchmarking, MiniMax-M2.5 registers a per-token energy footprint of 49.2 Wh per million tokens (at datacenter level with a power usage effectiveness of 1.3), which is approximately 39% lower than the Dense model reference point audited under MLPerf Inference v4.1 (Llama2-70B at 80.7 Wh per million tokens). On a parameter-normalized basis, this equates to a roughly 10.7-fold gain in energy efficiency. In cache-hit scenarios, compute and energy savings exceed approximately 90%. Additionally, we have consolidated chips previously constrained by software ecosystem limitations into a centrally managed compute scheduling pool, substantially improving overall compute resource utilization and curtailing energy losses attributable to idle capacity.

For commercial application scenarios, we leverage the elastic scheduling capabilities of cloud-native software to automatically match optimal resources for AI model inference tasks, and promptly release resources down to zero for models that do not need to run, avoiding the generation of invalid computing power and corresponding energy loss within data centers. In addition, relying on the cross-regional layout of computing power resources, we dynamically allocate computing power in light of local energy endowments and customers' business requirements. Computing resources are prioritized for deployment in regions rich in photovoltaic power during daytime and shifted to sites with abundant wind power at night to raise the proportion of renewable electricity consumption. Moving forward, we will continuously and dynamically optimize our computing power scheduling strategies, giving priority to utilizing computing power resources in regions with abundant green electricity such as solar and wind energy.

Addressing Climate Change

We pay close attention to various potential impacts triggered by climate change, and prudently assess and judge various risks and uncertainties brought by climate factors to our own operations, business development, and financial performance. To systematically manage climate-related risks, our General Administration Department leads the annual identification and assessment of climate risks and opportunities, covering: (i) physical risks — primarily the physical impacts of climate change, including acute risks from extreme weather events and chronic risks arising from global warming; and (ii) transition risks — primarily the impacts of transitioning to a low-carbon economy, including legal and policy risks, market risks, technological risks, and reputational risks. The assessment also analyzes the transmission effects of different climate risks on our daily operations as well as medium- and long-term development. In response to the identified climate risks with high impact levels, we continuously enhance our risk management capabilities and steadily strengthen our climate resilience and operational robustness.

As of the Latest Practicable Date, we have not incurred any material adverse losses to our operations or financial condition arising from climate change-related risks. The table below presents our identified climate-related risks, the impacts, and the measures taken or planned in response:

Risk Description	Degree of Impact	Impact Period	Potential Impact	Mitigating Measures
Extreme weather may disrupt employee commuting and suspend office operations, posing potential risks to our stable operation.	Low	Short-term	Increased Operating Costs	Equip sufficient emergency response supplies, implement normalized potential safety hazard inspections of venues, actively conduct emergency drills, and improve off-site remote emergency office contingency plans.
Global warming may lead to higher energy consumption for us.	Low	Medium-term	Increased Operating Costs	Adopt energy-saving equipment and establish an energy consumption inspection mechanism, with normalized energy consumption management and control to tap deeper into the potential for consumption reduction.

Risk Description	Degree of Impact	Impact Period	Potential Impact	Mitigating Measures
Against evolving Dual Carbon Goals and regulatory caps on carbon emissions & energy consumption across the computing sector, non-compliant carbon management by our computing partners may restrict relevant cooperation.	Medium	Medium-term	Rising Procurement Costs for Computing Power Leasing	Track relevant laws and regulations on a normalized basis, monitor greenhouse gas emissions of upstream computing partners and enhance full-chain climate compliance management.
Extreme weather and energy volatility may push up power prices, with upstream computing providers passing higher power costs to rental quotes. Constrained by ESG management, downstream clients demand more renewable-powered computing.	Medium	Medium-term	Rising Procurement Costs for Computing Power Leasing	Expand qualified low-carbon computing resources powered by renewable energy; cooperate with partners to boost green power substitution for computing load.
If our inference energy efficiency ratio fails to continuously improve, this may potentially diminish our core competitiveness.	High	Long-term	Increased R&D Investment, Decreased Operating Revenue	Establish a special R&D budget to safeguard the baseline for energy consumption optimization per token; and implement multi-region computing power off-peak scheduling to reduce costs and consumption by utilizing regional differences in energy.
If any environmental non-compliance incidents occur, it will damage our reputation, resulting in the loss of high-quality customers and hindering investment and financing.	Medium	Medium-term	Decreased Operating Revenue	Standardize climate-related environmental information disclosure to enhance the transparency of our low-carbon operations. Establish a normalized public opinion monitoring mechanism for climate issues.

Greenhouse Gas Emissions

The greenhouse gas emission sources during our operations are primarily divided into two categories: (i) purchased electricity; and (ii) indirect greenhouse gas emissions generated by employees' business travel. During our daily operations, in order to reduce greenhouse gas emissions, we implement refined energy-use management and control measures: fully utilizing natural lighting to optimize indoor lighting energy consumption and strictly controlling air conditioning temperature-regulation energy loss. During the Track Record Period, our greenhouse gas emissions are as follows:

Indicator	Unit	2023	2024	2025
Scope 1 greenhouse gas emissions	kgCO2e	0.00	0.00	0.00
Scope 2 greenhouse gas emissions—purchased electricity	kgCO2e	691.69	5,612.33	18,059.44
Scope 3 greenhouse gas emissions—employee business travel	kgCO2e	—	—	7,508.01
Total greenhouse gas emissions	kgCO2e	691.69	5,612.33	25,567.45
Greenhouse gas emissions intensity	kgCO2e/RMB'000 of revenue	115.28	0.76	0.46

(1) The calculation of the above indicators is based on relevant regulations such as the GHG Protocol and the IPCC Guidelines for National Greenhouse Gas Inventories. As we are a non-manufacturing enterprise and considering our actual operations, Scope 1 direct greenhouse gas emissions are not applicable as there is no direct energy consumption involved.

(2) Scope 2 indirect emissions primarily consist of greenhouse gas emissions generated from our purchased electricity. The calculation of relevant indicators refers to the average emission factors of China's provincial power grids.

(3) Scope 3 greenhouse gas emissions — Category 6 Business Travel covers employees' business travel via aviation and high-speed rail. Due to current data collection constraints, only the employee travel data for the year 2025 has been fully collected at this stage. Going forward, we will improve the travel ledger management to continuously strengthen the data foundation for carbon emission accounting.

Social

Labor Relations

We strictly comply with laws and regulations such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), and have established internal policies to protect employees' legitimate rights and interests, fostering harmonious, stable, and mutually beneficial labor relations. We strictly prohibit the employment of child labor and forced labor, and have established a full-process employment compliance review mechanism. Furthermore, we eliminate any differential treatment of job applicants and current employees based on factors such as gender, age, or ethnicity, adhering to the principles of equal opportunity and merit-based recruitment. As of December 31, 2025, we achieved a 100% labor contract signing rate and 100% social insurance coverage. We employed 1 disabled employee and provided matching job opportunities tailored to their abilities and needs. The detailed breakdown of our workforce structure is set out below:

		As of December 31		
Category	Subgroup	2023	2024	2025
Gender	Male employees	16	32	74
	Female employees	1	11	26
Age	≤ 30 years (incl.)	11	17	32
	31—49 years	6	23	66
	≥ 50 years (incl.)	0	3	2

We organize all-staff meetings on an irregular basis each year to collect and communicate employee grievances and feedback, continuously enhancing employees' sense of belonging and workplace well-being. In addition, we formulate competitive and equitable remuneration and benefits packages by integrating factors such as market benchmarks, employee performance, and job contributions, which encompass basic salary, variable bonuses, social security and housing provident funds, annual bonuses, long-term incentives, and fringe benefits. Staff turnover stood at 0%, 15.69% and 7.34% in 2023, 2024 and 2025 respectively, mainly due to personal career development reasons.

Development and Training

We adhere to the people-oriented and practice-driven talent cultivation philosophy, attaching great importance to employee development. We implement tiered and categorized cultivation closely aligned with our strategic development, relying on mentorship and hands-on project experience to train and develop our workforce. We continuously enhance our learning and empowerment system, with a training framework covering management, general, and professional competencies. Our training methods are primarily internal, supplemented by external training, and the training content includes specialized business and technical training, as well as safety training. During the Track Record Period, the employee training coverage reached 100% annually.

Occupational Health and Safety

We attach great importance to the occupational health and safety of our employees, providing them with a safe, healthy, and comfortable working environment. We have established an employee mental health care mechanism, with designated personnel conducting communications and emotional guidance. To further strengthen our emergency response capabilities for sudden health events, we have purchased AED emergency equipment and placed it in a core area of the office, and have invited external trainers to conduct specialized training on CPR and AED utilization for all employees. As of the Latest Practicable Date, we have obtained the ISO 45001:2018 Occupational Health and Safety Management System certification. During the Track Record Period, we experienced no major safety incidents, nor were there any work-related fatalities or workplace injuries.

Supply Chain Management

We are committed to building a stable, compliant, and efficient supply chain system. We formulate internal management policies, and implement rigorous onboarding and dynamic management mechanisms. When onboarding new suppliers, they must undergo multiple internal control processes, including technical reviews. We evaluate core suppliers including IDC operators, cloud vendors and computing hubs focusing on operational capacity and service sustainability, prioritizing partners with sound ESG governance. The assessment covers qualifications, information security, quality management and environmental management. We also prefer suppliers sourcing renewable power. In our daily supplier management, we have established routine supplier supervision and assessment mechanisms. Meanwhile, the procurement team regularly collaborates with the technical team to evaluate and confirm suppliers' service capabilities on a monthly basis. For non-compliant suppliers, we will hold them accountable according to contract terms. In addition, we require suppliers to sign an Integrity Agreement (《廉潔協議書》) to explicitly prohibit commercial bribery and improper transfer of benefits, and we have established dedicated reporting channels to ensure that the supply chain system operates in a standardized, transparent, and benign manner.

Product Liability

We have formulated systems such as the Product Quality Emergency Response Plan (《產品質量應急處置預案》) and the Business Continuity Management Measures (《業務連續性管理辦法》), establishing multi-level emergency response workflows that clearly define the reporting pathways, handling time limits, and division of responsibilities for different levels of incidents to ensure that sudden quality events can be rapidly responded to and effectively resolved. In light of the technical characteristics and compliance requirements of the AI model inference infrastructure industry, we have established a quality management system and an information security control system to effectively safeguard the legitimate rights and interests of customers, as well as the safe and stable operation of businesses. As of the Latest Practicable Date, we have obtained the ISO 9001:2015 Quality Management System Certification, the Capability Maturity Model Integration Level 3 Certification, the ISO 42001:2023 Artificial Intelligence Management System Certification, and have received 8 other AAA certificates, including the "Quality-Focused and Trustworthy Enterprise." We conduct regular system surveillance audits and internal quality reviews annually to optimize and refine our quality management measures in a timely manner, building a closed-loop quality management system across the entire process.

In addition, we have constructed a tiered and multi-dimensional customer service system and formulated the Customer Rights and Interests Protection Management System (《客戶權益保護管理制度》) to elevate customer satisfaction. As of the Latest Practicable Date, we have not experienced any major incidents arising from product liability, and there have been no related claim incidents causing major personal casualties or property losses.

Information Security and Data Privacy Protection

We strictly comply with laws and regulations such as the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), and have formulated the information security management and privacy protection framework. The Platform Engineering Department serves as the centralized governing body for our cybersecurity functions and coordinates the management of information security. In addition, we deploy full-time network management personnel to execute practical tasks such as daily network operation and maintenance and safety implementation. As of the Latest Practicable Date, we have obtained the ISO 27001:2022 Information Security Management System certification, the ISO 27701:2019 Privacy Information Management System certification, and the Multi-Level Protection Scheme for Information System Security filing, building an information security protection system that conforms to national laws, regulations, and industry standards.

We build a closed-loop security control system around the entire data life-cycle, formulating specialized standards such as data classification and grading, as well as permission management. We assign access permissions based on the principle of least privilege and obtain informed consent from users where required. At the technical level, we define resource security boundaries relying on computing and network isolation, adhere to minimized storage requirements, and delete or anonymize customer data after project completion. For public cloud services, we provide high-level security protection. In the private deployment mode integrated hardware and software products are deployed on the client side, and relevant software, hardware, models, and data never leave the customer's internal network, fundamentally eliminating data leakage risks.

Intellectual Property Protection

We attach great importance to intellectual property layout and the protection of independent innovation. We have formulated the Patent Management System (《專利管理制度》) to protect intellectual property. We encourage employees to actively apply for intellectual property rights and guide technological innovation through cash bonus incentives. For critical positions, we effectively prevent the risk of losing core technologies and trade secrets through agreed non-compete provisions, confidentiality, and intellectual property transfers.

Community Investment

Leveraging our proprietary technologies to advance ecosystem development and deliver social value, we focus on inclusive AI, developer ecosystem collaboration, public-interest research support, and open-source community enablement. We have made certain open-source models under 9B parameters freely available to all platform users, enabling developers, students, independent creators, and small-to-medium teams to access AI models at low cost, thereby lowering the upfront investment and barriers to AI innovation. In addition, we provide free token resources support to our public welfare and scientific research partners subject to pre-approved allocation limits, effectively reducing the cost of using AI in scientific research and public welfare projects. As of the Latest Practicable Date, we have engaged in more than 10 key support projects, covering diverse scenarios such as startup camps, campus sharing sessions, hackathons, and overseas roadshows. With token grants as the core method of support, a cumulative total of approximately RMB1.4 million in token grants has been distributed, significantly lowering the thresholds for innovative practice and entrepreneurial launch.

Business Ethics

We advocate a corporate culture of honesty and integrity, strictly comply with all relevant laws and regulations, and foster an anti-fraud corporate culture and environment. We clearly define professional ethics standards for employees in the Employee Handbook (《員工手冊》) and labor contracts, integrate relevant content into the induction training for new employees, and provide accessible and confidential channels for reporting any improper conduct. During the Track Record Period, the coverage rate of employees and directors receiving professional ethics and anti-corruption training, as well as the coverage rate of suppliers to whom our professional ethics and anti-corruption policies were communicated, both remained at 100%. As of the Latest Practicable Date, we have not received any reports regarding incidents related to business ethics.

COMPETITION

Explosive growth characterizes China's emerging token supply market as it transitions to the rapid scaling of large-scale AI inference demand, driven by the evolution of AI applications toward continuous task execution and increasingly complex multi-step workflows. The size of China's token supply market, as measured by token throughput, grew by 1,602.6% from 2024 to 2025, and is expected to reach approximately 53.2 quintillion tokens by 2030, representing a CAGR of 638.3% from 2025 to 2030.

We differentiate ourselves as an independent ecosystem token supply platform. Unlike closed ecosystems that restrict users to their proprietary computing resources and models, we maintain a neutral and open position. We connect diverse, heterogeneous computing resources and multi-model ecosystems without directly competing with downstream application vendors. Through our deep technical capabilities in cross-chip adaptation, inference engine optimization, and heterogeneous computing resource orchestration, we maximize token production efficiency and ensure stable, scalable delivery across multiple deployment modes. In 2025, we were the fourth largest token supply platform in China in terms of annual token throughput, with a market share of 1.5% and ranked first among all independent ecosystem token supply platforms in China. For details, see "Industry Overview."

AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we received awards and recognition in respect of our services, technology and innovation, significant ones of which are set forth below:

Award/Recognition	Award Authority	Award Year
2026 Super AI Leader (SAIL) Award Top 30 (2026卓越人工智能引領者獎 Top 30)	World Artificial Intelligence Conference (世界人工智能大會)	2026
National High-Tech Enterprise (國家高新技術企業)	National Leading Group Office for the Administration of High-Tech Enterprise Certification (全國高新技術企業認定管理工作領導小組辦公室)	2025
Beijing Digital Infrastructure Technology Benchmark Enterprise (北京市數字基礎技術標桿企業)	Beijing Software and Information Service Industry Association (北京軟件和信息服務業協會)	2025

Award/Recognition	Award Authority	Award Year
Beijing Specialized, Refined and Novel SME (北京市專精特新中小企業)	Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局)	2025
Beijing Innovative SME (北京市創新型中小企業)	Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局)	2025
Beijing Science and Technology-Based SME (北京市科技型中小企業)	Beijing Municipal Science and Technology Commission (北京市科學技術委員會) and Zhongguancun Science Park Management Committee (中關村科技園區管理委員會)	2025
2025 Model-as-a-Service (MaaS) Benchmark Case (2025年度模型服務MaaS標桿案例)	China Artificial Intelligence Industry Development Alliance (AIIA) (中國人工智能產業發展聯盟)	2025
50 Smartest Companies (50家聰明公司)	MIT Technology Review (《麻省理工科技評論》)	2025
21 High-Growth Innovative Companies (21家高成長性創新公司)	China Entrepreneur Magazine (《中國企業家》雜誌)	2025
China's Most Valuable AGI Innovation Institutions TOP 50 (中國最具價值AGI創新機構TOP 50)	Geek Park (極客公園)	2024 and 2025
New Sprout 50 & Artificial Intelligence 50 (新芽50 & 人工智能50)	Zero2IPO Holdings Inc. (清科控股) and PEdaily.cn (投資界)	2025
2024 Most Noteworthy AIGC Enterprises & AIGC Products Dual Award (2024年中國最值得關注AIGC企業 & AIGC產品雙料獎項)	Qbit (量子位)	2024

EMPLOYEES

As of December 31, 2025, we had 100 full-time employees, all of whom were located in Chinese mainland. In addition, 41 full-time employees hold a master's degree or above. The following table sets forth the number of our employees by function:

Employee Function	Number of Employees	% of Total
Research and Development	67	67.0
Sales and Marketing	21	21.0
Operations	5	5.0
General and Administrative	7	7.0
Total	**100**	**100.0**

Our success deeply rests with our ability to attract, retain and motivate qualified talent, and we believe that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit according to high standards and rigorous procedures, using various methods, including online recruitment, internal referral programs and third-party recruiters, to select suitable candidates for relevant positions based on our talent needs.

We invest in continuing education and training programs, including regular and tailor-made internal and external training, for our employees to improve their professional knowledge and management skills, upgrade their skill sets and keep abreast of the industry standards in their respective positions. We also organize activities to help our employees gain a better understanding of our culture.

In line with PRC laws, we participate in government-mandated employee benefit plans, including social insurance for pensions, medical care, unemployment, work-related injury, maternity, and housing funds.

We believe we have a positive working relationship with our employees. None of our employees are represented by labor unions. Throughout the Track Record Period and up to the Latest Practicable Date, we experienced no strikes, work stoppages, or labor disputes that materially affected our business operations.

INSURANCE

As of the Latest Practicable Date, we maintained commercial insurance coverage for all full-time employees who have completed their probationary period. The commercial insurance mainly includes supplemental medical insurance, and other covered matters include accidents, traffic, etc. We do not otherwise maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws and in line with general market practices. We do not maintain keyman life insurance, insurance policies covering damages to our network infrastructures or information technology systems or any insurance policies for our properties.

During the Track Record Period, we did not make any material insurance claims in relation to our business. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. For details, see "Risk Factors — Risks Related to Our Business and Industry — Our limited insurance coverage could expose us to significant costs and business disruption."

LICENSE, APPROVALS AND PERMITS

We maintain required licenses, permits and approvals and monitor ongoing compliance to ensure all necessary authorizations are in place. During the Track Record Period and up to the Latest Practicable Date, no material unexpected or adverse changes that could adversely affect the maintenance and renewal of our material licenses, permits, approvals and certificates had occurred since the dates of issue of the relevant regulatory approvals for our business operation. The following table sets forth the details of the material licenses and permits necessary for our business operations:

License/Permit	Entity Holding the License/Permit	Grant Date	Expiration Date
Value-Added Telecommunications Business License (增值電信業務經營許可證)	The Company	August 2024	July 2029
Domestic Deep Synthesis Service Algorithm Filing (境內深度合成服務算法備案)	The Company	September 2025	N/A

License/Permit	Entity Holding the License/Permit	Grant Date	Expiration Date
Domestic Deep Synthesis Service Algorithm Filing (境內深度合成服務算法備案)	The Company	March 2026	N/A
Generative AI Service Registration (生成式人工智能服務登記)	The Company	December 2025	N/A
Information System Security Classified Protection Filing Certificate (信息系統安全等級保護備案證明)	The Company	October 2024	N/A

PROPERTIES

As of the Latest Practicable Date, we did not own any properties in the PRC. As of the Latest Practicable Date, we primarily leased three properties in the PRC that are in actual use, with an aggregate gross floor area of 2,956.74 sq.m. as our offices. We believe that our current facilities are adequate to meet our current needs.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, including the R&D of our Specialist Technology Products, financial condition or reputation and compliance.

During the Track Record Period and up to the Latest Practicable Date, we did not commit any material non-compliance of the laws and regulations, or experience any systemic non-compliance incident which, taken as a whole, in the opinion of our Directors, is likely to have a material adverse effect on our business, results of operations and financial condition. During the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant PRC laws and regulations in all material respects.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continuously improving these systems. We have adopted and implemented risk management policies in various aspects of our business operations. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department. Our Directors are of the view that we have adequate and effective internal control procedures to ensure compliance with relevant laws and regulations going forward.

Human Resource Risk Management

We have established internal control policies that cover all aspects of human resource management, including recruitment, training, professional ethics, and legal compliance. Our industry is in dire need of experienced employees, especially R&D personnel. The departure of key personnel may have an adverse effect on us.

All our employees have entered into employment agreements with us containing confidentiality and non-competition clauses. We also require employees to adhere to higher professional ethical standards. We provide all employees with an employee handbook which includes a code of conduct that each employee must adhere to.

Financial Reporting Risk Management

We have implemented a series of accounting policies for financial reporting risk management and have established strict internal reimbursement, financial reporting management and approval policies. Specifically, the finance department implements specific review and verification procedures for invoices, drafts, bills, and other financial documents to ensure the authenticity of the original documents we receive and use. The finance department also checks whether the amounts and times shown on the documents are consistent with the relevant contracts. We have a strict internal approval process, and almost all approval matters are completed online through the company's internal platform, thereby enabling effective end-to-end monitoring while operating efficiently.

Legal Compliance and Intellectual Property Risk Management

Our operation risk management involves compliance with the PRC laws and regulations, especially laws and regulations relating to the information service industry, as well as protecting intellectual property and avoiding liability for infringing third-party intellectual property rights. We have a team of experienced legal professionals to ensure our compliance and control intellectual property-related risks. Our legal team is responsible for approving contracts, monitoring updates in the PRC laws and regulations, and ensuring that business operations continue to comply with the relevant laws and regulations. Our legal department also assists in ensuring the timely filing of all necessary trademark, copyright, and patent applications with the relevant authorities.

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountant's Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, and our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed "Risk Factors" and "Business."

For the purpose of this section, unless the context otherwise requires, (i) reference to 2023 refers to the financial period ended December 31, 2023 (consisting of the period from August 29, 2023, our date of incorporation, to December 31, 2023), (ii) reference to 2024 refers to the year ended December 31, 2024, and (iii) reference to 2025 refers to the year ended December 31, 2025.

OVERVIEW

We are a leading open, independent token supply platform in China, operating at the forefront of an era defined by the rapid application of AI models across enterprises. As AI models become increasingly integrated into everyday workflows, the demand for tokens is growing exponentially, while the need for high-quality token supply, characterized by accuracy, generation speed, cost efficiency, stability and security, is becoming increasingly critical. By connecting computing resources and AI models with system software capabilities, the token supply platform offers one-stop AI infrastructure services, enabling high-quality token delivery at scale.

In China, we are the largest independent ecosystem token supplier and one of the top five players among all token suppliers, as measured by annual token throughput in 2025, according to Frost & Sullivan. Powered by our proprietary inference engine and computing resource orchestration system, we effectively aggregate, optimize, and orchestrate heterogeneous computing resources across diverse hardware architectures from different vendors, thereby converting underlying computing power into standardized, reliable and scalable token supply. This enables seamless access to and deployment of AI capabilities across a broad range of state-of-the-art models with industry-leading performance-to-cost efficiency. To capture diversified commercial demands, we deliver our core capabilities primarily through public cloud-based services and on-premise deployment solutions, servicing customers across a wide range of sectors. We achieved significant growth in revenue during the Track Record Period. In 2023, 2024 and 2025, our revenue was RMB6 thousand, RMB7.3 million and RMB55.3 million, respectively.

BASIS OF PREPARATION

Our historical financial information during the Track Record Period, consisting of the financial period from August 29, 2023, which is the date of incorporation of our Company, to December 31, 2023, and the years ended December 31, 2024 and 2025, has been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"). Our historical financial information has been prepared on a historical cost convention, except for financial assets at fair value through profit or loss, which are carried at fair value. Furthermore, our historical financial information has been prepared on a going concern basis.

All effective standards, amendments to standards and interpretations, which are mandatorily effective for the financial year beginning on January 1, 2025, are consistently applied to us for the Track Record Period. Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by us during the Track Record Period are set out in Note 2 of the Accountant's Report included in Appendix I to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by the following major factors.

General Factors

Our results of operations and financial position have been, and are expected to continue to be, influenced by general factors affecting the global token supply market and the broader AI infrastructure industry, including those in China. These factors primarily include macroeconomic growth and the AI trend globally, the pace of technological advancements in AI models and chips, the global geopolitical landscape and its impact on supply chains, and government policies supporting AI infrastructure and token supply services. Any material changes in these general market conditions could significantly impact our operating environment.

Specific Factors

While our business is influenced by the general factors set forth above, our results of operations are more directly affected by specific factors relating to our business, primarily including:

Ability to Expand Customer Base and Drive Revenue Growth

Our revenue growth directly depends on our ability to expand our customer base and deepen their engagement across our diverse offerings. To drive sustainable revenue, we focus on scaling the number of enterprises and developers adopting our platform while increasing their usage volume and average contract values. We have achieved significant growth across all our business lines. For our public cloud-based services, we experienced growth in our user base, with our number of registered users growing from 127,133 as of December 31, 2024 to 9,197,439 as of December 31, 2025, and further to 10,282,431 as of April 30, 2026. This user growth was accompanied by deep commercial engagement, driving our average daily token throughput to increase substantially from 47.8 billion in December 2024 to 163.1 billion in December 2025 and reaching 578.5 billion in April 2026. The number of our serverless token services customers increased from 2,455 in 2024 to 716,012 in 2025, and was 642,866 for the four months ended April 30, 2026. Concurrently, we successfully scaled our enterprise engagement. The number of our dedicated instance customers increased from 7 in 2024 to 49 in 2025, alongside an increase in the average revenue per customer from RMB87,669 in 2024 to RMB305,353 in 2025. Similarly, the number of our on-premise deployment customers was 28 in 2024 and 20 in 2025, with the average revenue per customer increasing from RMB224,184 in 2024 to RMB1,303,448 in 2025.

Furthermore, our international expansion contributed to our overall token volume and broadened the global market acceptance of our public cloud platform. This expanding customer base and increasing token consumption directly drive our revenue growth. Specifically, acquiring large enterprise customers is crucial to our revenue strategy, as it can significantly increase our average contract value. To establish a recurring revenue stream that supports our long-term financial viability, we execute a "land-and-expand" approach through two clear conversion pathways: first, converting individual developers and small and medium businesses into paying users of our serverless token services as they scale their usage; and second, identifying high-potential enterprise users growing within our public cloud ecosystem and upselling them to our high-value dedicated instances or on-premise deployment solutions.

Ability to Optimize Cost Efficiency and Manage Gross Margin Profile

Our profitability is largely influenced by our cost of revenue, which mainly consists of computing resources purchased in the form of computing power rental fees. Our overall gross margin is determined by the respective gross margins of our different business lines and their revenue contribution.

For our on-premise deployment solutions, the gross profit margin was 92.4% in 2024 and 82.5% in 2025. The gross profit margin for this business line remained high, primarily because these services are relatively standard and are delivered without incurring additional computing resource costs. This high-margin business acts as a steady source of operating cash flow, ensuring our overall cash generation capabilities even as we invest heavily in public cloud expansion.

For our public cloud-based services, the gross loss margin was 271.6% in 2024 and 119.0% in 2025. We recorded the gross loss margin for this business line during the Track Record Period, primarily due to the early stage of our commercialization where we strategically prioritized market share, user acquisition and ecosystem building over immediate profitability. Specifically, we incurred substantial upfront direct computing resource costs to secure sufficient capacity and maintain high service availability for our rapidly expanding user base. The rapid expansion of our public cloud business altered our overall revenue mix, causing our overall gross margin to shift from 39.4% in 2024 to (24.0%) in 2025.

To improve the unit economics of our public cloud services and drive our path to profitability, we expect our gross margin to structurally improve as our revenue base scales. We intend to achieve this primarily by optimizing our supply chain, continuously enhancing our operational efficiency and increasing the proportion of higher-margin enterprise engagements.

- ***Optimizing our supply chain***. As our business scale expands, we plan to optimize our supply chain through the following key approaches: (i) leveraging our proprietary heterogeneous computing platform, which is capable of dynamically orchestrating workloads across various chip architectures. By removing our reliance on any single chip architecture or hardware vendor, this capability significantly broadens the range of computing power suppliers we are able to engage, enriches and diversifies our sources of supply, and strengthens our bargaining position in procuring computing resources on more favorable commercial terms; (ii) securing long-term lease agreements for advanced chips, which will directly lower our absolute unit computing rental costs; and (iii) transitioning a portion of our capacity from fixed-rate rentals to revenue-sharing or utilization-based partnerships with computing resource providers. Under this collaborative model, rather than paying a fixed monthly lease regardless of user traffic, our payment obligations to suppliers will be directly tied to the actual revenue generated by, or the specific usage of, their computing resources. This effectively converts fixed rental expenses into variable costs. Furthermore, these partnerships typically feature arrears billing and favorable credit periods, allowing us to collect cash from our customers before settling with our suppliers. This structural alignment of cash outflows with actual cash inflows serves to significantly optimize our working capital and operating cash flow.

- ***Enhancing our operational efficiency***. In parallel, we focus on maximizing the utilization and output of our computing resources through the following measures: (i) continuously optimizing our operational efficiency through deep engineering and technological advancements, which increase the token throughput produced per unit of computing power and thereby structurally lower our unit cost of service delivery; and (ii) expanding our user base across different geographies and broadening the diversity of our application scenarios and workload types, which can enable us to dynamically orchestrate tasks around the clock and maximize the utilization rate of our server clusters.

- ***Increasing the proportion of higher-margin enterprise engagements***. As we continuously enhance our enterprise-grade capabilities to meet stringent requirements for data isolation, greater performance and stability, we expect demand from enterprise customers to grow and the proportion of customers adopting our dedicated instances to increase, which will further improve the unit economics and gross margin profile of our public cloud-based services.

Our path to profitability depends on our ability to continually execute these supply chain and utilization optimization strategies, balance our revenue mix, and achieve greater economies of scale to lower our unit computing resource costs.

Continued Investment in Research and Development

Maintaining our technological leadership in the highly dynamic AI infrastructure sector requires sustained investment in research and development. Our research and development expenses were RMB10.8 million, RMB64.5 million, and RMB209.2 million in 2023, 2024 and 2025, respectively. The significant increases in 2024 and 2025 were primarily driven by an increase in our computing resource costs, as well as substantial share-based compensation expenses recognized following the grant of equity incentives to our R&D employees. The increased computing resource costs were essential to support our core technological initiatives, primarily including adapting new AI models and chip architectures, advancing large-scale inference technologies such as prefill-decode separation, continuously developing our computing resource orchestration system, and conducting rigorous testing and validation for large-scale token production and related services.

This research and development capability directly impacts our financial performance. Deep engineering optimization enables us to offer faster inference speeds and broader model compatibility, which are primary factors in acquiring enterprise customers and driving token consumption. Furthermore, continuous technological breakthroughs allow us to improve compute-to-token conversion efficiency, which is essential for lowering our unit cost of revenue and improving our gross margins. We expect our absolute research and development expenses to increase as we continue to advance our AI infrastructure, while we anticipate these expenses will gradually decrease as a percentage of total revenue as we achieve greater commercial scale.

Effectiveness of Sales and Marketing Strategies

Our ability to drive revenue growth and achieve long-term profitability depend on our ability to execute effective sales and marketing strategies, build brand awareness, and establish a vibrant developer ecosystem. Our selling and marketing expenses increased from RMB6.4 million in 2024 to RMB83.7 million in 2025.

To encourage initial platform testing and user adoption, we strategically distributed promotional token vouchers to onboard developers and enterprise users. During the early stage of our commercialization, distributing these vouchers was not only a customer acquisition tool, but also a vital operational strategy. By generating massive real-world workloads, it helped us continuously refine our platform's usability, debug the underlying infrastructure, and optimize the overall user experience. The computing resources consumed during these promotional activities constituted a major component of our selling and marketing expenses. This strategy facilitated our rapid user accumulation and directly contributed to the exponential growth of our registered users, which reached nearly 9.2 million by the end of 2025, and further exceeded 10.2 million by April 30, 2026. Moving forward, our financial growth relies on our ability to monetize this vast developer ecosystem through a "land-and-expand" approach. To effectively execute this, we have established two distinct conversion pathways. First, converting individual developers and small and medium businesses from free trials into paying users of our serverless token services. Second, identifying high-potential enterprise users growing within our public cloud ecosystem and upselling them to our high-value dedicated instances or on-premise deployment solutions. Through these tailored monetization paths, we aim to lower our marginal customer acquisition costs and increase the lifetime value of our customers. Furthermore, as our platform and market presence mature, we plan to structurally reduce our reliance on widespread promotional voucher distributions. Consequently, we anticipate that our selling and marketing expenses as a percentage of total revenue will steadily decrease, thereby driving sustainable operating leverage.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are material to the preparation of our financial statements. Accounting policies that are material for understanding our financial condition and results of operations are set forth in detail in Note 4 and Note 34 to the Accountant's Report in Appendix I of this document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. See Note 4 to the Accountant's Report in Appendix I of this document for details. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	% of Revenue	RMB	% of Revenue	RMB	% of Revenue
	(in thousands, except for percentages)					
Revenue	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**
Cost of revenue	(1)	(16.7)	(4,452)	(60.6)	(68,632)	(124.0)
Gross profit/(loss)	**5**	**83.3**	**2,894**	**39.4**	**(13,302)**	**(24.0)**
Selling and marketing expenses	(110)	(1,833.3)	(6,392)	(87.0)	(83,743)	(151.4)
General and administrative expenses	(1,219)	(20,316.7)	(9,094)	(123.8)	(21,843)	(39.5)
Research and development expenses	(10,841)	(180,683.3)	(64,475)	(877.7)	(209,176)	(378.1)
Net impairment losses on financial assets	–	–	(91)	(1.2)	(306)	(0.6)
Other income and (losses)/gains — net	–	–	(100)	(1.4)	5,020	9.1
Operating losses	**(12,165)**	**(202,750.0)**	**(77,258)**	**(1,051.7)**	**(323,350)**	**(584.4)**
Finance income	–	–	422	5.7	1,420	2.6
Finance costs	(58)	(966.7)	(5,079)	(69.1)	(23,561)	(42.6)
Finance costs — net	**(58)**	**(966.7)**	**(4,657)**	**(63.4)**	**(22,141)**	**(40.0)**
Loss before income tax	**(12,223)**	**(203,716.7)**	**(81,915)**	**(1,115.1)**	**(345,491)**	**(624.4)**
Income tax expense	–	–	–	–	–	–
Loss for the period/year	**(12,223)**	**(203,716.7)**	**(81,915)**	**(1,115.1)**	**(345,491)**	**(624.4)**

Non-IFRS Measures

We use adjusted net loss (non-IFRS measure), which is a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS measure) provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data.

We define our adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses, which are non-cash in nature and represent expenses arising from the grant of restricted interests to our employees, and (ii) interest expenses on redemption liabilities, which represent the interest expenses accrued on the redemption liabilities arising from the special rights granted to pre-[**REDACTED**] investors that will be terminated upon [**REDACTED**].

The following table presents our non-IFRS financial measure for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
		(RMB in thousands)	
Loss for the period/year	**(12,223)**	**(81,915)**	**(345,491)**
Adjusted for:			
Share-based payment expenses	–	22,885	135,338
Interest expenses on redemption liabilities	23	5,020	23,076
Adjusted net loss (non-IFRS measure) for the period/year	**(12,200)**	**(54,010)**	**(187,077)**

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

During the Track Record Period, our revenue was derived from two primary sources: (i) public cloud-based services, and (ii) on-premise deployment solutions. Each revenue stream reflects a distinct monetization pathway aligned with our AI infrastructure strategy, allowing us to serve a diverse customer base ranging from individual users to enterprise customers.

The following table sets forth the breakdown of our revenue by business line, in absolute amounts and as a percentage of our total revenue, for the periods indicated:

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
			(in thousands, except for percentages)			
Public cloud-based services	–	–	1,069	14.6	29,261	52.9
On-premise deployment solutions	6	100.0	6,277	85.4	26,069	47.1
Total	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**

Public cloud-based services. We provide scalable AI infrastructure to individual users and enterprise customers through our public cloud platform. This revenue stream is further categorized into serverless token services and dedicated instances.

- *Serverless token services*. In 2023, 2024 and 2025, revenue generated from our serverless token services amounted to nil, RMB455 thousand and RMB14.3 million, respectively. We provide these services on a shared-resource basis, allowing customers to access AI capabilities by consuming tokens. Monetization is driven by usage-based charges measured in tokens consumed. Customers generally purchase prepaid credits, while certain recurring enterprise customers operate on postpaid monthly settlement terms. Revenue from serverless token services is recognized at a point in time based on the customer's utilization of the tokens, reflecting the transfer of our promised service. The transaction price is determined based on the agreed usage rate per token, adjusted for any discounts offered. Furthermore, we provide coupons for free access to AI model inference services on our platform. For usage settled by coupons, no revenue is recognized as we do not receive consideration for such usage. The related computing resource costs are recognized as selling and marketing expenses for users who have not made any paid consumptions, and as cost of revenue for existing paying customers.

- *Dedicated instances*. In 2023, 2024 and 2025, revenue generated from our dedicated instances amounted to nil, RMB614 thousand and RMB15.0 million, respectively. We offer dedicated instances providing reserved computing capacity on a public cloud basis, where computing resources are allocated exclusively to specific customers and are not shared with other users. These services are primarily targeted at customers with higher requirements for performance, stability, or data isolation. Monetization of our dedicated instances is driven by two billing arrangements depending on the customer's preference, which include a fixed fee for the reserved period, or usage-based charges measured in tokens consumed within the exclusive instance. For dedicated instances operating under a fixed fee arrangement, revenue is recognized over time on a straight-line basis over the contractual service period, as the customer simultaneously receives and consumes the benefits of the reserved computing capacity provided. Conversely, for dedicated instances billed based on token consumption, revenue is recognized at a point in time based on the customer's utilization of the tokens.

On-premise deployment solutions. We provide on-premise deployment solutions, which comprise software licensing and/or customized services according to the customers' specific instructions and needs at their own infrastructure. Pricing typically comprises one-time software licensing fees and/or customized services fees depending on the deployment scale and configuration. For software licenses that are distinct and provide the customer with a right to use the software as it exists at the point of delivery, revenue is recognized at a point in time when control of the license is transferred to the customer, which generally occurs upon delivery and acceptance. For customized services, in cases including several services in one contract, we evaluate whether these promises constitute distinct performance obligations. We allocate the transaction price to each distinct performance obligation based on its relative standalone selling price and recognize revenue at a point in time when control of that specific service is transferred.

In terms of geographic coverage, while a substantial majority of our revenue is generated in Chinese Mainland, we have also actively expanded our global footprint to serve overseas developers and enterprises. In 2023 and 2024, our overseas revenue was primarily driven by our on-premise deployment solutions serving early international enterprise clients. In 2025, our overseas revenue mix structurally shifted, with the vast majority being generated from serverless token services and dedicated instances consumed by global users. The following table sets out a breakdown of our revenue by geographical locations, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Chinese Mainland	–	–	6,881	93.7	53,269	96.3
Overseas[1]	6	100.0	465	6.3	2,061	3.7
Total	**6**	**100.0**	**7,346**	**100.0**	**55,330**	**100.0**

Note:

(1) Our overseas revenue is primarily generated from the U.S. and Singapore.

Cost of Revenue

Our cost of revenue primarily consists of (i) computing resource costs, which primarily represent computing power rental fees required to support our AI infrastructure and token production, (ii) technology service fee, which represent fees paid for technical support and maintenance related to our cloud infrastructure, (iii) employee benefit expenses, which represent compensation for our operations and technical personnel directly involved in service delivery, and (iv) other expenses, which primarily include utilities, property management, traveling, as well as depreciation and amortization.

The following table sets out a breakdown of our cost of revenue by nature, in absolute amounts and as a percentage of our total cost of revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Computing resource costs	–	–	2,614	58.7	59,627	86.9
Technology service fee	–	–	822	18.5	3,217	4.7
Employee benefit expenses	–	–	925	20.8	5,246	7.6
Others	1	100.0	91	2.0	542	0.8
Total	**1**	**100.0**	**4,452**	**100.0**	**68,632**	**100.0**

The following table sets forth a breakdown of our cost of revenue by sources of revenue, in absolute amounts and as percentages of total cost of revenue, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Public cloud-based services	–	–	3,972	89.2	64,082	93.4
On-premise deployment solutions	1	100.0	480	10.8	4,550	6.6
Total	**1**	**100.0**	**4,452**	**100.0**	**68,632**	**100.0**

Gross Profit/(Loss) and Gross Margin

As a result of the foregoing, we recorded gross profit of RMB5 thousand and RMB2.9 million in 2023 and 2024, respectively, and gross profit margin of 83.3% and 39.4% in the respective periods. We recorded gross loss of RMB13.3 million and gross loss margin of 24.0% in 2025.

The following table sets forth a breakdown of our gross profit/(loss) and gross margin by revenue source for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	Gross profit/ (loss) (RMB)	Gross margin (%)	Gross profit/ (loss) (RMB)	Gross margin (%)	Gross profit/ (loss) (RMB)	Gross margin (%)
	(in thousands, except for percentages)					
Public cloud-based services	–	–	(2,903)	(271.6)	(34,821)	(119.0)
On-premise deployment solutions	5	83.3	5,797	92.4	21,519	82.5
Total	**5**	**83.3**	**2,894**	**39.4**	**(13,302)**	**(24.0)**

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) promotional computing resources costs, which represent computing resource costs associated with the large-scale distribution of free token vouchers designed to acquire and onboard new users onto our public cloud platform, (ii) employee benefit expenses, which represent compensation, benefits, and share-based compensation for our sales and marketing personnel, and (iii) other expenses, which primarily include depreciation and amortization, office expenses, and traveling expenses.

The following table sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as a percentage of our total selling and marketing expenses, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Promotional computing resources costs	–	–	932	14.6	54,213	64.7
Employee benefit expenses	–	–	4,265	66.7	23,009	27.5
Others	110	100.0	1,195	18.7	6,521	7.8
Total	**110**	**100.0**	**6,392**	**100.0**	**83,743**	**100.0**

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses, which represent compensation, benefits, and share-based compensation for our administrative and management personnel, (ii) professional service expenses, which represent fees paid to third-party professionals, such as financial advisors and legal counsels primarily in connection with our financing activities, and (iii) other expenses, which primarily include depreciation and amortization, property management fees, and office expenses.

The following table sets forth a breakdown of our general and administrative expenses, in absolute amounts and as a percentage of our total general and administrative expenses, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Employee benefit expenses	928	76.1	6,460	71.0	18,158	83.1
Professional service expenses	217	17.8	1,882	20.7	2,167	9.9
Others	74	6.1	752	8.3	1,518	7.0
Total	**1,219**	**100.0**	**9,094**	**100.0**	**21,843**	**100.0**

Research and Development Expenses

Our research and development expenses primarily consist of (i) R&D computing resources costs, which represent computing power rental fees utilized for model adaptation, underlying operator library optimization, and platform testing, (ii) employee benefit expenses, which represent compensation, benefits, and share-based compensation for our research and development personnel, and (iii) other expenses, which primarily include professional service fees, depreciation and amortization, and traveling expenses.

The following table sets forth the breakdown of our research and development expenses, in absolute amounts and as a percentage of our total research and development expenses, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
R&D computing resources costs	2,169	20.0	8,274	12.8	45,241	21.6
Employee benefit expenses	8,271	76.3	55,055	85.4	159,868	76.5
Others	401	3.7	1,146	1.8	4,067	1.9
Total	**10,841**	**100.0**	**64,475**	**100.0**	**209,176**	**100.0**

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets primarily represent the provision of expected credit losses associated with our trade receivables, other receivables and other non-current assets. We recorded net impairment losses on financial assets of nil, RMB91 thousand and RMB306 thousand in 2023, 2024 and 2025, respectively.

Other Income and (Losses)/Gains — Net

Our other income and losses or gains primarily consist of (i) government grants, and (ii) donations. We recorded government grants of RMB5.0 million in 2025, primarily representing financial subsidies received from local government authorities in support of our technology innovation and business operations. We recorded donations of RMB100 thousand in 2024, which represented charitable contributions made to a university education foundation.

Finance Costs — Net

Our net finance costs are equal to finance income minus finance costs. The following table sets forth the breakdown of our net finance costs, in absolute amounts and as a percentage of our net finance costs, for the periods indicated.

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Finance income						
Interest income	–	–	422	(9.1)	1,420	(6.4)

	For the Period from August 29 to December 31,		For the Year Ended December 31,			
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Finance costs						
Interest expenses on redemption liabilities	(23)	39.7	(5,020)	107.8	(23,076)	104.2
Interest expenses on lease liabilities	(35)	60.3	(53)	1.1	(224)	1.0
Interest expenses on bank borrowings	–	–	–	–	(105)	0.5
Others	–	–	(6)	0.1	(156)	0.7
Total finance costs	**(58)**	**100.0**	**(5,079)**	**109.1**	**(23,561)**	**106.4**
Total net finance costs	**(58)**	**100.0**	**(4,657)**	**100.0**	**(22,141)**	**100.0**

Income Tax Expense

We recorded income tax expense of nil in 2023, 2024 and 2025. Our effective tax rate was nil during the Track Record Period primarily because we incurred significant losses before tax and did not recognize deferred tax assets in respect of tax losses and temporary differences. For further details regarding our income tax, see Note 11 to the Accountant's Report in Appendix I to this document.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased significantly by 653.2% from RMB7.3 million in 2024 to RMB55.3 million in 2025. This was primarily driven by the rapid scaling of our commercialized offerings, our demonstrated capability to adapt models to domestic chips, and the rapid expansion of our customer base across both individual users and enterprise customers.

Public cloud-based services. Revenue from our public cloud-based services increased by 2,637.2% from RMB1.1 million in 2024 to RMB29.3 million in 2025. This growth was driven by the expansion across all our public cloud-based service offerings: (i) revenue from serverless token services increased from RMB455 thousand to RMB14.3 million, primarily due to an explosive market demand for tokens as AI applications proliferated. Our user engagement deepened significantly, with the number of registered users increasing from 127,133 as of December 31, 2024 to 9,197,439 as of December 31, 2025, which correspondingly drove our average daily token throughput in the last month of the period from 47.8 billion in 2024 to 163.1 billion in 2025. Furthermore, our international expansion further contributed to this billable usage; and (ii) revenue from dedicated instances increased from RMB614 thousand to RMB15.0 million, as an increasing number of enterprise customers with stringent performance and data isolation requirements opted for our reserved computing capacity, evidenced by the number of our dedicated instance customers increasing from 7 in 2024 to 49 in 2025, and the average revenue per dedicated instance customer increasing from RMB87,669 in 2024 to RMB305,353 in 2025.

On-premise deployment solutions. Revenue generated from on-premise deployment solutions increased significantly by 315.3% from RMB6.3 million in 2024 to RMB26.1 million in 2025. This robust growth was primarily supported by our deeper engagements with some enterprise customers, with the average revenue per on-premise deployment customer increasing significantly from RMB224,184 in 2024 to RMB1,303,448 in 2025.

Cost of Revenue

Our cost of revenue increased by 1,441.6% from RMB4.5 million in 2024 to RMB68.6 million in 2025, which was primarily attributable to (i) an increase in computing resource costs resulting from the rapid scaling of our public cloud-based services, which required massive underlying computing power to support the surging token demands, and (ii) an increase in technology service fees and employee benefit expenses to support the growing scale of our cloud infrastructure and service delivery.

Gross Profit/(Loss) and Gross Margin

As a result of the foregoing, we recorded gross profit of RMB2.9 million and gross loss of RMB13.3 million in 2024 and 2025, respectively, and gross margin of 39.4% and (24.0)% in the respective years. The change in our overall gross margin was primarily due to a structural shift in our revenue mix, as our public cloud-based services, which operate at a lower gross margin, accounted for a significantly larger percentage of our total revenue in 2025.

Public cloud-based services. We recorded a gross loss from public cloud-based services of RMB2.9 million in 2024 and RMB34.8 million in 2025, representing a gross margin of (271.6)% and (119.0)%, respectively. The negative gross margin was primarily due to the substantial direct computing resource costs, particularly computing power rental fees, required to secure sufficient capacity and maintain high service availability for our rapidly expanding user base, which outpaced our initial paid revenue generation during the early commercialization phase. The improvement in gross margin from 2024 to 2025 was primarily attributable to three key factors: (i) economies of scale, as our rapid revenue growth enabled us to better absorb fixed computing rental costs, (ii) technological advancements in inference efficiency, which significantly increased our maximum token production throughput per unit of computing power, thereby structurally lowering the unit cost of service delivery, and (iii) enhanced computing resource utilization, driven by a highly diversified mix of users, application scenarios, and workload types, which enabled us to dynamically orchestrate tasks and maximize the utilization rate of our server clusters around the clock.

On-premise deployment solutions. Our gross profit from on-premise deployment solutions increased from RMB5.8 million in 2024 to RMB21.5 million in 2025, in line with the revenue growth of this business line. The gross margin for this business line decreased from 92.4% in 2024 to 82.5% in 2025. As we onboarded new enterprise customers across a broader range of industries, these new customers presented more varied deployment requirements and operated in more diverse infrastructure environments, which entailed a higher degree of deployment complexity during the initial onboarding phase. Accordingly, we devoted additional delivery support personnel and resources to ensure successful implementation. This reflects the nature of our business at the early stage of commercialization, during which we focus on identifying and responding to evolving customer needs while continuously refining our offerings. As such needs gradually converge and are progressively distilled into more standardized product modules, we expect the associated delivery efforts and any related margin fluctuations to moderate over time.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly by 1,210.1% from RMB6.4 million in 2024 to RMB83.7 million in 2025. This increase was primarily attributable to (i) an increase in promotional computing resource costs resulting from the distribution of promotional token vouchers to acquire and onboard developers and enterprise users, and (ii) an increase in employee benefit expenses as we expanded our sales and marketing team to support our business expansion and market penetration, coupled with an increase in share-based compensation expenses recognized following the grant of equity incentives to our sales and marketing personnel.

General and Administrative Expenses

Our general and administrative expenses increased by 140.2% from RMB9.1 million in 2024 to RMB21.8 million in 2025. This increase was primarily attributable to an increase in employee benefit expenses associated with the expansion of our administrative team.

Research and Development Expenses

Our research and development expenses increased significantly by 224.4% from RMB64.5 million in 2024 to RMB209.2 million in 2025. This increase was primarily attributable to (i) an increase in employee benefit expenses driven by the expansion of our research and development team, coupled with newly recognized share-based compensation expenses, and (ii) an increase in R&D computing resources costs required for conducting extensive model adaptation and performance optimization.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased significantly by 236.3% from RMB91 thousand in 2024 to RMB306 thousand in 2025, which was in line with the growth of our trade receivables.

Other Income and (Losses)/Gains — Net

We recorded net other losses of RMB100 thousand and net other income and gains of RMB5.0 million in 2024 and 2025, respectively, primarily attributable to government grants of RMB5.0 million received in 2025.

Finance Costs — Net

Our net finance costs increased significantly by 375.4% from RMB4.7 million in 2024 to RMB22.1 million in 2025. This was primarily driven by an increase in interest expenses on redemption liabilities from RMB5.0 million in 2024 to RMB23.1 million in 2025, reflecting the expansion of our financing scale and the accumulation of accrued interest on the special rights granted to our pre-[**REDACTED**] investors.

Income Tax Expense

We did not recognize any income tax expense in 2024 or 2025.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 321.8% from RMB81.9 million in 2024 to RMB345.5 million in 2025.

Year Ended December 31, 2024 Compared to Period from August 29 to December 31, 2023

Revenue

Our revenue increased significantly from RMB6 thousand in 2023 to RMB7.3 million in 2024. In 2023, we operated primarily as a Pre-Commercial Company focused on the research and development of our core AI infrastructure technologies and only generated a nominal amount of revenue from an early software licensing arrangement. In 2024, we successfully transitioned to the commercialization stage, launching our offerings to the market and generating meaningful revenue from both individual users and enterprise customers.

Cost of Revenue

Our cost of revenue was RMB4.5 million in 2024, compared to RMB1 thousand in 2023. The increase in our cost of revenue was primarily attributable to computing resource costs, technology service fees, and employee benefit expenses incurred following the official launch of our public cloud platform, as we began fulfilling service obligations to our customers.

Gross Profit and Gross Margin

As a result of the foregoing, we recorded a gross profit of RMB2.9 million and an overall gross margin of 39.4% in 2024, compared to a gross profit of RMB5 thousand in 2023. This was attributable to the initial commercialization of our offerings in 2024, whereas we operated as a Pre-Commercial Company focused on research and development without generating revenue or cost of revenue in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses were RMB6.4 million in 2024, compared to RMB110 thousand in 2023. This increase was primarily attributable to (i) an increase in employee benefit expenses due to the establishment of our sales and marketing team, and (ii) an increase in promotional computing resources costs to initiate marketing activities for our newly launched offerings.

General and Administrative Expenses

Our general and administrative expenses increased from RMB1.2 million in 2023 to RMB9.1 million in 2024. This increase was primarily driven by (i) an increase in employee benefit expenses as a result of the full-year effect of our operations in 2024 compared to a four-month period in 2023, coupled with the build-up of our core administrative functions and related share-based compensation, and (ii) an increase in professional service expenses primarily associated with our initial development and financing activities.

Research and Development Expenses

Our research and development expenses increased from RMB10.8 million in 2023 to RMB64.5 million in 2024. This increase was primarily driven by (i) an increase in employee benefit expenses due to our efforts to recruit core technical personnel and the full-year effect of our operations in 2024 compared to a four-month period in 2023, and (ii) an increase in R&D computing resources costs invested in developing and launching our public cloud platform and on-premise solutions.

Net Impairment Losses on Financial Assets

We recorded net impairment losses on financial assets of RMB91 thousand in 2024, compared to nil in 2023, primarily due to the generation of trade receivables following the commercialization of our offerings in 2024.

Other Income and (Losses)/Gains — Net

We did not record any other income and losses or gains in 2023, and we recorded net other losses of RMB100 thousand in 2024, which represent donations made to a university education foundation.

Finance Costs — Net

We recorded net finance costs of RMB4.7 million in 2024, compared to RMB58 thousand in 2023. This was primarily due to the recognition of RMB5.0 million in interest expenses on redemption liabilities following our issuance of preferred rights to investors during our financing rounds in 2024.

Income Tax Expense

We did not recognize any income tax expense in 2023 and 2024.

Loss for the Period/Year

As a result of the foregoing, our loss for the year increased by 570.0% from RMB12.2 million in 2023 to RMB81.9 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated balance sheets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Assets			
Non-current assets			
Property, plant and equipment	–	527	927
Right-of-use assets	1,989	6,176	5,358
Other non-current assets	–	–	1,096
Total non-current assets	**1,989**	**6,703**	**7,381**
Current assets			
Prepayments and other receivables	446	4,251	15,541
Trade receivables	–	3,597	10,582
Time deposits	–	–	100,000
Cash and cash equivalents	4,874	49,737	171,533
Total current assets	**5,320**	**57,585**	**297,656**
Total assets	**7,309**	**64,288**	**305,037**
Net current assets	**2,898**	**28,356**	**118,697**
Deficit			
Paid-in capital	22	12,758	16,527
Share-based payments reserves	–	8,411	50,947
Capital reserves	11,423	(4,859)	(16,532)
Accumulated losses	(12,223)	(94,138)	(439,629)
Deficit attributable to owners of the Company	**(778)**	**(77,828)**	**(388,687)**
Total deficit	**(778)**	**(77,828)**	**(388,687)**

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Liabilities			
Non-current liabilities			
Lease liabilities	642	3,629	1,298
Redemption liabilities	5,023	107,243	498,629
Share-based compensation liabilities	–	2,015	14,838
Total non-current liabilities	**5,665**	**112,887**	**514,765**
Current liabilities			
Borrowings	–	–	40,000
Trade and other payables	1,100	12,825	31,455
Share-based compensation liabilities	–	12,458	92,437
Contract liabilities	–	1,122	653
Receipts in advance	–	331	10,243
Lease liabilities	1,322	2,493	4,171
Total current liabilities	**2,422**	**29,229**	**178,959**
Total liabilities	**8,087**	**142,116**	**693,724**
Total liabilities and deficit	**7,309**	**64,288**	**305,037**

We recorded a total deficit of RMB0.8 million, RMB77.8 million and RMB388.7 million as of December 31, 2023, 2024 and 2025, respectively. Our deficit position as of December 31, 2023, 2024 and 2025 was primarily due to the accumulated losses incurred during our pre-commercialization R&D phase and the recognition of redemption liabilities. The redemption liabilities represent the obligations arising from the preferential rights granted to our pre-[**REDACTED**] investors, which amounted to RMB5.0 million, RMB107.2 million and RMB498.6 million as of the respective dates. We recorded net current assets of RMB2.9 million, RMB28.4 million and RMB118.7 million as of December 31, 2023, 2024 and 2025, respectively.

Assets

Property, Plant and Equipment

Our property, plant and equipment primarily consist of electronic equipment and office furniture. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Electronic equipment	–	527	892
Office furniture	–	–	35
Total	**–**	**527**	**927**

Our property, plant and equipment increased from nil as of December 31, 2023 to RMB527 thousand as of December 31, 2024, and further to RMB927 thousand as of December 31, 2025. This continuous increase was primarily attributable to our continuous purchase of electronic equipment as a result of the expansion of our workforce and business operations.

Right-of-Use Assets

Our right-of-use assets primarily consist of leased buildings and leased computing resources. Our right-of-use assets were RMB2.0 million, RMB6.2 million, and RMB5.4 million as of December 31, 2023, 2024 and 2025, respectively. The increase in our right-of-use assets from 2023 to 2024 was primarily attributable to the recognition of leased computing resources used for our computing operations. The subsequent decrease from 2024 to 2025 was primarily due to the depreciation and early termination of such computing resources leases, which was partially offset by an increase in leased building attributable to our relocation to a new and larger office space in 2025.

Other Non-current Assets

Our other non-current assets represent rental and other deposits. We recorded other non-current assets of RMB1.1 million in 2025, mainly due to the payment of a long-term security deposit in connection with our newly leased office space.

Prepayments and other receivables

Our prepayments and other receivables mainly consisted of (i) input value-added tax ("VAT") to be deducted, (ii) other receivables, primarily representing advances and amounts due from related parties, and (iii) prepayments to suppliers. The following table sets forth our prepayments and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Input VAT to be deducted	–	817	7,912
Other receivables	406	3,221	5,611
Prepayment to suppliers	40	217	2,020
Less: loss allowance	**–**	**(4)**	**(2)**
Total	**446**	**4,251**	**15,541**

Our prepayments and other receivables increased from RMB446 thousand as of December 31, 2023 to RMB4.3 million as of December 31, 2024, mainly due to an increase in other receivables. Our prepayments and other receivables further increased from RMB4.3 million as of December 31, 2024 to RMB15.5 million as of December 31, 2025, primarily attributable to (i) an increase in input VAT to be deducted resulting from our increased leases of computing power, (ii) an increase in other receivables, primarily representing amounts due from related parties and operational advances; and (iii) an increase in prepayments to suppliers resulting from increased prepayments made to computing power providers to secure continuous capacity as our business scaled rapidly.

Trade Receivables

Our trade receivables primarily represent trade receivables from third parties. The following table sets forth a breakdown of our trade receivables and loss allowance as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Trade receivables	–	3,684	10,965
Less: loss allowance	–	(87)	(383)
Total trade receivables, net	**–**	**3,597**	**10,582**

Our trade receivables, net increased from nil as of December 31, 2023 to RMB3.6 million as of December 31, 2024, and further increased to RMB10.6 million as of December 31, 2025. This continuous increase was generally in line with our robust revenue growth, particularly driven by the rapid expansion of our on-premise deployment solutions targeting enterprise customers. The credit terms given to these customers are determined on an individual basis mainly within 180 days.

The following table sets forth our trade receivables turnover days for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
Trade receivables turnover days[1]	–	92	48

Note:

(1) The trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of our trade receivables in that period by revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 125 days for 2023, 366 days for 2024 and 365 days for 2025).

Our trade receivables turnover days were 92 days in 2024, mainly because we commenced commercialization in 2024 and began extending credit terms to our early enterprise customers. Our trade receivables turnover days decreased to 48 days in 2025, mainly because our public cloud-based services, which generally have shorter credit terms compared to our other business lines, grew at a significantly faster pace and accounted for a larger proportion of our total revenue in 2025.

The following table sets forth an aging analysis of our trade receivables based on the date of revenue recognition, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Within 6 months	–	3,684	10,803
6 months to 1 year	–	–	153
1 year to 2 years	–	–	9
Total	**–**	**3,684**	**10,965**

As of April 30, 2026, approximately RMB7.8 million, or 74% of our trade receivables as of December 31, 2025, had been subsequently settled.

Time Deposits

Our time deposits represent deposits placed at financial institutions in the PRC with original maturity dates over three months, and they bear interest ranged from 1.50% to 1.60% during the Track Record Period. We recorded time deposits of RMB100.0 million in 2025.

Cash and Cash Equivalents

Our cash and cash equivalents consist of bank deposits denominated in Renminbi. Our cash and cash equivalents increased significantly from RMB4.9 million as of December 31, 2023 to RMB49.7 million as of December 31, 2024 and further to RMB171.5 million as of December 31, 2025, mainly because of the proceeds received from our successive rounds of equity financing to support our rapid business expansion and technological research and development.

Liabilities

Share-based compensation liabilities

Our share-based compensation liabilities are related to our restricted share units ("RSUs") vested prior to the lock-up period expiry under the 2024 Employee Incentive Plan. We recorded share-based compensation liabilities, including both current and non-current portions, of nil, RMB14.5 million and RMB107.3 million as of December 31, 2023, 2024 and 2025, respectively.

Trade and Other Payables

Our trade and other payables consist primarily of (i) payroll and welfare payables, (ii) trade payables, (iii) tax payables, and (iv) other miscellaneous payables. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Payroll and welfare payables	415	6,522	14,484
Trade payables	450	3,396	13,898
Tax payables	7	2,628	2,666
Others	228	279	407
Total	**1,100**	**12,825**	**31,455**

Our trade and other payables increased from RMB1.1 million as of December 31, 2023 to RMB12.8 million as of December 31, 2024, and further to RMB31.5 million as of December 31, 2025. This continuous increase was primarily driven by (i) an increase in payroll and welfare payables reflecting the steady expansion of our workforce, and (ii) an increase in trade payables resulting from our expanded leases of computing power, equipment, and cloud services to support our rapidly growing commercial operations.

The following table sets forth our trade payables turnover days for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
Trade payables turnover days [(1)]	N/A	158	46

Note:

(1) The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables in that period by cost of revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 125 days for 2023, 366 days for 2024 and 365 days for 2025).

Our trade payables turnover days were not meaningful in 2023 as we only recorded a nominal amount of cost of revenue during our pre-commercial stage, and were 158 days in 2024. Our trade payables turnover days decreased from 158 days in 2024 to 46 days in 2025, mainly because our computing power suppliers generally granted us shorter credit terms as our leases of computing resources scaled up.

All of our trade payables are aged within one year during the Track Record Period.

As of April 30, 2026, approximately RMB13.5 million, or 97.1% of our trade payables as of December 31, 2025, had been subsequently settled.

Contract Liabilities

Our contract liabilities are related to advance payments received from our customers. We recorded contract liabilities of nil, RMB1.1 million and RMB653 thousand as of December 31, 2023, 2024 and 2025, respectively.

Receipts in Advance

Our receipts in advance represent the amounts received from users in advance of service delivery for serverless token service. Our receipts in advance increased from nil as of December 31, 2023 to RMB331 thousand as of December 31, 2024, and further increased to RMB10.2 million as of December 31, 2025, mainly because of the continuous expansion of our public cloud platform, which attracted a rapidly growing number of registered users who pre-funded their accounts to consume tokens.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our research and development activities, leases of computing resources, sales and marketing efforts, and other daily operational needs. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with funds from successive rounds of equity financing and, to a lesser extent, bank borrowings. After the [**REDACTED**], we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and net [**REDACTED**] from the [**REDACTED**]. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB4.9 million, RMB49.7 million and RMB171.5 million, respectively.

Cash Flows

The following table sets forth our selected cash flow data for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
		(RMB in thousands)	
Net cash used in operating activities	(298)	(46,510)	(172,402)
Net cash used in investing activities	(28)	(651)	(101,866)
Net cash from financing activities	5,200	92,024	396,064
Net increase in cash and cash equivalents	**4,874**	**44,863**	**121,796**
Cash and cash equivalents at the beginning of the period/year	–	4,874	49,737
Exchange effect on cash and cash equivalents	–	–	–
Cash and cash equivalents at the end of the period/year	**4,874**	**49,737**	**171,533**

Net Cash used in Operating Activities

Net cash used in operating activities was RMB172.4 million in 2025. This was primarily attributable to our loss before income tax of RMB345.5 million, as adjusted for certain non-cash or non-operating items, primarily including share-based compensation of RMB135.3 million.

Net cash used in operating activities was RMB46.5 million in 2024. This was primarily attributable to our loss before income tax of RMB81.9 million, as adjusted for (i) certain non-cash or non-operating items, primarily including share-based compensation of RMB22.9 million, and (ii) changes in working capital, primarily including an increase in trade and other payables of RMB11.5 million.

Net cash used in operating activities was RMB298 thousand in 2023. This was primarily attributable to our loss before income tax of RMB12.2 million, as adjusted for certain non-cash or non-operating items, primarily including debt exemption by controlling shareholder of RMB11.0 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was RMB101.9 million in 2025. This was primarily due to purchase of time deposits of RMB100.0 million.

Net cash used in investing activities was RMB651 thousand in 2024. This was due to payments for purchases of property, plant and equipment of RMB651 thousand.

Net cash used in investing activities was RMB28 thousand in 2023. This was due to payments for purchases of property, plant and equipment of RMB28 thousand.

Net Cash Generated from Financing Activities

Net cash generated from financing activities was RMB396.1 million in 2025. This was primarily due to proceeds from issuance of shares of RMB360.4 million and proceeds from bank borrowings of RMB40.0 million.

Net cash generated from financing activities was RMB92.0 million in 2024. This was primarily due to proceeds from issuance of shares of RMB93.7 million.

Net cash generated from financing activities was RMB5.2 million in 2023. This was due to proceeds from issuance of shares of RMB5.0 million.

Cash operating costs

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
		(RMB in thousands)	
Workforce employment[(1)]	1,065	49,927	78,905
R&D costs[(2)]	–	12,243	54,277
Direct computing resource and technology service costs[(3)]	–	3,364	60,495
Product marketing expenses[(4)]	–	1,777	59,918
Administrative expenses[(5)]	117	2,505	5,053
Total	**1,183**	**69,816**	**258,648**

Notes:

(1) Cash operating costs relating to workforce employment represent the sum of employee benefit expenses under research and development expenses, general and administrative expenses, cost of revenue and selling and marketing expenses (excluding share-based compensation and other non-cash expenses), adjusted for changes in working capital relating to employee benefit expenses as of previous and current year end under the above operating expenses.

(2) Research and development costs under cash operating costs represent research and development expenses (excluding employee benefit expenses and non-cash items under research and development expenses), adjusted for changes in working capital relating to research and development activities as of previous and current year end.

(3) Cash operating costs relating to direct computing and technology service costs represent cash payments for computing resource purchased and technology service fees recognized under cost of revenue, adjusted for changes in working capital relating to cost of revenue as of previous and current year end.

(4) Cash operating costs relating to product marketing expenses represent selling and marketing expenses (excluding employee benefit expenses and non-cash items under selling and marketing expenses), adjusted for changes in working capital relating to sales and marketing activities as of previous and current year end.

(5) Cash operating costs relating to administrative activities represent general and administrative expenses (excluding employee benefit expenses and non-cash items under general and administrative expenses), adjusted for changes in working capital relating to administrative activities as of previous and current year end.

Current Assets and Current Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
		(RMB in thousands)		
				(unaudited)
Current assets				
Prepayments and other receivables	446	4,251	15,541	10,827
Trade receivables	–	3,597	10,582	50,953
Time deposits	–	–	100,000	100,000
Cash and cash equivalents	4,874	49,737	171,533	279,612
Total current assets	**5,320**	**57,585**	**297,656**	**441,392**
Current liabilities				
Borrowings	–	–	40,000	40,135
Trade and other payables	1,100	12,825	31,455	72,528
Share-based compensation liabilities	–	12,458	92,437	184,304
Contract liabilities	–	1,122	653	607
Receipts in advance	–	331	10,243	10,735
Lease liabilities	1,322	2,493	4,171	3,159
Total current liabilities	**2,422**	**29,229**	**178,959**	**311,468**
Net current assets	**2,898**	**28,356**	**118,697**	**129,924**

Our net current assets increased from RMB2.9 million as of December 31, 2023 to RMB28.4 million as of December 31, 2024. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB5.3 million as of December 31, 2023 to RMB57.6 million as of December 31, 2024, primarily due to an increase in cash and cash equivalents of RMB44.9 million. Our current liabilities increased from RMB2.4 million as of December 31, 2023 to RMB29.2 million as of December 31, 2024, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB12.5 million, and (ii) an increase in trade and other payables of RMB11.7 million.

Our net current assets increased from RMB28.4 million as of December 31, 2024 to RMB118.7 million as of December 31, 2025. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB57.6 million as of December 31, 2024 to RMB297.7 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB121.8 million and (ii) an increase in time deposits of RMB100.0 million. Our current liabilities increased from RMB29.2 million as of December 31, 2024 to RMB179.0 million as of December 31, 2025, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB80.0 million, and (ii) an increase in borrowings of RMB40.0 million.

Our net current assets increased from RMB118.7 million as of December 31, 2025 to RMB129.9 million as of April 30, 2026. This change was primarily due to the increase in current assets, which outweighed the increase in current liabilities. Our current assets increased from RMB297.7 million as of December 31, 2025 to RMB441.4 million as of April 30, 2026, primarily due to an increase in (i) cash and cash equivalents of RMB108.1 million and (ii) an increase in trade receivables of RMB40.5 million. Our current liabilities increased from RMB179.0 million as of December 31, 2025 to RMB311.5 million as of April 30, 2026, primarily due to (i) an increase in the current portion of share-based compensation liabilities of RMB91.9 million, and (ii) an increase in trade and other payables of RMB41.1 million.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Non-current				
Lease liabilities	642	3,629	1,298	242
Redemption liabilities	5,023	107,243	498,629	731,820
Subtotal	**5,665**	**110,872**	**499,927**	**732,062**
Current				
Borrowings	–	–	40,000	40,135
Lease liabilities	1,322	2,493	4,171	3,159
Subtotal	**1,322**	**2,493**	**44,171**	**43,294**
Total	**6,987**	**113,365**	**544,098**	**775,356**

Lease Liabilities

Our lease liabilities were primarily related to our leases of office premises for our daily operations and leases of computing resources. Our total lease liabilities were RMB2.0 million, RMB6.1 million, RMB5.5 million and RMB3.4 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The increase from 2023 to 2024 was primarily due to the recognition of new lease liabilities associated with leased computing resources and buildings. The subsequent decrease to RMB5.5 million as of December 31, 2025 was primarily driven by the early termination of certain computing resources leases in 2025 as these assets no longer aligned with our research and development needs following an adjustment in our research and development direction, partially offset by new leases recognized in connection with our relocation to a new and larger office building in 2025 to accommodate our rapid business expansion and growing headcount. The further decrease to RMB3.4 million as of April 30, 2026 was primarily due to our scheduled lease payments.

Redemption Liabilities

We recorded redemption liabilities of RMB5.0 million, RMB107.2 million, RMB498.6 million and RMB731.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. These liabilities represent the obligations arising from the preferential rights granted to our pre-[**REDACTED**] investors in connection with our previous successive financing rounds. The redemption liabilities are initially measured at fair value and subsequently measured at amortized cost. For details, see Note 23 to the Accountant's Report in Appendix I to this document.

Borrowings

Our borrowings consist of a bank loan, amounting to nil, nil, RMB40.0 million and RMB40.1 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. Our bank loans contain standard terms, conditions and covenants that are customary for commercial bank loans in China. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. As of April 30, 2026, we did not have any banking facilities that were unutilized and unrestricted.

Indebtedness Statement

Except as discussed above, as of April 30, 2026, being the indebtedness statement date, we did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing.

Our Directors confirm that (i) there has not been any material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date, and (ii) during the Track Record Period and up to the date of this document, we did not have any material default on our indebtedness or breach of covenant.

RESEARCH AND DEVELOPMENT EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our research and development expenses primarily consisted of research and development computing resources, employee benefit expenses, and other expenses. We did not capitalize any internal development costs or purchase any intangible assets to support our R&D activities during the Track Record Period. The following table sets forth our annual and total research and development expenditure for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	2024	2025
	(RMB in thousands)		
Research and development expenses	10,841	64,475	209,176
Adjustments:			
Add: intangible assets acquired from third parties and capitalized[1]	–	–	–
Less: amortization expense of capitalized intangible assets included in research and development expenditure[1]	–	–	–
Annual research and development expenditure	**10,841**	**64,475**	**209,176**
Total research and development expenditure for the three financial years prior to the [REDACTED]			**284,492**

Note:

(1) Represents the additions of intangible assets related to R&D activities during the year, less the amortization expense of such assets recognized in the consolidated statements of profit or loss for the same year.

The following table sets forth our annual and total operating expenditure for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	**2024**	**2025**
		(RMB in thousands)	
Selling and marketing expenses	110	6,392	83,743
General and administrative expenses	1,219	9,094	21,843
Research and development expenses	10,841	64,475	209,176
Adjustments:			
Add: intangible assets acquired from third parties and capitalized	–	–	–
Less: amortization expense of capitalized intangible assets included in research and development expenditure	–	–	–
Annual total operating expenditure	**12,170**	**79,961**	**314,762**
Total operating expenditure for the three financial years prior to the [REDACTED]			**406,893**

The following table sets forth our annual research and development expenditure ratio and total research and development expenditure ratio for the periods indicated.

	For the Period from August 29 to December 31,	For the Year Ended December 31,	
	2023	**2024**	**2025**
Annual research and development expenditure ratio(1)	89.1%	80.6%	66.5%
Total research and development expenditure for the three financial years prior to the [**REDACTED**](2)			**69.9%**

Notes:

(1) Calculated by dividing annual research and development expenditure by annual total operating expenditure.

(2) Calculated by dividing total research and development expenditure for the three financial years prior to the [**REDACTED**] by total operating expenditure for the three financial years prior to the [**REDACTED**].

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, and up to the Latest Practicable Date, we did not have any material contingent liabilities or guarantees.

CAPITAL EXPENDITURE AND CAPITAL COMMITMENT

During the Track Record Period, our capital expenditures were primarily related to payments for purchase of property, plant and equipment, which amounted to RMB28 thousand, RMB651 thousand and RMB758 thousand in 2023, 2024 and 2025, respectively. There were no material capital expenditures contracted for as at the end of each of the Track Record Period that were not recognized as liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

KEY FINANCIAL INDICATORS

The following table sets forth our selected financial indicators for the periods and as of the dates indicated.

	As of/For the Period from August 29 to December 31,	As of/For the Year Ended December 31,	
	2023	2024	2025
Growth Indicators			
Revenue growth[(1)]	N/A	122,333.3%	653.2%
Profitability and Efficiency Indicators			
Gross margin[(2)]	83.3%	39.4%	(24.0)%
R&D ratio[(3)]	N/A	877.7%	378.1%
Liquidity Indicator			
Current ratio[(4)]	2.2	2.0	1.7

Notes:

(1) Revenue growth equals the difference between revenue for the current year and revenue for the previous period/year, divided by revenue for the previous period/year.

(2) Gross margin equals gross profit/(loss) divided by revenue for the respective period/year.

(3) R&D ratio equals research and development expenses divided by revenue for the respective period/year. The R&D ratio for 2023 is not presented as the revenue recognized in 2023 was nominal during our initial stage of commercialization.

(4) Current ratio is calculated by dividing total current assets by total current liabilities as of the end of the respective period/year.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our material related party transactions primarily included services purchased from related parties and public cloud-based services provided to related parties. For further details about our material related party transactions, see Note 31 to the Accountant's Report included in Appendix I to this document.

Our Directors are of the view that each of the material related party transactions set out in Note 31 to the Accountant's Report included in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our material related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

FINANCIAL RISKS

Our activities expose us to a variety of financial risks, including interest rate risk, foreign exchange risk, credit risk, and liquidity risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on our financial performance. For further details regarding our financial risk management objectives and policies, see Note 3 in the Accountant's Report.

DIVIDENDS AND DIVIDEND POLICY

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant.

Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. Taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated net [**REDACTED**] from the [**REDACTED**] and other financial resources available to us, including cash and cash equivalents and time deposits, we have sufficient working capital to cover at least 125% of our group's costs, including research and development costs, selling and distribution expenses, administrative expenses, and other operating costs, for the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures (including payments for purchase of property, plant and equipment and intangible assets), and (iii) payments of lease liabilities. Our historical monthly average cash burn rate was RMB81.5 thousand, RMB4.0 million and RMB14.8 million in 2023, 2024 and 2025, respectively. We had cash and cash equivalents of RMB171.5 million and time deposits of RMB100.0 million as of December 31, 2025. We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] after deducting the [**REDACTED**] expenses payable by us in the [**REDACTED**], assuming no [**REDACTED**] is exercised and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the low-end of the indicative [**REDACTED**] in this document.

Assuming an expected average future monthly cash burn of RMB[**REDACTED**] million, taking into account (i) net cash used in operating activities, (ii) capital expenditures (including payments for the purchase of property, plant and equipment and intangible assets), and (iii) payments of lease liabilities, representing approximately [**REDACTED**] times our average monthly cash burn for the twelve months ended December 31, 2025, and based on the following principal assumptions: (i) we will continue to expand our headcount, particularly our R&D personnel, in line with our planned business scale-up, technology roadmap and operational needs, (ii) our capital expenditures and payments of lease liabilities relating to computing resources will be incurred in accordance with our business expansion plan and commercialization roadmap, and (iii) part of the expected increase in future R&D costs and operating expenditures will be offset by cash inflows generated from sales of our Specialist Technology Products, we estimate that our cash and cash equivalents and time deposits as of May 31, 2026 (based on our management account) will be able to maintain our financial viability for approximately [**REDACTED**] months or, if we take into account [**REDACTED**]% of the estimated net [**REDACTED**] from the [**REDACTED**] (namely, the portion allocated for our working capital and other general purposes and based on the low-end of the indicative [**REDACTED**]), approximately [**REDACTED**] months or, if we take into account [**REDACTED**]% of the estimated net [**REDACTED**] (based on the low-end of the indicative [**REDACTED**]) from the [**REDACTED**], for approximately [**REDACTED**] months. Our Directors and our management will continue to monitor our working capital, cash flows, and our business development status.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**], and other fees incurred in connection with the [**REDACTED**]. The estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] range and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million), accounting for approximately [**REDACTED**]% of our gross [**REDACTED**] from the [**REDACTED**]. The estimated total [**REDACTED**] expenses consist of (i) [**REDACTED**] expenses (including but not limited to [**REDACTED**] and fees) of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), and (ii) [**REDACTED**] expenses of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million), and other fees and expenses of approximately RMB[**REDACTED**] million (approximately HK$[**REDACTED**] million). Approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) of the estimated [**REDACTED**] expenses is directly attributable to the [**REDACTED**] and will be accounted for as a deduction from equity upon completion of the [**REDACTED**]. Approximately RMB[**REDACTED**] million (equivalent to approximately HK$[**REDACTED**] million) is expected to be charged in profit or loss before or upon completion of the [**REDACTED**]. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The [**REDACTED**] expenses above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

[**REDACTED**]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements as set out in "Appendix I — Accountant's Report" to this document, and up to the date of this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

OUR CONTROLLING SHAREHOLDERS

Our controlling Shareholders comprise Dr. Yuan and our Employee Incentive Platforms. As of the Latest Practicable Date, our controlling Shareholders were entitled to control an aggregate of approximately 44.48% of the voting rights in our total issued Shares. Immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our controlling Shareholders will continue to collectively control approximately [**REDACTED**]% of the voting rights in our total issued Shares and thus remain as a group of controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors believe that our Group will be capable of carrying out our business independently from our controlling Shareholders and their respective close associates after the [**REDACTED**] for the reasons set out below.

Operational Independence

We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently from our controlling Shareholders and their respective close associates. We are in possession of all relevant licenses, assets, copyrights, trademarks and other intellectual properties necessary to carry on and operate our business. In addition, we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that our Group will be able to operate independently from our controlling Shareholders and their respective close associates after the [**REDACTED**].

Management Independence

Upon the [**REDACTED**], our Board will comprise three executive Directors, one non-executive Director, and three independent non-executive Directors, and our senior management team will comprise six members. Our executive Directors and senior management team are responsible for the daily management of our operations.

Our Directors believe that our Group will be able to function independently from our controlling Shareholders and their respective close associates after the [**REDACTED**] for the following reasons:

(a) our Board has a balanced composition of executive Directors, non-executive Director and independent non-executive Directors. Our independent non-executive Directors are not associated with our controlling Shareholders or their respective close associates, which ensures that decisions of our Board are made only after due consideration of independent and impartial opinions;

(b) our independent non-executive Directors individually and collectively possess the requisite knowledge, experience and competence to provide a balance of potentially interested Directors with a view to promote the interests of our Company and our Shareholders as a whole;

(c) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions;

(d) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a director of a listed issuer, which require that he or she acts for the benefit and in the best interest of our Company, and does not allow any conflict between his or her duties as a Director and his or her personal interests; and

(e) if there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Directors are obliged to declare and fully disclose such potential conflict of interest and shall abstain from voting at the relevant Board meetings in respect of such transactions.

Based on the above, our Directors believe that they will be able to perform their managerial roles in our Company independently from our controlling Shareholders and their respective close associates after the [**REDACTED**].

Financial Independence

We have independent internal control and accounting systems. We also have an independent finance team responsible for discharging treasury functions. We are capable of obtaining financing from third parties, if necessary, without reliance on our controlling Shareholders or their respective close associates. During the Track Record Period and up to the Latest Practicable Date, there has been no loans, guarantees or pledges provided or guaranteed by our controlling Shareholders.

Based on the above, our Directors believe that our Group will be able to maintain financial independence from our controlling Shareholders and their respective close associates after the [**REDACTED**].

COMPETITION

As of the date of the document, none of our controlling Shareholders and their respective close associates was interested in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group's business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to maintain good corporate governance standards and to avoid potential conflict of interest between our Group and our controlling Shareholders and their respective close associates:

(a) our Group has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Group enters into connected transactions with our controlling Shareholders or their respective close associates, our Company will comply with the applicable requirements under the Listing Rules;

(b) where a Shareholders' meeting is to be held to consider proposed transactions in which our controlling Shareholders or their respective close associates have any material interests, our controlling Shareholders and their respective close associates (as applicable) will not vote on the relevant resolutions;

(c) our independent non-executive Directors will review whether there is any conflict of interest between our Group and our controlling Shareholders and their respective close associates and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) if any of our controlling Shareholders or Directors has a conflict of interest in a matter to be considered by our Board which our Board has determined to be material, the matter will be dealt with by a physical meeting rather than a written resolution. Additionally, our independent non-executive Directors with no material interest in the matter will be present at the relevant Board meeting;

(e) where the advice from an independent professional, such as a financial or legal advisor, is reasonably requested by our Directors (including independent non-executive Directors), the appointment of such independent professional will be made at our Company's expenses; and

(f) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor who will provide advice and guidance to us with respect to compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors' duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage potential conflict of interest between our Group and our controlling Shareholders and their respective close associates, and to protect our minority Shareholders' rights after the [**REDACTED**].

BEFORE COMPLETION OF THE [REDACTED]

As of the date of the document, the registered capital of our Company was RMB25,489,202 divided into 25,489,202 Unlisted Shares with a nominal value of RMB1.00 each.

IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

Immediately following completion of the [**REDACTED**], the Share Subdivision and the conversion of Unlisted Shares into H Shares, assuming the [**REDACTED**] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital
		(%)
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]
H Shares converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**100.00**

Immediately following completion of the [**REDACTED**], the Share Subdivision and the conversion of Unlisted Shares into H Shares, assuming the [**REDACTED**] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of our share capital
		(%)
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]
H Shares converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**100.00**

RANKING

Immediately following completion of the [**REDACTED**] and the conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. H Shares and Unlisted Shares are both ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association, will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the required filings with the CSRC for the conversion, listing and trading of such converted Shares have been completed. Additionally, such conversion, trading and listing shall meet applicable requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Unlisted Shares (if any).

If any Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares as set forth below, we will apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry in the [**REDACTED**]. As the [**REDACTED**] of additional H Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such [**REDACTED**] for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. Any [**REDACTED**] for [**REDACTED**] of the converted H Shares on the Stock Exchange after the [**REDACTED**] is subject to prior notification by way of announcement to inform our Shareholders and the [**REDACTED**] of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register of members, and our Company will re-register such Shares on the [**REDACTED**] maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the [**REDACTED**] of our Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the [**REDACTED**] and the due dispatch of H Share certificates, and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules and the [**REDACTED**] and [**REDACTED**] in force from time to time. Until the converted Shares are re-registered in the [**REDACTED**] of our Company, such Shares would not be [**REDACTED**] as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization of Our Company."

REGISTRATION OF SHARES NOT LISTED ON OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) announced by the CSRC, the domestic shareholders of our Unlisted Shares shall handle share transfer registration business in accordance with the relevant business rules of the CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of such shares involved in the application is completed.

SHAREHOLDERS' MEETING

For details of circumstances under which our Shareholders' meeting is required, see "Appendix III — Summary of Articles of Association."

GENERAL MANDATE TO ISSUE SHARES AND SELL AND/OR TRANSFER TREASURY SHARES

Subject to completion of the [**REDACTED**], pursuant to the Shareholder resolutions of our Company, our Board has been granted a general mandate to allot and issue Shares and sell and/or transfer treasury Shares. See "Appendix IV — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders."

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme in October 2024 (as amended in May 2026). For further information regarding the terms and information of the participants of the Employee Incentive Scheme, see "Appendix IV — Statutory and General Information — D. Employee Incentive Scheme."

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares to H Shares, the following persons will have interests and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company.

Shareholder	Nature of interest	Number of Shares interested in immediately following completion of the [REDACTED][(1)]	Approximate percentage of interest in the Unlisted Shares/H Shares immediately following completion of the [REDACTED][(2)]	Approximate percentage of interest in the total share capital of our Company immediately following completion of the [REDACTED][(2)]
			(%)	*(%)*
Dr. Yuan	Beneficial owner	[**REDACTED**] Unlisted Shares (L)	[**REDACTED**]	[**REDACTED**]
	Interest in controlled corporation[(3)]	[**REDACTED**] Unlisted Shares (L)	[**REDACTED**]	[**REDACTED**]
Silicon Excellence	Beneficial owner[(3)]	[**REDACTED**] Unlisted Shares (L)	[**REDACTED**]	[**REDACTED**]
Silicon Exploration	Beneficial owner[(3)]	[**REDACTED**] Unlisted Shares (L)	[**REDACTED**]	[**REDACTED**]
Silicon Future	Beneficial owner[(3)]	[**REDACTED**] Unlisted Shares (L)	[**REDACTED**]	[**REDACTED**]
Silicon Innovation	Beneficial owner[(3)]	[**REDACTED**] Unlisted Shares (L)	[**REDACTED**]	[**REDACTED**]
Mr. Liu Juncheng	Interest in controlled corporation[(4)]	[**REDACTED**] Unlisted Shares (L)	[**REDACTED**]	[**REDACTED**]
Hangzhou Duoxiang Network Technology Co., Ltd. (杭州多項網絡科技有限公司) ("**Hangzhou Duoxiang**")	Beneficial owner[(5)]	[**REDACTED**] H Shares (L)	[**REDACTED**]	[**REDACTED**]
Alibaba Group Holding Limited (阿里巴巴集團控股有限公司) ("**Alibaba Group**")	Interest in controlled corporation[(5)]	[**REDACTED**] H Shares (L)	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue immediately following completion of the [**REDACTED**], and assuming that the [**REDACTED**] is not exercised.

(3) The general partner of each of our Employee Incentive Platforms is Dr. Yuan. As such, Dr. Yuan is deemed to be interested in the Shares held by each of our Employee Incentive Platforms under the SFO.

(4) Mr. Liu Juncheng is a limited partner of Silicon Innovation, holding approximately 35.00% of the partnership interest. As such, Mr. Liu is deemed to be interested in the Shares held by Silicon Innovation under the SFO.

(5) Hangzhou Duoxiang is a consolidated entity of Alibaba Group, a company listed on the New York Stock Exchange (Stock Symbol: BABA) and the Stock Exchange (Stock Code: 9988 (HKD Counter) and 89988 (RMB Counter). As such, Alibaba Group is deemed to be interested in the Shares held by Hangzhou Duoxiang under the SFO.

Save as disclosed above and in "Appendix IV — Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 3. Disclosure of Interests," our Directors are not aware of any person who will, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares to H Shares, have any interest and/or short position in the Shares or underlying Shares of our Company which will fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

BOARD OF DIRECTORS

Upon the [**REDACTED**], our Board will comprise seven Directors, including three executive Directors, one non-executive Director, and three independent non-executive Directors. The table below sets out certain information of our Directors.

Name	Age	Position	Time of appointment as Director	Time of joining our Group	Responsibilities
Executive Directors					
Dr. Yuan Jinhui (袁進輝)	45	Chairman of our Board, executive Director, CEO, general manager and financial controller	August 2023	August 2023	Overseeing the overall executive and business direction, and strategic management of our Group
Mr. Liu Juncheng (柳俊丞)	39	Executive Director and chief technology officer	October 2024	August 2023*	Overseeing the technology research and development of our Group
Mr. Zeng Hua (曾華)	55	Executive Director and deputy general manager	July 2024	June 2024	Overseeing the commercialization planning of our Group
Non-executive Director					
Mr. Chen Yingjie (陳英傑)	49	Non-executive Director	May 2025	May 2025	Providing guidance and advice on corporate strategy and development
Independent Non-executive Directors					
Dr. Wu Chuan (吳川)	48	Independent non-executive Director	[**REDACTED**]	[**REDACTED**]	Supervising and providing independent judgment to our Board
Dr. Li Dan (李丹)	47	Independent non-executive Director	[**REDACTED**]	[**REDACTED**]	Supervising and providing independent judgment to our Board
Dr. Hou Hong (侯宏)	40	Independent non-executive Director	[**REDACTED**]	[**REDACTED**]	Supervising and providing independent judgment to our Board

Executive Directors

Dr. Yuan Jinhui (袁進輝), has extensive experience in artificial intelligence, deep learning and distributed computing systems. From June 2013 to October 2016, he served as lead researcher at Microsoft (China) Co., Ltd. (微軟(中國)有限公司), where he led the development of LightLDA, the world's fastest large-scale topic model training system at the time. From January 2017 to December 2023, he founded Beijing OneFlow Technology Co., Ltd. (北京一流科技有限公司) ("**OneFlow**"), where he led the development of the OneFlow deep learning framework, with a strategic focus on enhancing algorithm R&D efficiency and hardware utilization, helping to bridge research innovation with scalable computing performance. Dr. Yuan obtained a bachelor's degree in computer science and technology from Xidian University (西安電子科技大學) in the PRC in July 2003. He subsequently obtained a Ph.D. in computer science and technology from Tsinghua University (清華大學) in the PRC in July 2008.

Mr. Liu Juncheng (柳俊丞), has extensive experience in software development, particularly in artificial intelligence system software. From January 2012 to September 2015, he worked at Shilinglong (Beijing) Technology Co., Ltd. (視玲瓏(北京)科技有限公司) ("**Beijing Shilinglong**"). From October 2015 to July 2016, he worked at Beijing Gouzheng Data Technology Co., Ltd. (北京勾正數據科技有限公司). From August 2016 to November 2017, he worked at Beijing Shilinglong. From December 2017 to August 2018, he worked at Beijing Zhiming Technology Development Centre (Limited Partnership) (北京之明科技發展中心(有限合夥)). From September 2018 to July 2023, he served as R&D engineer at OneFlow. Mr. Liu obtained a bachelor's degree in computer science and technology from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2011.

* For a period of time from the incorporation of the Company, Mr. Liu Juncheng was working in the Group full-time pursuant to a staffing assignment agreement.

Mr. Zeng Hua (曾華), has extensive experience in technology sales, business development and commercialization. From 2002 to 2015, he held various senior management positions at leading technology companies, including Unify Communications (China) Co., Ltd. (優力飛(中國)通信系统有限公司) and Microsoft (China) Co., Ltd. (微軟(中國)有限公司). From July 2015 to March 2017, he served as general manager of key accounts at Baidu. Inc. (百度集團股份有限公司) (9888.HK (HKD counter); 89888.HK (RMB counter); BIDU.NASDAQ). From April 2017 to January 2018, he served as chief commercial officer at Beijing Maigewei Technology Co., Ltd. (北京邁格威科技有限公司). From February 2018 to January 2019, he worked at Beijing Yiyi Cloud Technology Co., Ltd. (北京懿醫雲科技有限公司). From February 2019 to September 2019, he served as chief executive officer of Guangzhou Puppy Robot Technology Co., Ltd. (廣州小狗機器人技術有限公司). Prior to joining our Company, he served as vice president of JD.com, Inc. (京東集團) (9618.HK (HKD counter); 89618.HK (RMB counter); JD.NASDAQ). Mr. Zeng obtained a bachelor's degree in science and technology intelligence from Peking University (北京大學) in the PRC in July 1994.

Non-executive Director

Mr. Chen Yingjie (陳英傑) has extensive experience in investment and business management. Mr. Chen worked as a senior manager in the corporate finance department of PricewaterhouseCoopers from September 2007 to December 2012. He joined Alibaba Group Holding Limited (9988.HK) ("**Alibaba**") in December 2012. Mr. Chen currently serves as the managing director of strategic investment department of Alibaba Group. Previously, Mr. Chen has served as a non-independent director of DBAPP Security Co., Ltd., (688023.SH), from May 2020 to January 2024 and non-executive director of XPeng Inc. (9868.HK; XPEV.NYSE) from February 2022 to November 2023. Since March 2024, Mr. Chen has served as a non-executive director of MiniMax Group Inc. (0100.HK). Mr. Chen obtained a bachelor's degree in accounting from Shanghai University of Finance and Economics (上海財經大學) in the PRC in 1999. He is qualified as a certified public accountant in Canada.

Independent Non-executive Directors

Dr. Wu Chuan (吳川) has extensive research experience in computer science. Since September 2008, she has served in the department of computer science at the University of Hong Kong (香港大學) in Hong Kong, where she served as an assistant professor from September 2008 to June 2014, as an associate professor from July 2014 to August 2020, and has been a professor since August 2020. Dr. Wu obtained a bachelor's degree in computer science and technology, and a master's degree in computer science and technology from Tsinghua University (清華大學) in the PRC in August 2000 and in August 2002, respectively. She subsequently obtained a Ph.D. in electrical and computer engineering from the University of Toronto in Canada in November 2008.

Dr. Li Dan (李丹) has extensive experience in economics, accounting and management. She has served as an independent non-executive director of Edianyun Limited (易點雲有限公司) (2416.HK) since May 2023, and has served as an independent director of Foxconn Industrial Internet Co., Ltd. (富士康工業互聯網股份有限公司) (601138.SH). Dr. Li obtained a bachelor's degree in international trade from the school of economics and management at Beijing Institute of Technology (北京理工大學) in the PRC in July 2001 and a Ph.D. in accounting from the Scheller College of Business at Georgia Institute of Technology in the United States in August 2007.

Dr. Hou Hong (侯宏) has extensive experience in strategy consulting, telecommunications and technology management. From July 2008 to April 2010, he served as consultant and subsequently senior consultant at Beijing Derui Xintong Technology Co., Ltd. (北京德瑞信通科技有限公司). From June 2010 to September 2011, he served as strategy manager in the strategy department at the Shenzhen Aishide Co., Ltd. (深圳市愛施德股份有限公司). From November 2011 to November 2014, he served as project manager in the research division of the development strategy department at China Mobile Communications Group Co., Ltd. (中國移動通信集團有限公司). From December 2014 to April 2017, he served as strategy director at AsiaInfo Technologies (China) Co., Ltd. (亞信科技(中國)有限公司). From September 2017 to July 2021, he pursued doctoral studies at the University of Cambridge in the United Kingdom. Since September 2021, he has served as assistant professor at the National School of Development of Peking University (北京大學國家發展研究院). Dr. Hou obtained a bachelor's degree in communication engineering from Wuhan University of Technology (武漢理工大學) in the PRC in June

2006. He subsequently obtained a master's degree in optoelectronic engineering from Beijing Institute of Technology (北京理工大學) in the PRC in June 2008. He further obtained a Ph.D. from the University of Cambridge in the United Kingdom in July 2021.

SENIOR MANAGEMENT

Upon the [**REDACTED**], our senior management will comprise six members. The following table sets out certain information of our senior management.

Name	Age	Position	Time of appointment as senior management	Time of joining our Group	Responsibilities
Dr. Yuan Jinhui (袁進輝)	45	CEO, general manager and financial controller	August 2023	August 2023	Overseeing the overall executive and business direction, and strategic management of our Group
Mr. Liu Juncheng (柳俊丞)	39	Chief technology officer	August 2023	August 2023*	Overseeing the technology research and development of our Group
Mr. Zeng Hua (曾華)	55	Deputy general manager	June 2024	June 2024	Overseeing the commercialization planning of our Group
Ms. Zhao Zhen (趙震)	44	Chief operating officer	August 2023	August 2023*	Overseeing the overall operational management of our Group
Mr. Hu Jian (胡健)	44	Deputy general manager	July 2024	July 2024	Overseeing the research and development of on-premise deployment solutions and delivery of on-premise deployment solutions of our Group
Ms. Liu Liyuan (劉麗圓)	37	Board secretary	May 2026	May 2026	Overseeing the operations of our Board operations and capital markets affairs of our Group

For details of Dr. Yuan, Mr. Zeng and Mr. Liu, see "— Board of Directors" above.

Ms. Zhao Zhen (趙震), has long been engaged in the semiconductor and artificial intelligence sectors. From July 2006 to March 2010, she worked at Aerospace Xinhang Technology Co., Ltd. (航天恒星科技有限公司) (also known as the 503rd Research Institute of the Fifth Academy of China Aerospace Science and Technology Corporation (中國航天科技集團公司五院五〇三所)). From 2016 to 2019, she served as deputy secretary-general of the China Integrated Circuit Intellectual Property Alliance (中國集成電路知識產聯盟). Prior to co-founding our Company, she served as chief operating officer of OneFlow. Ms. Zhao obtained a bachelor's degree in information and computing science and a master's degree in engineering in signal and information processing from Peking University (北京大學) in the PRC in July 2003 and July 2006, respectively.

Mr. Hu Jian (胡健), has extensive experience in artificial intelligence, data science and technology entrepreneurship. From May 2006 to February 2009, he worked at Microsoft Research Asia (微軟亞洲研究院). From February 2009 to July 2010, he served as senior research engineer at Yahoo! Software Research & Development (Beijing) Co., Limited (雅虎軟件研發(北京)有限公司) . From August 2010 to February 2012, he served as architect in the search research department at Tencent Technology (Beijing) Co., Ltd. (騰訊科技(北京)有限公司). From June 2012 to April 2013, he served as the founder of Zhituo Tongda (Beijing) Technology Co., Ltd. (智拓通達(北京)科技有限公司), which was subsequently acquired by Yahoo! Inc. From January 2015 to May 2018, he served as co-founder and chief technology officer at Beijing Xieli Zhucheng Financial Services Information Co., Ltd. (北京協力築成金融服務信息有限公司), the holding company of 36Kr (36氪) and KrSpace (氪空間). From June 2018 to April 2021, he served as

* For a period of time from the incorporation of the Company, Mr. Liu Juncheng and Ms. Zhao Zhen were working in the Group full-time pursuant to staffing assignment agreements.

chief executive officer of Beijing Yilan Qunzhi Data Technology Co., Ltd. (北京一覽群智數據科技有限責任公司). From May 2021 to July 2024, he served as senior vice president at Beijing Yiyi Cloud Technology Co., Ltd. (北京懿醫雲科技有限公司). Mr. Hu obtained a bachelor's degree in computer science and technology, and a master's degree in computer system architecture from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 2003 and in July 2006, respectively. He further obtained an EMBA from China Europe International Business School (中歐國際工商學院) in November 2019.

Ms. Liu Liyuan (劉麗圓), has extensive experience in auditing, investment banking and capital markets. From October 2013 to November 2014, she served as auditor at Da Hua Certified Public Accountants (大華會計師事務所). From November 2014 to July 2016, she served as auditor at KPMG. From August 2016 to September 2024, she served as senior vice president and sponsor representative at Western Securities Co., Ltd. (西部證券股份有限公司) (002673.SZ). From October 2024 to May 2026, she served as vice president at Cornerstone Capital Co., Ltd. (基石資本股份有限公司). Ms. Liu obtained a master's degree in business management from Guizhou University (貴州大學) in the PRC in July 2013. Ms. Liu holds a certified public accountant qualification and a legal professional qualification in the PRC.

INTERESTS OF OUR DIRECTORS AND SENIOR MANAGEMENT

Save as otherwise disclosed in this document, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date:

(i) none of our Directors and senior management has held any other directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;

(ii) none of our Directors and senior management was related to other Directors and senior management;

(iii) save as disclosed in "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 3. Disclosure of Interests," none of our Directors and chief executive held any interest in the shares and underlying shares of our Company and our associated corporations which should be disclosed pursuant to Part XV of the SFO; and

(iv) there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules. From time to time our non-executive Director may serve on the boards of both private and public companies within the broader artificial intelligence industry. However, as our non-executive Director is not a member of our executive management team and not involved in the daily operation of our Group, we do not believe that his interests in such companies as directors would render us incapable of carrying on our business independently from such other companies in which our non-executive Director may hold directorships from time to time.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2026, and (ii) understands his or her obligations as a director of a [**REDACTED**] issuer.

Each of our independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) he/she had no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company as of the Latest Practicable Date, and (iii) that there have been no other factors that might affect his/her independence at the time of his/her appointment.

REMUNERATION OF OUR DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

The aggregate amount of emoluments of our Directors for the three years ended December 31, 2025 amounted to approximately RMB0.4 million, RMB9.4 million and RMB47.6 million, respectively. The aggregate amount of emoluments of our five highest paid individuals (excluding Directors) for the three years ended December 31, 2025 amounted to approximately RMB1.2 million, RMB8.0 million and RMB10.6 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, excluding estimated share-based compensation, to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB4.10 million. The actual remuneration of our Directors in 2026 may be different from the expected remuneration set out above.

Save as disclosed above, no other payments have been paid, or are payable, by our Group to our Directors or the five highest paid individuals during the Track Record Period. No remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company, or as compensation for loss of office in connection with the management positions of any member of our Group. During the Track Record Period, none of our Directors waived any emoluments.

JOINT COMPANY SECRETARIES

Ms. Liu Liyuan (劉麗圓) was appointed as a joint company secretary of our Company on June 26, 2026. For details of her biography, see "— Senior Management" above.

Ms. Yeung Lai Shan (楊麗珊), was appointed as one of the joint company secretaries of our Company on June 26, 2026.

Ms. Yeung is currently a manager of the Company Secretarial Services of Tricor Services Limited, an integrated provider offering business, corporate and investor services. Ms. Yeung has 7 years of experience in the corporate secretarial field and has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies. Ms. Yeung holds a Master of Science degree in Corporate Governance and Compliance from the Hong Kong Baptist University. Ms. Yeung is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CORPORATE GOVERNANCE

We have established three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee. Our Board committees operate in accordance with the terms of reference established by our Board.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee comprises one non-executive Director and two independent non-executive Directors, namely Dr. Li Dan (李丹), Mr. Chen Yingjie (陳英傑) and Dr. Hou Hong (侯宏), with Dr. Li currently serving as the chairperson. Dr. Li has the appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Dr. Yuan, Dr. Hou Hong (侯宏) and Dr. Wu Chuan (吳川), with Dr. Yuan currently serving as the chairperson.

Remuneration and Appraisal Committee

We have established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration and Appraisal Committee comprises one executive Director and two independent non-executive Directors, namely Dr. Yuan, Dr. Li Dan (李丹) and Dr. Wu Chuan (吳川), with Dr. Wu currently serving as the chairperson.

Corporate Governance Code

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code after the [**REDACTED**] save for the matter disclosed below.

Pursuant to code provision C.2.1 in Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have separate chairman of our Board and CEO, and Dr. Yuan currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and CEO in the same person has the benefit of ensuring consistent leadership within our Group and enabling more effective and efficient overall strategic planning and execution of strategic initiatives for our Group. Our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and CEO at a time when it is appropriate taking into account the circumstances of our Group as a whole.

Diversity Policy

We are committed to promoting diversity within our Company to the extent practicable by taking into consideration a number of factors in respect of our corporate governance structure. We have adopted a diversity policy which sets out the objective and approach for achieving and maintaining the diversity of our Board and our workforce (including senior management). In accordance with the diversity policy, we seek to achieve Board diversity by taking into account a number of factors, including but not limited to gender, age, ethnicity, culture and educational background, professional experience, skills, knowledge, and length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on our Board and also the specific needs of our Company without focusing on a single diversity aspect. We are also committed to promoting diversity within our workforce (including senior management) to enhance the effectiveness of our corporate governance as a whole.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as artificial intelligence, deep learning and distributed computing systems, software development, technology sales, business development and commercialization, investment and business management, research in computer science, accounting and management, strategy consulting, telecommunications and technology management. They obtained degrees in various fields including computer science and technology, science and technology intelligence, accounting, electrical and computer engineering, international trade, communication engineering, and optoelectronic engineering. Furthermore, our Board has a diverse age and gender representation with five male Directors and two female Directors ranging from 39 years old to 55 years old.

After the [**REDACTED**], we will from time to time discuss and agree on expected goals to ensure diversity, and review and, where necessary, update the diversity policy to ensure its continued effectiveness. We will report on the implementation of the diversity policy in our corporate governance report on an annual basis.

EMPLOYEE INCENTIVE SCHEME

We adopted the Employee Incentive Scheme in October 2024 (as amended in May 2026), a summary of the principal terms of which is set out in "Appendix IV — Statutory and General Information — D. Employee Incentive Scheme."

COMPLIANCE ADVISOR

We have appointed Rainbow Capital (HK) Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable laws and regulations.

The term of appointment of our Compliance Advisor will commence on the [**REDACTED**] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

FUTURE PLANS

For a detailed description of our future plans, see "Business — Our Strategies."

USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and based on the [**REDACTED**] of HK$[**REDACTED**] per H Share, we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**]. We intend to use the [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

(i) Approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to further strengthen our research and development capabilities, with a focus on enhancing our token production efficiency:

(a) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to the ongoing research and development of the core technology architecture, including: (i) upgrades to the technology architecture of our deep learning inference frameworks and inference middleware, with the aim of reducing per-token production costs and enhancing token production stability; (ii) upgrades to the technology architecture of our computing resource orchestration system, with the aim of optimizing scheduling efficiency and cost control for model inference; and (iii) support and adaptation for new models and new chips, to address evolving business requirements and increase the diversity of our computing resource supply. Specifically:

- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the leasing of computing resources; and
- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the recruitment and compensation of research and development personnel,

(b) approximately [**REDACTED**]% (or [**REDACTED**] million) will be allocated to ongoing research and development and upgrades of our existing business lines, including: (i) performance optimization, testing and validation of our public cloud-based serverless token services and dedicated instances; (ii) assessment, optimization, testing and validation of operational efficiency for heterogeneous computing clusters; and (iii) enhancements and improvements to our on-premise deployment solution products. Specifically:

- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the leasing of computing hardware; and
- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the recruitment and compensation of research and development personnel.

(c) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to research and development of next generation inference technologies, including the architecture design, engineering optimization, testing and validation of a decentralized, dataflow-based inference architecture and a large-scale context memory system for next-generation AI applications. Specifically:

- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the leasing of computing hardware; and
- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the recruitment and compensation of research and development personnel.

(d) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to the research and development of innovative products and frontier AI infrastructure software technologies, including: architecture design, product development, testing and validation of innovative products such as AI agent middleware frameworks. Specifically:

- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the leasing of computing hardware; and

- approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for the recruitment and compensation of research and development personnel.

(ii) Approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to lease computing resources to support our ongoing operational needs, especially for public cloud-based services. We intend to apply such funds toward token production, enabling us to grow the volume and reliability of our token supply offerings.

(iii) Approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to expand our coverage of key customers and enhance our market presence:

(a) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to brand building and the enhancement of our market influence. We intend to apply such funds toward: (i) participation in industry conferences, forums and exhibitions, including AI infrastructure conferences and other domestic industry events, to increase brand visibility and improve customer acquisition and conversion efficiency; and (ii) online brand advertising, including placement on major domestic platforms, to strengthen our brand presence across key markets and increase market awareness of our platform;

(b) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to expanding our online and channel-based sales model for our public cloud-based services. We intend to apply such funds toward: (i) the recruitment and compensation of online operations and marketing personnel to expand our channel sales model through customer acquisition initiatives via our official website and developer platforms, online marketing activities and content marketing; (ii) online product advertising expenditure to broaden our market reach and improve accessibility to our platform for a wider range of customers and developers; and (iii) development and expansion of our integrated solution vendor partner network, including the commissions to such vendors, to accelerate customer acquisition.

(c) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to strengthening our direct sales capabilities targeting key industries and large enterprise customers for our on-premise deployment solutions. We intend to apply such funds toward the recruitment and compensation of direct sales and solution personnel with deep experience in AI infrastructure, cloud computing, enterprise software and industry solutions, with the aim of expanding our enterprise customer base, to facilitate broader customer acquisition across industries.

(iv) Approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used to advance our global expansion strategy by leveraging overseas ecosystems and our technological advantages:

(a) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to expanding our overseas customer base through online and offline channels and digital marketing. We intend to apply such funds toward: (a) participation in international exhibitions and conferences to increase brand visibility in key overseas markets; (b) overseas online channel advertising expenditure, including placements on international online platforms, to drive customer acquisition and accelerate global platform adoption;

(b) approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be allocated to strengthening localized ecosystem partnerships and building local operational capabilities in key overseas markets. We intend to apply such funds toward: (a) the recruitment and compensation of overseas sales, after-sales and technical personnel with relevant market experience, to enhance customer service capabilities, market responsiveness and local delivery capabilities; (b) the establishment and operation of localized branch offices in selected overseas markets, including initial set-up costs and ongoing operating expenses, to support our local teams and strengthen our market presence in those jurisdictions; and (c) establishment and development of integrated solution vendor partnerships in key overseas markets to accelerate our platform adoption among overseas enterprise customers and developers.

(v) Approximately [**REDACTED**]% (or HK$[**REDACTED**] million) will be used for working capital and other general corporate purposes.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be HK$[**REDACTED**] million (based on the [**REDACTED**] of HK$[**REDACTED**] per H Share).

To the extent that the net [**REDACTED**] from the [**REDACTED**] are either more or less than expected, we will adjust our allocation of the net [**REDACTED**] for the above purposes on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. We will issue an appropriate announcement if there is any material change to the above proposed use of [**REDACTED**] in accordance with the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**]. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[**REDACTED**]

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The following is the text of a report set out on pages I-1 to I-[41], received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BEIJING SILICONFLOW TECHNOLOGY CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND HAITONG INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Beijing SiliconFlow Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[3] to I-[41] which comprises the consolidated and the company statements of financial position as at December 31, 2023, 2024 and 2025, and the consolidated statements of loss, the consolidated statements of comprehensive loss, the consolidated statements of changes in deficit and the consolidated statements of cash flows for the period from August 29, 2023 (date of incorporation) to December 31, 2023 and for each of the years ended December 31, 2024 and 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[3] to I-[41] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the "Document") in connection with the initial [**REDACTED**] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[3] have been made.

Dividends

We refer to note 28 to the Historical Financial Information which states that no dividends have been paid by Beijing SiliconFlow Technology Co., Ltd. in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong, [Date]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand of RMB (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS

	Note	Period from August 29 to December 31,	Year ended December 31,	
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*6*	6	7,346	55,330
Cost of revenue	*7*	(1)	(4,452)	(68,632)
Gross profit/(loss)		**5**	**2,894**	**(13,302)**
Selling and marketing expenses	*7*	(110)	(6,392)	(83,743)
General and administrative expenses	*7*	(1,219)	(9,094)	(21,843)
Research and development expenses	*7*	(10,841)	(64,475)	(209,176)
Net impairment losses on financial assets		–	(91)	(306)
Other income and (losses)/gains-net	*9*	–	(100)	5,020
Operating losses		**(12,165)**	**(77,258)**	**(323,350)**
Finance income	*10*	–	422	1,420
Finance costs	*10*	(58)	(5,079)	(23,561)
Finance costs – net		**(58)**	**(4,657)**	**(22,141)**
Loss before income tax		**(12,223)**	**(81,915)**	**(345,491)**
Income tax expense	*11*	–	–	–
Loss for the period/year		**(12,223)**	**(81,915)**	**(345,491)**
Loss attributable to:				
Owners of the Company		(12,223)	(81,915)	(345,491)
Other comprehensive income				
Total other comprehensive income for the period/year, net of tax		–	–	–
Total comprehensive loss for the period/year		**(12,223)**	**(81,915)**	**(345,491)**
Total comprehensive loss attributable to:				
Owners of the Company		(12,223)	(81,915)	(345,491)
Loss per share attributable to the owners of the Company				
Basic and diluted loss per share (in RMB per share)	*12*	(8.77)	(19.33)	(33.33)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Assets				
Non-current assets:				
Property, plant and equipment	*14*	–	527	927
Right-of-use assets	*15*	1,989	6,176	5,358
Other non-current assets	*17*	–	–	1,096
Total non-current assets		**1,989**	**6,703**	**7,381**
Current assets:				
Prepayments and other receivables	*17*	446	4,251	15,541
Trade receivables	*18*	–	3,597	10,582
Time deposits	*19*	–	–	100,000
Cash and cash equivalents	*20*	4,874	49,737	171,533
Total current assets		**5,320**	**57,585**	**297,656**
Total assets		**7,309**	**64,288**	**305,037**
Net current assets		**2,898**	**28,356**	**118,697**
Deficit				
Paid-in capital	*21*	22	12,758	16,527
Share-based payments reserves	*22*	–	8,411	50,947
Capital reserves	*22*	11,423	(4,859)	(16,532)
Accumulated losses		(12,223)	(94,138)	(439,629)
Deficit attributable to owners of the Company		**(778)**	**(77,828)**	**(388,687)**
Total deficit		**(778)**	**(77,828)**	**(388,687)**
Liabilities				
Non-current liabilities				
Lease liabilities	*15*	642	3,629	1,298
Redemption liabilities	*23*	5,023	107,243	498,629
Share-based compensation liabilities	*24*	–	2,015	14,838
Total non-current liabilities		**5,665**	**112,887**	**514,765**
Current liabilities				
Borrowings	*27*	–	–	40,000
Trade and other payables	*25*	1,100	12,825	31,455
Share-based compensation liabilities	*24*	–	12,458	92,437
Contract liabilities	*6*	–	1,122	653
Receipts in advance	*26*	–	331	10,243
Lease liabilities	*15*	1,322	2,493	4,171
Total current liabilities		**2,422**	**29,229**	**178,959**
Total liabilities		**8,087**	**142,116**	**693,724**
Total liabilities and deficit		**7,309**	**64,288**	**305,037**

COMPANY STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	14	–	527	927
Right-of-use assets	15	1,989	6,176	5,358
Other non-current assets	17	–	–	1,096
Total non-current assets		**1,989**	**6,703**	**7,381**
Current assets				
Prepayments and other receivables	17	446	4,251	12,165
Trade receivable	18	–	3,597	10,582
Time deposits	19	–	–	100,000
Cash and cash equivalents	20	4,874	49,736	171,523
Total current assets		**5,320**	**57,584**	**294,270**
Total assets		**7,309**	**64,287**	**301,651**
Net current assets		**2,898**	**28,355**	**118,699**
Deficit				
Deficit attributable to owners of the Company				
Paid-in capital	21	22	12,758	16,527
Share-based payments reserves	22	–	8,411	50,947
Capital reserves	22	11,423	(4,859)	(16,532)
Accumulated losses		(12,223)	(94,139)	(439,627)
Total deficit		**(778)**	**(77,829)**	**(388,685)**
Liabilities				
Non-current liabilities				
Lease liabilities	15	642	3,629	1,298
Redemption liabilities	23	5,023	107,243	498,629
Share-based compensation liabilities	24	–	2,015	14,838
Total non-current liabilities		**5,665**	**112,887**	**514,765**
Current liabilities				
Borrowing	27	–	–	40,000
Trade and other payables	25	1,100	12,825	28,067
Share-based compensation liabilities	24	–	12,458	92,437
Contract liabilities	6	–	1,122	653
Receipts in advance	26	–	331	10,243
Lease liabilities	15	1,322	2,493	4,171
Total current liabilities		**2,422**	**29,229**	**175,571**
Total liabilities		**8,087**	**142,116**	**690,336**
Total liabilities and deficit		**7,309**	**64,287**	**301,651**

CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT

		Attributable to owners of the Company				
	Note	**Paid-in capital**	**Capital Reserves**	**Share-based payments reserves**	**Accumulated losses**	**Total deficit**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at August 29, 2023		**–**	**–**	**–**	**–**	**–**
Comprehensive loss						
Loss for the period		–	–	–	(12,223)	(12,223)
Total comprehensive loss for the period		**–**	**–**	**–**	**(12,223)**	**(12,223)**
Transactions with owners in their capacity as owners:						
Contribution from shareholders		22	5,378	–	–	5,400
Recognition of redemption liabilities	*23*	–	(5,000)	–	–	(5,000)
Debt waived by the Controlling Shareholder	*22*	–	11,045	–	–	11,045
Total transactions with owners in their capacity as owners		**22**	**11,423**	**–**	**–**	**11,445**
Balance at December 31, 2023		**22**	**11,423**	**–**	**(12,223)**	**(778)**
Balance at January 1, 2024		**22**	**11,423**	**–**	**(12,223)**	**(778)**
Comprehensive loss						
Loss for the year		–	–	–	(81,915)	(81,915)
Total comprehensive loss for the year		**–**	**–**	**–**	**(81,915)**	**(81,915)**
Transactions with owners in their capacity as owners:						
Contribution from shareholders		354	93,300	–	–	93,654
Recognition of redemption liabilities	*23*	–	(97,200)	–	–	(97,200)
Share-based compensation		–	–	8,411	–	8,411
Capital reserve transferred to paid-in capital		12,382	(12,382)	–	–	–
Total transactions with owners in their capacity as owners		**12,736**	**(16,282)**	**8,411**	**–**	**4,865**
Balance at December 31, 2024		**12,758**	**(4,859)**	**8,411**	**(94,138)**	**(77,828)**

		Attributable to owners of the Company				
	Note	Paid-in capital	Capital Reserves	Share-based payments reserves	Accumulated losses	Total deficit
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2025		**12,758**	**(4,859)**	**8,411**	**(94,138)**	**(77,828)**
Comprehensive loss						
Loss for the year		–	–	–	(345,491)	(345,491)
Total comprehensive loss for the year		**–**	**–**	**–**	**(345,491)**	**(345,491)**
Transactions with owners in their capacity as owners:						
Contribution from shareholders		3,769	356,637	–	–	360,406
Recognition of redemption liabilities	*23*	–	(368,310)	–	–	(368,310)
Share-based compensation		–	–	42,536	–	42,536
Total transactions with owners in their capacity as owners		**3,769**	**(11,673)**	**42,536**	**–**	**34,632**
Balance at December 31, 2025		**16,527**	**(16,532)**	**50,947**	**(439,629)**	**(388,687)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Period from August 29 to December 31,	Year ended December 31,	
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cash flows from operating activities				
Cash used in operations	*29*	(298)	(46,932)	(173,822)
Interest received		–	422	1,420
Net cash used in operating activities		**(298)**	**(46,510)**	**(172,402)**
Cash flows from investing activities				
Payments for purchase of property, plant and equipment		(28)	(651)	(758)
Payments of deposits related to lease		–	–	(1,108)
Purchase of time deposits		–	–	(100,000)
Net cash used in investing activities		**(28)**	**(651)**	**(101,866)**
Cash flows from financing activities				
Proceeds from issuance of shares		5,000	97,230	368,310
Payments of issuance costs		–	(3,576)	(7,904)
Proceeds from borrowings – related party	*31*	200	–	–
Proceeds from bank borrowings	*27*	–	–	40,000
Repayments of borrowings – related party	*31*	–	(200)	–
Payments of interests on bank borrowings	*10*	–	–	(105)
Payments of lease liabilities		–	(1,430)	(4,237)
Net cash generated from financing activities		**5,200**	**92,024**	**396,064**
Net increase in cash and cash equivalents		4,874	44,863	121,796
Cash and cash equivalents at beginning of the period/year		–	4,874	49,737
Cash and cash equivalents at end of the period/year	*20*	**4,874**	**49,737**	**171,533**

1 GENERAL INFORMATION

Beijing SiliconFlow Technology Co., Ltd. ("SiliconFlow" or the "Company") was incorporated on August 29, 2023 as a limited liability company in the People's Republic of China ("China"). The Company is ultimately controlled by Dr. Yuan Jinhui (the "Controlling Shareholder").

The Company together with its subsidiaries (collectively referred to as the "Group") are primarily engaged in providing scalable AI infrastructure for tokens delivery and on-premises deployment solutions to developers and enterprise customers.

The Company's principal subsidiaries during the Track Record Period and as at the date of this report are set out in Note 13.

2 BASIS OF PREPARATION

(a) Basis of preparation

The Historical Financial Information of the Group has been prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

IFRS Accounting Standards comprise the following authoritative literature:

- International Financial Reporting Standards ("IFRS");
- IAS Standards ("IAS"); and
- Interpretations developed by the IFRS Interpretations Committee ("IFRIC Interpretations") or its predecessor body, the Standing Interpretations Committee ("SIC Interpretations").

The Historical Financial Information has been prepared on a historical cost convention, except for financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 below.

The Historical Financial Information is presented in RMB and all values are rounded to the nearest thousand (RMB'000) unless when otherwise stated.

(i) Going Concern basis

The Group's total liabilities were approximately RMB8,087,000, RMB142,116,000 and RMB693,724,000 on December 31, 2023, 2024 and 2025, respectively. These liabilities were mainly due to the separate redemption rights granted to investors in financing, for which the Group recorded redemption liabilities ("Redemption Liabilities") with amount of RMB5,023,000, RMB107,243,000 and RMB498,629,000 on December 31, 2023, 2024 and 2025, respectively (Note 23).

The directors of the Company (the "Directors") have assessed the redemption features of the Redemption Liabilities as set out in Note 23 and concluded that the only likely event or situation which may trigger the Group to redeem these financial instruments in cash is that the Company fails to complete a qualified [**REDACTED**] before December 31, 2030. Therefore, the Directors concluded that it is not expected the Group will incur any cash outflows to settle or redeem the Redemption Liabilities within the next twelve months from December 31, 2025.

The Directors have reviewed the Group's cash flow forecast which covers a period of not less than twelve months from December 31, 2025. Based on the review of the cash flow forecast and taking into account the considerations as mentioned in the preceding paragraph, the Directors have concluded that the Group will have adequate financial resources to continue its operations in the foreseeable future and to meet its financial obligations as and when they fall due within the next twelve months from December 31, 2025. Accordingly, the Directors have prepared the Historical Financial Information on a going concern basis.

(ii) New and amended standards adopted by the Group

All effective standards, amendments to standards and interpretations, which are mandatorily effective for the financial year beginning on January 1, 2025, are consistently applied to the Group for the Track Record Period.

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

	New and amended standards and annual improvements	Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts referencing nature-dependent electricity	January 1, 2026
Annual Improvements to IFRS	Volume 11 IFRS accounting standards	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, these standards and amendments are not expected to have a material impact on the Group's financial performance and position, except IFRS 18.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the statement of cash flows and additional disclosure will be included in the financial statements.

The Group expects to apply the new standard from its mandatory effective date on January 1, 2027. Retrospective application is required, and so the comparative information for the financial year will be restated upon the adoption of IFRS 18 in 2027.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Interest rate risk

Except for cash and cash equivalents, redemption liabilities and borrowings, the Group has no other significant interest-bearing assets or liabilities.

The Group's interest rate risk primarily arises from borrowings. Borrowings carried at variable rates expose the Group to cash flow interest rate risk whereas those at fixed rates expose the Group to fair value interest rate risk.

The interest rates and terms of repayments of borrowings are disclosed in Note 27. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for the Track Record Period. As at December 31, 2023 and 2024, the Group had no outstanding borrowings. As at December 31 2025, the Group's borrowings at fixed rates are RMB40,000,000.

The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate movements.

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables, and other receivables. The carrying amount of each class of the above financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

(i) Risk management

The credit risk of cash and cash equivalents is limited because the counterparties are mainly state-owned or reputable commercial institutions located in the PRC.

For trade receivables and other receivables, management makes periodic as well as individual assessments on the recoverability based on historical settlement records and past experience and adjusts for forward looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Other receivables
- Other non-current assets

While cash and cash equivalents and time deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

The directors of the Group believe that there is no material credit risk inherent in the Group's outstanding balance of trade receivables, details of which have been disclosed in Note 18.

The movements on the allowance for impairment of trade receivables are as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the period/year	–	–	87
Impairment losses on trade receivables	–	87	296
Reversal of impairment of trade receivables	–	–	–
At end of the period/year *(Note 18)*	–	87	383

Other receivables and other non-current assets

The Group classifies other receivables and other non-current assets which reflect their credit risks and how the expected credit loss provision is determined for each of those categories. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers both historical loss rates and forward-looking macroeconomic data. There are no significant increases in credit risk of the receivables comparing with initial recognition. Management believes that the credit risk inherent in these outstanding receivables is not significant.

(c) Liquidity Risk

The Group aims to maintain sufficient cash to meet obligations falling due as well as operating and capital requirements.

The table below analyzes the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining year at each balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The amounts disclosed in the table are the contractual undiscounted cash flows as at December 31, 2023:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023						
Trade and other payables	1,100	–	–	–	1,100	1,100
Lease liabilities	1,349	674	–	–	2,023	1,964
Redemption liabilities	–	–	–	7,829	7,829	5,023
	2,449	674	–	7,829	10,952	8,087

The amounts disclosed in the table are the contractual undiscounted cash flows as at December 31, 2024:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2024						
Trade and other payables	12,825	–	–	–	12,825	12,825
Lease liabilities	2,610	1,936	1,936	–	6,482	6,122
Redemption liabilities	–	–	–	157,412	157,412	107,243
	15,435	1,936	1,936	157,412	176,719	126,190

The amounts disclosed in the table are the contractual undiscounted cash flows as at December 31, 2025:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2025						
Trade and other payables	31,455	–	–	–	31,455	31,455
Lease liabilities	4,221	1,407	–	–	5,628	5,469
Redemption liabilities	–	–	692,014	–	692,014	498,629
Borrowings	40,000	–	–	–	40,000	40,000
	75,676	1,407	692,014	–	769,097	575,553

The liquidity risk of redemption liabilities is the principal amount of the redemption liabilities plus the respective predetermined interest (Note 23).

3.2 Capital risk management

The Group's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

- Maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is not significant.

3.3 Fair value estimation

(a) Financial instruments carried at fair value

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The Group's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and financial liabilities at fair value through profit or loss.

During the Track Record Period, except for the share-based compensation liabilities arising from the cash-settlement alternative of certain RSUs under the 2024 Plan (Note 24), the Group had no financial instruments or other liabilities measured at fair value. The share-based compensation liabilities were measured at fair value at each reporting date, with changes in fair value recognized in profit or loss within employee benefit expenses.

The following table presents the Group's share-based compensation liabilities measured at fair value:

	Level 1	Level 2	Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At December 31, 2023	–	–	–	–
At December 31, 2024	–	–	14,473	14,473
At December 31, 2025	–	–	107,275	107,275

The fair value measurement of the share-based compensation liabilities is categorized within Level 3 of the fair value hierarchy as the Company's paid in capital were not quoted in an active market and the valuation was based on a recent private financing price, which is not based on observable market data.

(ii) Valuation processes

The Group finance team manages the valuation exercise of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the financial instruments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments if needed. External valuation experts will be involved when necessary.

(b) Financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at other than fair value, including cash and cash equivalents, trade receivables, other receivables, trade payables, other payables and accruals (excluding salary and tax payables), borrowings, lease liabilities and redemption liabilities, approximate to their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will likely differ from the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that might have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Share-based payment expenses

As mentioned in Note 24, the Company has adopted 2024 Employee Incentive Plan (the "2024 Plan") and grants restricted share units ("RSUs") to the Group's management and employees. The Company has engaged an independent valuer to determine the fair value of RSUs.

The fair value of liability component of compound instruments was determined by reference to the fair value of the underlying shares and remeasured at fair value at each reporting date, with changes recognized in profit or loss (within employee benefit expenses), in accordance with IFRS 2.

The fair value of equity component of compound instruments was measured as option to acquire equity shares upon lock-up expiry by forfeiting the cash compensation used the Binomial option-pricing model.

The fair value of equity-settled awards was determined by reference to the fair value of the underlying ordinary shares on the dates of grant. Key assumptions are disclosed in Note 24.

5 SEGMENT INFORMATION

The Group's chief operating decision-maker ("CODM") has been identified as the chairman of the Board of Directors of the Company, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group by service types and hence, the Group has two reportable segments.

Public cloud-based services: this segment provides model inference services on a shared-resource basis or offers dedicated instances providing reserved computing capacity on a public cloud basis.

On-premise deployment solutions: this segment offers on-premise deployment solutions, which comprise software licensing and/or customized services according to the customers' specific instructions and needs at the customers' infrastructure.

The CODM uses gross profit/(loss) for the Group's two reportable segments to assess the Group's overall performance, compare actual results to budgets, and guide decisions on capital investments and other resource allocations. The reconciliation of total segment gross profit/(loss) to the Group's loss before tax is the same as that presented in the consolidated statement of loss, and accordingly no separate reconciliation is presented.

The table below summarizes gross profit/(loss) related segment information used by the CODM to evaluate the Group's performance. The Group does not allocate any assets to its business segments as the Group's CODM does not use this information to measure the performance of the operating segments:

	Period from August 29 to December 31, 2023		
	Public cloud-based services	On-premise deployment solutions	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue derived from external customers	–	6	6
Segment costs of revenue	–	(1)	(1)
Segment gross profit	–	5	5

	Year ended December 31, 2024		
	Public cloud-based services	On-premise deployment solutions	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue derived from external customers	1,069	6,277	7,346
Segment costs of revenue	(3,972)	(480)	(4,452)
Segment gross profit	(2,903)	5,797	2,894

	Year ended December 31, 2025		
	Public cloud-based services	On-premise deployment solutions	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue derived from external customers	29,261	26,069	55,330
Segment costs of revenue	(64,082)	(4,550)	(68,632)
Segment gross loss	(34,821)	21,519	(13,302)

Information about major customers

The major customers who contributed more than 10% of total revenue of the Group during the Track Record Period are listed as below:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Percentage of revenue from the major customer to the total revenue of the Group			
Company A	83%	*	–
Company B	17%	–	–
Company C	–	61%	*
Company D	–	14%	*
Company E	–	–	14%
Company F	–	–	13%

* Less than 10% of the total revenue of the Group in the respective year.

As substantially all of the Group's long-lived assets are located in Chinese Mainland and substantially all of the Group's revenue of reportable segments are derived from Chinese Mainland, no geographical information is presented for the period from August 29 to December 31, 2023 and the years ended December 31, 2024 and 2025.

6 REVENUE

(a) Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers by major service types and timing of revenue recognition are as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Disaggregated by major service types:			
Public cloud-based services	–	1,069	29,261
On-premise deployment solutions	6	6,277	26,069
	6	7,346	55,330

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Timing of revenue recognition			
At a point in time	6	6,732	43,921
Over time	–	614	11,409
	6	7,346	55,330

(b) Contract liabilities

The Group has recognized the following liabilities related to contracts with customers:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	–	1,122	653

The following table shows how much of the revenue which was included in the contract liabilities at the beginning of the reporting year, recognized during the Track Record Period relates to carried-forward contract liabilities:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognized that was included in the contract liability balance at the beginning of the period/year	–	–	1,122

(c) Accounting policies of revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and recognized when, or as, the control of the goods or services is transferred to the customer.

Depending on the terms of the contract and the laws applicable, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date (collectively referred as "Over Time Conditions").

If controls of the goods and services transfer over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contracts in balance sheets as a contract asset, account receivable or a contract liability, depending on the relationship between the Group's performance and customers' payment.

A contract asset is the Group's right to consideration in exchange for goods or services which the Group has transferred to customers. Contract assets are subject to the impairment of expected credit losses model under IFRS 9.

Incremental costs incurred to obtain a contract, if recoverable, are capitalized and presented as contract assets and subsequently amortized when the related revenue is recognized. For those costs with amortization periods of less than 1 year, they are expensed as incurred.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. Right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

(i) Public cloud-based services

Serverless token services:

The Group provides model inference services on a shared-resource basis, allowing customers to access AI capabilities by consuming tokens. Revenue is derived from usage-based charges measured in tokens consumed, primarily under prepaid credit arrangements, with certain customers on postpaid monthly settlement terms.

Revenue from serverless token services is recognized based on the customer's utilization of the tokens, reflecting the transfer of the promised service. The transaction price is determined based on the agreed usage rate per token, adjusted for any discounts offered.

The Group provides coupons to users through user registration, identity verification and referral programmes. These coupons can be used to access serverless token services on the platform for free. Such coupons are not exchangeable for cash and can only be redeemed for services provided on the platform. No revenue is recognized when these coupons are granted or redeemed.

For users who have not made any paid consumptions on the platform and with whom the Group does not have enforceable rights and obligations, the Group does not consider such users to be customers under IFRS 15. Coupons granted to these users are accounted for as marketing incentives for user acquisition. The related computing resource costs incurred upon redemption are recognized as selling and marketing expenses.

For users who have made paid consumption on the platform and are customers of the Group, coupon redemption represents the provision of serverless token services to existing customers. No revenue is recognized for the portion of usage settled by coupons, as the Group does not receive consideration for such usage. The related computing resource costs are recognized as cost of services when the services are rendered, consistent with the classification of costs incurred to provide services to customers.

Dedicated instances:

The Group offers dedicated instances providing reserved computing capacity on a public cloud basis, where computing resources are allocated exclusively to specific customers and are not shared with other users. These services are primarily targeted at customers with higher requirements for performance, stability, or data isolation. Revenue from dedicated instance services may comprise fixed recurring fees for reserved computing capacity and usage-based charges measured by the number of tokens consumed.

For arrangements with fixed recurring fees, revenue is recognized over time on a straight-line basis over the contractual service period, as the customer simultaneously receives and consumes the benefits of the reserved computing capacity provided. This reflects the Group's ongoing fulfillment of its performance obligation to stand ready and provide access to the dedicated computing resources.

For arrangements with usage-based charges, revenue is recognized based on the customer's actual utilization of the dedicated instances, measured by the tokens consumed, reflecting the transfer of the promised service as the service is rendered. Usage-based charges, including volume-based discounts and time-based pricing, are accounted for as variable consideration. The transaction price for each billing period is determined based on the actual tokens consumed during that period and the applicable contractual rates after taking into account the customer's actual usage level, applicable pricing tier and time of usage.

(ii) On-premise deployment solutions

The Group offers on-premise deployment solutions, which comprise software licensing and/or customized services according to the customers' specific instructions and needs at the customers' infrastructure.

For software licenses that are distinct and provide the customer with a right to use the software as it exists at the point of delivery, revenue is recognized at a point in time when control of the license is transferred to the customer, which generally occurs upon delivery and acceptance.

For customized services, in cases including several services in one contract, the Group evaluates whether these promises constitute distinct performance obligations. If the services, or components thereof, are capable of being distinct and the promises are separately identifiable in the context of the contract, the Group accounts for them as separate performance obligations. The transaction price is allocated to each distinct performance obligation based on its relative standalone selling price. Revenue for each distinct performance obligation is recognized at a point in time when control of that specific good or service is transferred to the customer.

7 EXPENSES BY NATURE

Expenses included in cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expenses are analyzed as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Computing resource purchased	2,169	11,820	159,081
Employee benefit expenses	9,199	66,705	206,281
Depreciation and amortization	553	1,472	4,611
Professional service expenses	217	1,882	2,167
Technology service fees	–	1,172	6,472
Other expenses	33	1,362	4,782
	12,171	84,413	383,394

8 EMPLOYEE BENEFIT EXPENSES

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wages, salaries and bonuses	9,098	38,599	59,098
Share-based payments expenses *(Note 24)*	–	22,885	135,338
Pension expenses - defined contribution plan *(a)*	42	1,986	4,406
Housing funds and other social securities insurance expenses	59	2,886	6,275
Others	–	349	1,164
	9,199	66,705	206,281

(a) Pension expenses-defined contribution plan

The employees of the Group in the PRC are members of a state-managed pension scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by local government authority to the pension obligations to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contribution under the scheme. There were no significant forfeited contributions during the Track Record Period.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the period from August 29 to December 31, 2023 and for the years ended December 31, 2024 and 2025, included 1, 2 and 4 directors respectively, whose emoluments are disclosed in Note 32. The emoluments payable to the remaining 4, 3 and 1 individuals for the period from August 29 to December 31, 2023 and for the years ended December 31, 2024 and 2025 respectively are as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wages and salaries	850	3,000	720
Bonuses	–	570	180
Share-based payments expenses	–	3,761	9,439
Pension expenses-defined contribution plan *(a)*	81	167	68
Housing funds and other social securities insurance expenses	229	477	192
	1,160	**7,975**	**10,599**

The emoluments fell within the following bands:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
HK$1-HK$500,000	4	–	–
HK$2,500,001 to HK$3,000,000	–	1	–
HK$3,000,001 to HK$3,500,000	–	2	–
HK$12,000,001 to HK$12,500,000	–	–	1
	4	**3**	**1**

9 OTHER INCOME AND (LOSSES)/GAINS-NET

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants	–	–	4,970
Donation	–	(100)	–
Others	–	–	50
	–	(100)	5,020

10 FINANCE COSTS – NET

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finance income			
Interest income	–	422	1,420
Finance costs			
Interest expenses on redemption liabilities	(23)	(5,020)	(23,076)
Interest expenses on lease liabilities	(35)	(53)	(224)
Interest expenses on bank borrowings	–	–	(105)
Others	–	(6)	(156)
	(58)	(5,079)	(23,561)
Finance costs – net	(58)	(4,657)	(22,141)

11 INCOME TAX EXPENSES

(a) PRC Corporate Income Tax ("CIT")

The income tax provision of the Group in respect of its operations in Chinese Mainland was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

The Company is qualified as "High and New Technology Enterprises" ("HNTEs") under the relevant PRC laws and regulations. Accordingly, the Company is entitled to a preferential income tax rate of 15% since 2025. This status is subject to a re-application requirement every three years.

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate applicable to losses of the subsidiaries as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before income tax	(12,223)	(81,915)	(345,491)
Tax calculated at statutory income tax rate of 25%	(3,056)	(20,479)	(86,373)
Tax effects of:			
– Effect of preferential income tax rates	–	–	34,549
– Expenses not deductible for tax purposes (i)	–	5,711	20,359
– Super deduction for research and development expenses (ii)	(2,710)	(11,228)	(14,387)
– Tax losses and temporary differences for which no deferred income tax assets were recognized (iii)	5,766	25,996	45,852
	–	–	–

(i) Expenses not deductible for tax purposes mainly comprise share-based payment expenses relating to the share-based awards granted by the Company to the employees. These share-based payment expenses were non-deductible for tax purposes during the Track Record Period, according to the applicable tax regulations.

(ii) According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 100% of their research and development expenses during the Track Record Period, so incurred as tax deductible expenses when determining their assessable profits for that year ("Super-deduction"). The Group has made its best estimation for the Super-deduction to be claimed for the Group's entities in ascertaining their assessable profits for the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

(iii) As at December 31, 2023, 2024, and 2025, the Group had temporary differences which were not recognized as deferred income tax assets (except for unrecognized tax losses) of approximately RMB293,000, RMB6,282,000 and RMB25,043,000 respectively that can be carried forward against future taxable income, which are mainly comprise of interest from redemption liabilities (Note 23). According to the applicable tax regulations, such interest could be deducted when the Group repaid the principles and interest upon the investors exercise their redemption rights

As at December 31, 2023, 2024 and 2025, the Group had unrecognized tax losses to be carried forward against future taxable income amounted to RMB22,772,000, RMB120,473,000 and RMB401,111,000 respectively which would not be utilized based on its estimate of the operating performance of these Group entities. These unrecognized tax losses will mainly expire within 5 to 10 years. As at December 31, 2023, 2024 and 2025, the potential deferred tax assets in respect of the above unrecognized tax losses amounted to RMB5,693,000, RMB30,118,000 and RMB60,167,000, respectively.

12 LOSS PER SHARE

(i) Basic

Basic loss per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss attributable to owners of the Company (RMB'000)	(12,223)	(81,915)	(345,491)
Weighted average number of ordinary shares outstanding (thousands)	1,394	4,237	10,367
Basic losses per share (RMB)	(8.77)	(19.33)	(33.33)

The weighted average number of ordinary shares used in calculating basic and diluted loss per share has been determined based on the registered capital of the Company then outstanding, on the basis that each RMB1 of registered capital was converted into one ordinary share upon the Company's conversion into a joint stock limited liability company on June 22, 2026. The weighted average number of ordinary shares has been retrospectively adjusted for the capitalization of capital reserve into registered capital approved in September 2024, as if the event had occurred at the beginning of the earliest period presented, because they resulted in changes in the number of ordinary shares without a corresponding change in the resources of the Company.

The loss per share information presented above have not been taken into account the proposed share subdivision pursuant to the resolutions of shareholders of the Company dated June 26, 2026 because the proposed share subdivision has not become effective as at the date of this report.

(ii) Diluted

During the Track Record Period, financial instruments issued were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share for the Track Record Period are the same as basic loss per share for the respective years/period.

13 SUBSIDIARIES

(a) Subsidiaries of the Company

The Company's principal subsidiaries at December 31, 2023, 2024 and 2025 are set out below. Unless otherwise stated, the proportion of ownership interests held equals to the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name	Place of operation and date of incorporation/ establishment	Principal activities	Paid in capital as at December 31, 2025	Ownership interest held By the Company as at						
				December 31,						Date of report
				2023		2024		2025		
				Direct	Indirect	Direct	Indirect	Direct	Indirect	
SiliconFlow (Shanghai) Technology Co., Ltd. .	Shanghai, PRC December 5,2024	AI infrastructure	–	–	–	–	–	100%	–	100%
Silicon Cloud Link (Shanghai) Technology Co., Ltd.	Shanghai, PRC May 16, 2025	AI infrastructure	–	–	–	100%	–	100%	–	100%

The English names of certain subsidiaries referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

(b) Investment in subsidiaries – the Company

As at December 31, 2023, December 31, 2024 and December 31, 2025, the registered capital of subsidiaries have not been fully paid up by the Company.

14 PROPERTY, PLANT AND EQUIPMENT

The Group and the Company

	Electronic equipment	Office furniture	Total
	RMB'000	*RMB'000*	*RMB'000*
At August 29 2023, December 31, 2023 and January 1, 2024			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net book amount	–	–	–
Year ended December 31, 2024			
Addition	651	–	651
Depreciation charge	(124)	–	(124)
Closing net book amount	527	–	527
At December 31, 2024			
Cost	651	–	651
Accumulated depreciation	(124)	–	(124)
Net book amount	527	–	527
At January 1, 2025			
Cost	651	–	651
Accumulated depreciation	(124)	–	(124)
Net book amount	527	–	527
Year ended December 31, 2025			
Addition	720	38	758
Depreciation charge	(355)	(3)	(358)
Closing net book amount	892	35	927

	Electronic equipment	Office furniture	Total
	RMB'000	*RMB'000*	*RMB'000*
At December 31, 2025			
Cost	1,371	38	1,409
Accumulated depreciation	(479)	(3)	(482)
Net book amount	892	35	927

Depreciation expenses have been charged to profit or loss and are presented in the consolidated statements of comprehensive loss as follows:

	Period from August 29 to December 31	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cost of revenue	–	4	7
Selling and marketing expenses	–	13	48
General and administrative expenses	–	38	106
Research and development expenses	–	69	197
	–	124	358

(a) Depreciation methods and useful lives

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Electronic equipment 3 years
- Office furniture 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

15 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognized in the consolidated statements of financial position

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Buildings	1,989	663	5,358
Computing resources	–	5,513	–
	1,989	6,176	5,358
Lease liabilities			
Current	1,322	2,493	4,171
Non-current	642	3,629	1,298
	1,964	6,122	5,469

Additions to right-of-use assets during the period from August 29 to December 31, 2023, and for the years ended December 31, 2024 and 2025 were RMB2,542,000, RMB5,535,000 and RMB7,565,000, respectively.

(b) Amounts recognized in the consolidated statements of comprehensive loss

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets			
Buildings	553	1,326	2,870
Computing resources	–	22	1,383
	553	1,348	4,253
Interest expense *(Note 10)*	35	53	224
Expense relating to short-term and low-value leases not included in lease liabilities	2,299	11,799	159,097

The total cash outflows for lease payments during the period from August 29 to December 31, 2023, and for the years ended December 31, 2024 and 2025 were nil, RMB19,653,000 and RMB107,121,000, respectively.

(c) The Group's leasing activities and how these are accounted for

The Group leases offices and computing resources as lessee. Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

The Group's lease payments are deductible upon payment for tax purposes. In accounting for the deferred tax relating to the lease, the Group separately accounts for the deferred taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition are equal and offset to zero. Deferred tax is recognized on subsequent changes to the taxable and temporary differences.

(d) The movement in right-of-use assets in the consolidated balance sheets are as follows:

	Buildings	Computing resources	Total
	RMB'000	*RMB'000*	*RMB'000*
At August 29, 2023			
Cost	–	–	–
Accumulated depreciation	–	–	–
Net book amount	–	–	–
Year ended December 31, 2023			
Opening net book amount	–	–	–
Additions	2,542	–	2,542
Depreciation charges	(553)	–	(553)
Closing net book amount	1,989	–	1,989
At December 31, 2023			
Cost	2,542	–	2,542
Accumulated depreciation	(553)	–	(553)
Net book amount	1,989	–	1,989
Year ended December 31, 2024			
Opening net book amount	1,989	–	1,989
Additions	–	5,535	5,535
Depreciation charges	(1,326)	(22)	(1,348)
Closing net book amount	663	5,513	6,176
At December 31, 2024			
Cost	2,542	5,535	8,077
Accumulated depreciation	(1,879)	(22)	(1,901)
Net book amount	663	5,513	6,176
Year ended December 31, 2025			
Opening net book amount	663	5,513	6,176
Additions	7,565	–	7,565
Early termination	–	(4,130)	(4,130)
Depreciation charges	(2,870)	(1,383)	(4,253)
Closing net book amount	5,358	–	5,358
At December 31, 2025			
Cost	7,565	–	7,565
Accumulated depreciation	(2,207)	–	(2,207)
Net book amount	5,358	–	5,358

16 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets			
Financial assets at amortized cost:			
– Trade receivables	–	3,597	10,582
– Other receivables	406	3,217	5,609
– Time deposits	–	–	100,000
– Cash and cash equivalents	4,874	49,737	171,533
– Other non-current assets	–	–	1,096
	5,280	56,551	288,820
Financial liabilities			
Financial liabilities at amortized cost:			
– Trade and other payables	1,100	12,825	31,455
– Lease liabilities	1,964	6,122	5,469
– Redemption liabilities	5,023	107,243	498,629
– Borrowings	–	–	40,000
	8,087	126,190	575,553

17 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Rental and other deposits	–	–	1,108
Less: loss allowance	–	–	(12)
Total non-current assets	–	–	1,096
Current			
Input VAT to be deducted	–	817	7,912
Other receivables	406	3,221	5,611
Prepayment to suppliers	40	217	2,020
Less: loss allowance	–	(4)	(2)
Total prepayment and other receivables	446	4,251	15,541

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Rental and other deposits	–	–	1,108
Less: loss allowance	–	–	(12)
Total non-current assets	–	–	1,096
Current			
Input VAT to be deducted	–	817	5,695
Other receivables	406	3,220	5,610
Prepayment to suppliers	40	218	862
Less: loss allowance	–	(4)	(2)
Total prepayment and other receivables	446	4,251	12,165

18 TRADE RECEIVABLES

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	–	3,684	10,965
Less: loss allowance	–	(87)	(383)
Total trade receivables, net	–	3,597	10,582

The Group decides trading terms with customers on a case-by-case basis. The credit terms given to trade customers are determined on an individual basis with the normal contractual credit period mainly within 180 days. The aging analysis of the trade receivables based on date of revenue recognition is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	–	3,684	10,803
6 months to 1 year	–	–	153
1 year to 2 years	–	–	9
Total	–	3,684	10,965

Due to the short-term nature of the current receivables, their carrying amounts are considered to be approximately the same as their fair values.

As at December 31, 2023, 2024 and 2025, the Group did not identify any individually impaired trade receivables for the assessment of loss allowance. The movement on the allowance for impairment of trade receivables please refer to Note 3.1.

19 TIME DEPOSITS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current assets:			
Time deposits	–	–	100,000
	–	–	100,000

Time deposits represented deposits placed at financial institutions in the PRC with original maturity dates over three months, and they bear interest ranged from 1.50% to 1.60% during the Track Record Period.

20 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents

The Group

Cash and cash equivalents of the Group are denominated in RMB:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	4,874	29,737	171,533
Time deposits	–	20,000	100,000
Subtotal	4,874	49,737	271,533
Less:			
Non-pledged time deposits with original maturity of more than three months when acquired	–	–	(100,000)
Cash and cash equivalents	4,874	49,737	171,533

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

The Company

Cash and cash equivalents of the Company are denominated in RMB:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	4,874	29,736	171,523
Time deposits	–	20,000	100,000
Subtotal	4,874	49,736	271,523
Less:			
Non-pledged time deposits with original maturity of more than three months when acquired	–	–	(100,000)
Cash and cash equivalents	4,874	49,736	171,523

21 PAID-IN CAPITAL

The Group and the Company

	Paid-in capital
	RMB'000
At August 29, 2023	–
Contributions from shareholders	22
At December 31, 2023	22
Contributions from shareholders	354
Capital reserve transfer to paid in capital	12,382
At December 31, 2024	12,758
Contributions from shareholders	3,769
At December 31, 2025	16,527

22 RESERVES

The Group and the Company

	Reserves		
	Capital reserves	Share-based payments reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*
At August 29, 2023	–	–	–
Contribution from shareholders	5,378	–	5,378
Debt waived by the Controlling Shareholder (i)	11,045	–	11,045
Recognition of redemption liabilities *(Note 23)*	(5,000)	–	(5,000)
At December 31, 2023	11,423	–	11,423

	Reserves		
	Capital reserves	Share-based payments reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2024	11,423	–	11,423
Contribution from shareholders	93,300	–	93,300
Share-based payment compensation liabilities	–	8,411	8,411
Recognition of redemption liabilities *(Note 23)*	(97,200)	–	(97,200)
Capital reserve transferred to share capital	(12,382)	–	(12,382)
At December 31, 2024	(4,859)	8,411	3,552

	Reserves		
	Capital reserves	Share-based payments reserves	Total reserves
	RMB'000	*RMB'000*	*RMB'000*
At January 1, 2025	(4,859)	8,411	3,552
Contribution from shareholders	356,637	–	356,637
Share-based payment compensation liabilities	–	42,536	42,536
Recognition of redemption liabilities *(Note 23)*	(368,310)	–	(368,310)
At December 31, 2025	(16,532)	50,947	34,415

(i) In 2023, Beijing OneFlow Technology Co., Ltd. ("OneFlow", a company controlled by Dr. Yuan Jinhui) provided computing resources, rental, and employee services to the Company. Pursuant to an agreement entered into between OneFlow, Dr. Yuan Jinhui and the Company, OneFlow agreed that the RMB11 million debt owed by the Company as the consideration for these services would be assumed by Dr. Yuan Jinhui. Dr. Yuan Jinhui simultaneously waived the corresponding debt owed by the Company by the end of 2023.

23 REDEMPTION LIABILITIES

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Redemption liabilities	5,023	107,243	498,629

Since the date of incorporation of the Company, it has completed several rounds of financing including Series Angel, Series Angel+, Series Pre A, and Series A in the way of capital increase and capital transfer between investors. In addition to subscribing to the registered capital of the Company, the Company granted these investors preferential rights such as redemption rights, liquidation preferences, and anti-dilution rights.

The key terms of the preferred rights granted to the abovementioned investors are summarized as follows:

Redemption rights

Investors have a right to require the Company to redeem their investments if (a) the Company fails to achieve a Qualified [**REDACTED**] ("Qualified [**REDACTED**]") by December 31, 2030; or (b) the founder or the Group has severely violated the provisions of the transaction documents and fails to take timely remedial action within 30 business days after the investors give written notice to request the remedy, or (c) the control of the Group changes or the founder loses actual control over the Group, or (d) The founder departs from the Group.

The redemption amount is the original investment principal from the investors, plus an annual rate of 8% of the original investment principal for a period of time commencing from the relevant closing date of investments to the fully repayment date for the redeemed shares and any accumulated or declared but undistributed profit.

Liquidation preferences

In the event of a Legal Liquidation Event (refers to the liquidation, dissolution or closure of the Company) or a Deemed Liquidation Event (as defined in shareholder agreement), the distributable liquidation property (after satisfaction of all creditors' claims and claims that may be preferred by law in a Legal Liquidation Event and the total consideration received by the Company or the shareholders in a Deemed Liquidation Event) shall be distributed in the amount equal to the 100% of the original investment principal, plus annual rate of 8% of the original investment principal, and plus the declared but undistributed retained earnings on the equity held.

The distributable liquidation property can be distributed according to the equity proportion at that time, and in the priority order of Series A, Series Pre A, Series Angel+ to Series Angel.

Anti-dilution right

If the Company increases its registered capital at a price lower than the price paid by the Anti-Dilution Right Holder (the Series A, Series Pre A, Series Angel+ and Series Angel investors with preferred rights granted) (the "New Low Financing"), the subscription price per unit invested by the Anti-dilution Right Holder in the Company will be adjusted.

The Anti-Dilution Right Holder has the right to require the Company to issue new capitals for a nominal consideration or a minimum price permitted by applicable laws and permit the Anti-Dilution Right Holder to increase capitals then, so that the equity proportion held by the Anti-Dilution Right Holder can reach that can be subscribed according to the adjusted subscription price per unit.

The redemption rights and liquidation preferences granted to the investors constitute as the Company's obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the investors) and subsequently measured at amortized cost. The Company applied a redemption discount rate ranged from 6.55% to 7.01% to determine the initial recognition amount of the redemption liabilities. The anti-dilution right is a derivative financial instrument measured at fair value through profit or loss, of which the fair value was considered close to nil as the directors of Company expected the New Low Financing would never occur before the Company's success in the Qualified [**REDACTED**].

Series	Year of subscription	Registered capital subscribed	Consideration per registered capital	Total consideration	Present value of expected redemption amount as of issue date
		RMB	*RMB*	*RMB'000*	*RMB'000*
Series Angel	2023-2024	2,089,330	22.59	47,200	47,200
Series Angel+	2024-2025	1,632,050	40.34	65,840	65,840
Series Pre A	2025	1,097,523	65.13	71,480	71,480
Series A	2025	2,402,939	119.02	285,990	285,990

The movements of redemption liabilities during the year ended December 31 2023, 2024 and 2025 are set out below:

	RMB'000
At August 29, 2023	–
Recognition of redemption liabilities	5,000
Interest charged to finance costs	23
At December 31, 2023	5,023
At January 1, 2024	5,023
Recognition of redemption liabilities	97,200
Interest charged to finance costs	5,020
At December 31, 2024	107,243
At January 1, 2025	107,243
Recognition of redemption liabilities	368,310
Interest charged to finance costs	23,076
At December 31, 2025	498,629

24 SHARE-BASED COMPENSATION

(i) Employee Incentive Plan

After the establishment of the Company, certain shares were reserved in 4 partnership platforms for future employee incentive grant. These employee incentive platforms, namely Beijing Silicon Innovation Enterprise Management Partnership (Limited Partnership), Beijing Silicon Future Enterprise Management Partnership (Limited Partnership), Beijing Silicon Exploration Enterprise Management Partnership (Limited Partnership), and Beijing Silicon Excellence Enterprise Management Partnership (Limited Partnership), have been consolidated into the Group's financial statements.

The 2024 Employee Incentive Plan (the "2024 Plan") was adopted in October 2024 and have a ten-year term. The restricted interests granted allow employees to gain certain interests of the partnership platforms and indirectly hold the shares of the Company.

For the purpose of the 2024 Plan, the total registered capital of RMB7,680,433 contributed to the Company by partnership platforms has been notionally subdivided into 768,043,300 virtual shares ("VS"), which do not represent any direct legal or registered ownership interest in the Company. These VS are used as the underlying instruments for granting share-based awards.

There are certain vesting conditions for the 2024 Plan, including service condition and performance condition. The VS of the Company held by the grantees indirectly through the partnership platforms, which are subject to service condition and performance condition during the period from August 29 to December 31, 2023 and during each year ended December 31, 2024 and 2025 are set out below:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
Outstanding at the beginning of the period/year	–	–	414,718,460
Granted	–	414,718,460	53,785,060
Forfeited	–	–	–
Outstanding at the end of the period/year	–	414,718,460	468,503,520
Weighted average remaining contractual life of the restricted VS outstanding at the end of the period/year	–	9.79	8.79

Total expenses arising from share-based payment transactions recognized during the period from August 29 to December 31, 2023 and during each year ended December 31, 2024 and 2025 as part of employee benefit expense were as follows:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
General and administrative expenses	–	1,941	11,682
Research and development expenses	–	19,564	113,265
Selling and marketing expenses	–	1,215	9,513
Cost of revenue	–	165	878
	–	22,885	135,338

(ii) Accounting policies

The Group grants restricted share units ("RSUs") under the 2024 Plan. The RSUs become exercisable upon satisfaction of the specified vesting conditions, including the completion of the requisite service period, the occurrence of a Qualified [**REDACTED**] ("Qualified [**REDACTED**]") and the expiry of the one-year lock-up period following the Qualified [**REDACTED**].

The Group accounts for the RSUs in accordance with IFRS 2 Share-based Payment. Share-based compensation expense is recognized for services received from employees over the relevant vesting period, with a corresponding increase to equity and/or recognition of a liability, depending on the settlement terms of the awards.

The 2024 Plan contains two settlement scenarios, which gives rise to different accounting treatments under IFRS 2:

(a) RSUs with service vesting dates before the lock-up period expiry (Compound instruments)

For RSUs for which the specified service period is completed before the expiry of the one-year lock-up period following the Qualified [**REDACTED**], if a grantee has satisfied the service condition but the lock-up period has not yet expired and the grantee elects to leave the Group, the Company will repurchase the vested RSUs at 30% of the lower of: (i) the share price of the Company's most recent completed financing round at the time of the employee's resignation; and (ii) the share price of the Company's most recent completed financing round at the time the Company decides to repurchase.

Accordingly, these awards are accounted for as compound share-based payment arrangements under IFRS 2, as the grantee has, in substance, an alternative between cash settlement upon leaving the Group before the expiry of the lock-up period and equity settlement by remaining in service until the relevant equity-settlement condition is satisfied.

As at grant date, the compound award is separated into a liability component and an equity component. The liability component represents the cash-settlement alternative available to the grantee. It is measured first and recognized as employee benefit expenses over the requisite service period, with a corresponding liability recognized. The liability component is remeasured at fair value at each reporting date and at the settlement date, with changes in fair value recognized in profit or loss as employee benefit expenses.

The equity component represents the grantee's right to receive the underlying equity interests by forfeiting the cash-settlement alternative. It is measured at grant date as an option with the cash compensation that the grantee would otherwise receive treated as the deemed exercise price and is recognized as employee benefit expenses over the period from grant date to the date on which the relevant vesting conditions, including the expiry of the one-year lock-up period following the Qualified [**REDACTED**], are expected to be satisfied, with a corresponding increase to equity.

(b) RSUs with service vesting dates after the lock-up period expiry (Equity-settled awards)

For RSUs for which the specified service vesting dates fall after the expiry of the one-year lock-up period following the Qualified [**REDACTED**], the awards are accounted for as equity-settled share-based payments. The fair value of these awards is measured at grant date by reference to the fair value of the underlying equity interests at the grant date. The grant-date fair value is recognized as employee benefit expenses over the vesting period, with a corresponding increase to equity.

(iii) Fair value of the awards

(a) RSUs Vesting Prior to the Lock-up Period Expiry (Compound Instrument)

Liability component: Measured first, based on the present value of the cash settlement amount that the grantee could demand upon departure. This measurement considers the fair value of the underlying shares at each reporting date. This component is remeasured at fair value at each reporting date, with changes recognized in profit or loss (within employee benefit expenses), in accordance with IFRS 2.

Liabilities recognized in the consolidated statements of financial position:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current portion	–	12,458	92,437
Non-current portion	–	2,015	14,838
	–	14,473	107,275

Equity component: Measured as option to acquire equity shares upon lock-up expiry by forfeiting the cash compensation used the Binomial option-pricing model. This component is not remeasured after the grant date.

Key assumptions are set out below:

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
Risk-free interest rate	–	2.14%	1.81%
Expected volatility	–	76.8%	73.7%
Expected dividends	–	–	–

(b) RSUs Vesting after the Lock-up Period Expiry (Equity-settled Awards)

In the years ended December 31, 2024 and 2025, the Group used the back-solving method to determine the fair value of the Company. The fair value of the RSUs is determined on the basis of the fair value of the underlying ordinary shares on the date when the equity instruments are granted.

25 TRADE AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	415	6,522	14,484
Trade payables	450	3,396	13,898
Tax payables	7	2,628	2,666
Others	228	279	407
	1,100	12,825	31,455

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	415	6,522	14,484
Trade payables	450	3,396	12,728
Tax payables	7	2,628	448
Others	228	279	407
	1,100	12,825	28,067

26 RECEIPTS IN ADVANCE

The Group and the Company

For serverless token service, the amounts received from users in advance of service delivery are initially recognized as receipts in advance, because users have an unconditional right to request a full refund of the unutilized prepaid balance at any time, prior to service consumption.

27 BORROWINGS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank loan (i)	–	–	40,000
	–	–	40,000

(i) The interest rate of bank borrowings for the year ended December 31, 2025 was 3%.

28 DIVIDENDS

No dividend has been paid or declared by the Company for the period from August 29 to December 31, 2023 and for each of the years ended December 31, 2024 and 2025.

29 CASH FLOW INFORMATION

(a) Cash used in operations

Reconciliation of loss for the year to cash used in operations:

		Period from August 29 to December 31,	Year ended December 31,	
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Loss before income tax:		(12,223)	(81,915)	(345,491)
Adjustments for:				
Depreciation and amortization expense	*7*	553	1,472	4,611
Finance costs	*10*	58	5,073	23,300
Share-based compensation expenses	*24*	–	22,885	135,338
Debt waived by the Controlling Shareholder	*22*	11,045	–	–
Provision for impairment of financial assets		–	91	306
Changes in working capital:				
– Trade receivable		–	(3,683)	(7,281)
– Prepayments and other receivables		(17)	(3,809)	(11,287)
– Other non-current assets		–	–	(1,109)
– Trade and other payables		899	11,501	18,348
– Contract liabilities		–	1,122	(469)
– Change in operating lease right-of-use assets		(613)	–	–
– Receipts in advance		–	331	9,912
Cash used in operations		(298)	(46,932)	(173,822)

(b) Non-cash investing and financing activities

		Period from August 29 to December 31,	Year ended December 31,	
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Debt waived by the Controlling Shareholder	*22*	11,045	–	–
Increase in right-of-use assets during the year/period	*15*	2,542	5,535	7,565
Early termination of right-of-use assets	*15*	–	–	(4,130)
		13,587	5,535	3,435

(c) Reconciliation of liabilities generated from financing activities

	Redemption liabilities	Lease liabilities	Other payables	Borrowings	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Liabilities from financing activities as at August 29 2023	–	–	–	–	–
Additions of financing liabilities:					
Financing cash flows	–	–	200	–	200
Non-cash transaction	–	(613)	–	–	(613)
Additions of redemption liabilities	5,000	–	–	–	5,000
Additions of new leases	–	2,542	–	–	2,542
Interest accrual during the period	23	35	–	–	58
Liabilities from financing activities as at December 31, 2023	5,023	1,964	200	–	7,187
Additions of financing liabilities:					
Financing cash flows	–	(1,430)	(200)	–	(1,630)
Additions of redemption liabilities	97,200	–	–	–	97,200
Additions of new leases	–	5,535	–	–	5,535
Interest accrual during the year	5,020	53	–	–	5,073
Liabilities from financing activities as at December 31, 2024	107,243	6,122	–	–	113,365
Additions of financing liabilities:					
Financing cash flows	–	(4,237)	–	39,895	35,658
Additions of redemption liabilities	368,310	–	–	–	368,310
Additions of new leases	–	7,565	–	–	7,565
Early termination of leasing contract	–	(4,205)	–	–	(4,205)
Interest accrual during the year	23,076	224	–	105	23,405
Liabilities from financing activities as at December 31, 2025	498,629	5,469	–	40,000	544,098

30 COMMITMENTS

(a) Capital commitments

There were no material capital expenditures contracted for as at the end of each reporting period that were not recognized as liabilities.

31 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following transactions were carried out between the Group and its related parties during the years presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

Name of the related party	Relationship with the Group
Beijing OneFlow Technology Co., Ltd.	Under common control of the Controlling Shareholder
SILICONFLOW TECHNOLOGY PTE.LTD.	Under common control of the Controlling Shareholder
Dr. Yuan Jinhui	The Controlling Shareholder, Chief Executive Officer of the Group
Ms. Zhao Zhen	Co-founder and Chief Operating Officer of the Group
Alibaba and its affiliates ("Alibaba Group")*	A shareholder with significant influence over the Company
Huawei and its affiliates ("Huawei Group")*	A shareholder with significant influence over the Company

* Huawei became a related party of the Group in May 2024, and Alibaba became a related party of the Group in May 2025. Since then, their transactions with the Group have been regarded as related party transactions.

(b) Transactions with related parties

(i) Services purchased from related parties

Employee expenses

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	8,713	12,083	6,434

Computing resource

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	2,169	6,774	5,483
Huawei Group	–	–	12,616
Alibaba Group	–	–	19,702
	2,169	6,774	37,801

Rental expenses

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	613	1,387	693

Commission fee

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
SILICONFLOW TECHNOLOGY PTE.LTD.	1	12	107

(ii) Services provided to related parties

On-premise deployment solutions

	Period from August 29 to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Huawei Group	–	–	7,100

(c) Balances with related parties

Other receivables

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
SILICONFLOW TECHNOLOGY PTE.LTD.	6	587	2,875
Dr. Yuan Jinhui	400	2,189	2,189
Ms. Zhao Zhen	–	11	11
	406	2,787	5,075

Trade and other payables

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Beijing OneFlow Technology Co., Ltd.	449	3,372	436
Alibaba Group	–	–	6,633
SILICONFLOW TECHNOLOGY PTE.LTD.	1	13	120
Dr. Yuan Jinhui	200	–	–
	650	3,385	7,189

(d) Key management compensation

	Period from August 29, to December 31,	Year ended December 31,	
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wages and salaries	900	2,940	3,661
Bonuses	–	545	900
Share-based payments expenses	–	8,664	52,572
Pension expenses-defined contribution plan	81	265	341
Housing funds and other social securities insurance expenses	115	382	480
	1,096	12,796	57,954

32 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director of the Company for the period from August 29, 2023 to December 31, 2023 and for each of the years ended December 31, 2024 and 2025 were set out below:

	Period from August 29, 2023 to December 31, 2023					
	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Dr. Yuan Jinhui (appointed on August 29, 2023)	–	300	–	65	–	365
Supervisor						
Ms. Zhao Zhen (appointed on August 29, 2023)	–	300	–	66	–	366
	–	600	–	131	–	731

	Year ended December 31, 2024					
	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Dr. Yuan Jinhui	–	720	180	160	–	1,060
Mr. Liu Juncheng (appointed on October 18, 2024)	–	180	45	40	4,148	4,413
Mr. Zeng Hua (appointed on July 17, 2024)	–	360	88	81	1,743	2,272
Ms. Zhang Shi (appointed on July 17, 2024)	–	360	89	–	972	1,421
Mr. Niu Jibin (appointed on 2 February 2024 and resigned on October 18, 2024)	–	270	–	–	–	270
Mr. Wen Tingcan (appointed on July 17, 2024)	–	–	–	–	–	–
Mr. Liao Cheng (appointed on July 17, 2024 and resigned on October 18, 2024)	–	–	–	–	–	–
Mr. Li Pu (appointed on October 18, 2024)	–	–	–	–	–	–
Mr. Ren Bobing (appointed on February 2, 2024)	–	–	–	–	–	–
Supervisor						
Ms. Zhao Zhen	–	720	–	161	1,778	2,659
	–	2,610	402	442	8,641	12,095

	Year ended December 31, 2025					
	Director fees	Wages and salaries	Discretionary bonuses	Social securities and housing fund	Share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors						
Dr. Yuan Jinhui	–	720	180	164	–	1,064
Mr. Liu Juncheng	–	781	180	164	22,024	23,149
Mr. Zeng Hua	–	720	180	164	13,277	14,341
Dr. Hu Jian (appointed on March 10, 2025)	–	600	150	137	7,833	8,720
Ms. Zhang Shi (resigned on May 20, 2025)	–	300	75	–	–	375
Mr. Chen Yingjie (appointed on May 20, 2025)	–	–	–	–	–	–
Mr. Ren Bobing	–	–	–	–	–	–
Mr. Wen Tingcan (resigned on May 20, 2025)	–	–	–	–	–	–
Mr. Li Pu	–	–	–	–	–	–
Ms. Wu Haiyan (appointed on March 10, 2025 and resigned on May 20, 2025)	–	–	–	–	–	–
Supervisor						
Ms. Zhao Zhen	–	720	180	164	9,439	10,503
	–	3,841	945	793	52,573	58,152

(b) Directors' retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors for the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to third parties for making available directors' services during the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

(d) Information about loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into by the Company in favour of directors, controlled bodies corporate by and connected entities with such directors during the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the period from August 29 to December 31, 2023 and years ended December 31, 2024 and 2025.

33 EVENTS AFTER THE REPORTING PERIOD

Subsequent to December 31, 2025, the Company completed the Series A+, Series B and Series B+ financings with certain investors. Pursuant to the relevant financing agreements, the Company received aggregate cash consideration of approximately RMB1,480 million.

On June 22, 2026, the Company was converted into a joint stock limited liability company and the registered capital of the Company of RMB25,489,202 was divided into 25,489,202 ordinary shares with nominal value of RMB1 each. Immediately prior to the [**REDACTED**], the ordinary shares of the Company will be split on a [**REDACTED**] basis.

In June 2026, the Company entered into an asset purchase agreement with Beijing OneFlow Technology Co., Ltd., to acquire a portfolio of intellectual property rights from Beijing OneFlow Technology Co., Ltd., for a consideration of RMB44.5 million.

In June 2026, the Company entered into a 60-month computing power service agreement with a third-party for a total service fee of RMB 3,491 million, pursuant to which the Company will lease computing resources with related networking, deployment, operation and maintenance and support service.

34 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

34.1 Subsidiaries and principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Group.

34.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable. Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill in the financial statements.

34.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company has determined RMB as its functional currency and several of its overseas subsidiaries have determined the local currencies in their respective place of incorporation and operation as their functional currency. As the major operations of the Group are within the Chinese mainland, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in consolidated statements of profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

34.4 Impairment of assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

34.5 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all of the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVTPL are recognized in "other income and other gains/(losses)-net" in the statements of profit or loss as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

34.6 Trade receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 18 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

34.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank deposits with initial terms of over three months are presented as time deposits on the consolidated statements of financial positions.

34.8 Share capital

Ordinary shares are classified as equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

34.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

34.10 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are recognized when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability, a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

34.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

34.12 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

34.13 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(b) Pension obligations

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments. For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(c) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

34.14 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

34.15 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

35 SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025 and up to the date of this report.

[REDACTED]

[REDACTED]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

This appendix sets out the principal provisions of the Articles of Association of the Company (the "**Articles of Association**"), which will become effective and be implemented from the date on which the H Shares are [**REDACTED**] on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). The principal objective of this appendix is to provide an overview of the Articles of Association of the Company for potential [**REDACTED**], and it does not contain all information that may be important to potential [**REDACTED**].

ISSUANCE OF SHARES

The issuance of shares of the Company shall be conducted in an open, fair and equitable manner, and each share of the same class shall carry equal rights. Shares of the same class issued at the same time shall be issued on the same conditions and at the same price; any share subscribed by a subscriber shall be paid in full at the same price. All shares issued by the Company are ordinary shares.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Based on its operational and developmental needs, the Company may, subject to laws, regulations and the rules of the securities regulatory authorities in the place(s) where the Company's shares are listed, increase its capital in the following ways upon separate resolutions being passed by the Shareholders' meeting:

(1) offering of shares to unspecified parties;

(2) offering of shares to specified parties;

(3) distribution of bonus shares to existing Shareholders;

(4) conversion of reserve fund into share capital;

(5) other methods prescribed by laws, administrative regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Hong Kong Listing Rules**") and other regulatory rules of the place(s) where the Company's shares are listed, as well as those approved by the CSRC and other securities regulatory authorities.

The Shareholders' meeting may authorize the Board of Directors to decide to issue shares not exceeding 50% of the issued shares within three years, provided that the shares to be issued in each year shall not exceed 20% of the issued shares. If the Board of Directors decides to issue shares in accordance with the aforesaid provisions, which results in a change in the registered capital and the number of issued shares of the Company, the amendment to such particulars in the Articles of Association shall not be subject to further voting by the Shareholders' meeting.

Any increase in registered capital of the Company shall be conducted in accordance with the procedures stipulated in relevant laws and regulations and the Hong Kong Listing Rules, etc. after being approved according to the Articles of Association.

The Company may reduce its registered capital. Any reduction of registered capital shall be conducted in accordance with the procedures stipulated in the Company Law, the Hong Kong Listing Rules, other relevant regulations and the Articles of Association.

The Company shall not repurchase its own shares, however, except for any of the following circumstances:

(1) to reduce the registered capital of the Company;

(2) to merge with other companies that hold the shares of the Company;

(3) to use the shares for employee stock ownership plans or equity incentives;

(4) upon request by a Shareholder who disagrees with a resolution passed at a Shareholders' meeting regarding a merger or division of the Company to purchase their shares;

(5) to use the shares for conversion of convertible corporate bonds issued by the Company;

(6) where it is necessary for the Company to safeguard its value and Shareholders' interests;

(7) other circumstances prescribed by laws, administrative regulations, departmental rules, normative documents and the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules.

The repurchase of shares of the Company may be carried out by means of public centralized trading or other methods recognized by laws, administrative regulations, the CSRC and the securities regulatory authorities in the place(s) where the shares of the Company are listed.

Subject to the applicable securities regulatory rules of the place(s) where the Company's shares are listed, if the Company repurchases its own shares under the circumstances set out in items (3), (5) and (6) above, such repurchase shall be carried out by means of public centralized trading.

If the Company repurchases its own shares under the circumstances set out in items (1) and (2) above, it shall be resolved by the Shareholders' meeting; if the Company repurchases its own shares under the circumstances set out in items (3), (5) and (6) above, subject to the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, it may be resolved by a Board meeting at which more than two-thirds of the Directors are present.

Subject to the regulatory rules of the place(s) where the Company's shares are listed, including the Hong Kong Listing Rules, after the Company repurchases its shares pursuant to the aforementioned provisions, for circumstances set out in item (1) above, the shares shall be cancelled within 10 days from the date of repurchase; for circumstances set out in items (2) and (4) above, the shares shall be transferred or cancelled within six months; for circumstances set out in items (3), (5) and (6) above, the total number of shares of the Company held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within three years.

Where relevant laws, administrative regulations, departmental rules, other normative documents and the regulatory rules of the place(s) where the Company's shares are listed (including the Securities Law and the Hong Kong Listing Rules) provide otherwise in respect of the relevant matters of the Company's repurchase of its shares, such provisions shall prevail.

TRANSFER OF SHARES

Shares of the Company issued prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the Hong Kong Stock Exchange.

The Directors and senior management of the Company shall declare to the Company the shares held by them in the Company and any changes thereto; the shares transferred by them each year during their term of office as determined upon assumption of office shall not exceed 25% of the total number of the Company's shares held by them; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within half a year after their departure from office. If the securities regulatory rules of the place(s) where the Company's shares are listed contain additional provisions regarding restrictions on the transfer of the Company's shares, such provisions shall also be complied with. If laws, administrative regulations or the regulatory rules of the place(s) where the Company's shares are listed, including those of the CSRC and the Hong Kong Listing Rules, contain additional provisions regarding restrictions on the transfer of the Company's shares, such provisions shall prevail.

Where Directors, senior management, and Shareholders holding 5% or more of the shares of the Company sell the stocks of the Company or other securities in the nature of equity held by them within six months after purchase, or purchase such stocks or securities again within six months after sale, the proceeds derived therefrom shall belong to the Company, and the Board of Directors of the Company shall recover such proceeds. However, this shall not apply to securities companies holding 5% or more of the shares as a result of purchasing the remaining shares after underwriting, and other circumstances stipulated by relevant regulatory authorities such as the CSRC, the supervisory and administrative authorities of the place(s) where the Company's shares are listed, and the stock exchanges. Where the listing rules of the place(s) where the Company's shares are listed provide otherwise, such provisions shall prevail. The stocks or other securities in the nature of equity held by the Directors, senior management and natural person Shareholders referred to in the preceding paragraph shall include the stocks or other securities in the nature of equity held by their spouses, parents, children, and held through the accounts of others.

If the Board of Directors of the Company fails to act in accordance with the preceding paragraph, the Shareholders shall have the right to demand the Board of Directors to act within 30 days. If the Board of Directors of the Company fails to act within the aforesaid period, the Shareholders shall have the right to initiate legal proceedings directly in the People's Court in their own names for the interest of the Company. If the Board of Directors of the Company fails to act in accordance with the preceding paragraph, the responsible Directors shall bear joint and several liability in accordance with laws.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall maintain a register of members in accordance with the evidence provided by the securities registry. The register of members shall be sufficient evidence of the Shareholders' holding of the Company's shares. The original register of members of H Shares listed in Hong Kong shall be kept in Hong Kong for inspection by Shareholders, provided that the Company may suspend the registration of shares in accordance with the applicable laws and regulations and the securities regulatory rules of the place(s) where the Company's shares are listed or equivalent provisions (including the provisions equivalent to section 632 of the Companies Ordinance of Hong Kong). Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

When the Company convenes a Shareholders' meeting, distributes dividends, goes into liquidation or engages in other acts requiring the identification of Shareholders, the Board of Directors or the convener of the Shareholders' meeting shall determine the record date. The Shareholders whose names appear on the register of members after the close of business on the record date shall be the Shareholders entitled to the relevant rights and interests. Where laws, administrative regulations, departmental rules, normative documents and the stock exchanges or regulatory authorities of the place(s) where the Company's shares are listed have provisions on the period of closure of the register of members, such provisions shall prevail.

The Shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and other forms of profit distribution in proportion to the shares held by them;

(2) to request, convene, preside over, attend or appoint a proxy to attend Shareholders' meetings according to laws, speak at the Shareholders' meetings, and exercise the corresponding voting rights (unless individual Shareholders are required to abstain from voting on specific matters pursuant to the regulatory rules of the place(s) where the Company's shares are listed, such as the Hong Kong Listing Rules);

(3) to supervise the Company's operations, and put forward proposals or raise inquiries;

(4) to transfer, gift or pledge the shares held by them in accordance with laws, administrative regulations, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, and the Articles of Association;

(5) to inspect and copy the Articles of Association, register of members, minutes of Shareholders' meetings, resolutions of the Board meetings, financial and accounting reports, and register of bondholders. Shareholders meeting the prescribed criteria may inspect the Company's accounting books and accounting vouchers. Where the securities regulatory rules of the place(s) where the Company's shares are listed provide otherwise, such provisions shall prevail;

(6) to participate in the distribution of the Company's remaining assets in proportion to the shares held by them upon the termination or liquidation of the Company;

(7) to request the Company to repurchase their shares if they object to resolutions of the Shareholders' meeting concerning the merger or division of the Company;

(8) other rights stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, or the Articles of Association.

In addition to the above rights, Shareholders individually or jointly holding 3% or more of the Company's shares for 180 consecutive days or more shall have the right to inspect the Company's accounting books and accounting vouchers.

Shareholders who request to inspect the aforementioned relevant information or obtain data shall comply with the provisions of laws and administrative regulations such as the Company Law, the Securities Law, the Hong Kong Listing Rules and the securities regulatory rules of the place(s) where the Company's shares are listed, and provide written documents proving the shares they hold in the Company and the number of such shares. The Company shall provide such information according to the Shareholders' requests after verifying their identities.

If a resolution of the Shareholders' meeting or the Board of Directors of the Company violates laws or administrative regulations, the Shareholders shall have the right to request the People's Court to declare it invalid. If the convening procedures or voting methods of the Shareholders' meeting or the Board meeting violate laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, the Shareholders shall have the right to request the People's Court to revoke it within 60 days from the date the resolution is made. However, this does not apply if the convening procedures or voting methods of the Shareholders' meeting or the Board meeting only have minor defects that do not have a material impact on the resolution. Shareholders who are not notified to attend the Shareholders' meeting may request the People's Court to revoke the resolution within 60 days from the date they know or should have known of the resolution being made; if the right of revocation is not exercised within one year from the date the resolution is made, such right shall be extinguished.

A resolution of the Shareholders' meeting or the Board of Directors shall not be established under any of the following circumstances:

(1) no Shareholders' meeting or Board meeting was convened to make the resolution;

(2) the Shareholders' meeting or Board meeting did not vote on the matters to be resolved;

(3) the number of persons attending the meeting or the voting rights held by them does not reach the number or voting rights stipulated by the Company Law or the Articles of Association;

(4) the number of persons agreeing to the resolution or the voting rights held by them does not reach the number or voting rights stipulated by the Company Law or the Articles of Association.

If a resolution of the Shareholders' meeting or the Board of Directors is declared invalid, revoked or confirmed as unestablished by the People's Court, the civil legal relations formed between the Company and bona fide counterparties based on such resolution shall not be affected.

If Directors (other than Audit Committee members) or senior management violate laws, administrative regulations or the Articles of Association in the course of performing their duties, resulting in losses to the Company, Shareholders individually or jointly holding 1% or more of the Company's voting shares for 180 consecutive days or more shall have the right to request the Audit Committee in writing to initiate legal proceedings in the People's Court; if the Audit Committee violates laws, administrative regulations or the Articles of Association in the course of performing its duties, resulting in losses to the Company, the aforementioned Shareholders may request the Board of Directors in writing to initiate legal proceedings in the People's Court.

If the Audit Committee or the Board of Directors refuses to initiate legal proceedings after receiving a written request from the Shareholders as prescribed in the preceding paragraph, or fails to initiate legal proceedings within 30 days of receiving such request, or if the situation is urgent and failure to initiate legal proceedings immediately will cause irreparable damage to the Company's interests, the Shareholders prescribed in the preceding paragraph shall have the right to directly initiate legal proceedings in the People's Court in their own names for the interest of the Company.

If others infringe upon the legitimate rights and interests of the Company, resulting in losses to the Company, the Shareholders prescribed above may initiate legal proceedings in the People's Court in accordance with the preceding provisions.

If the directors, supervisors (if any) or senior management of a wholly-owned subsidiary of the Company violate laws, administrative regulations or the Articles of Association in the course of performing their duties, resulting in losses to the Company, or if others infringe upon the legitimate rights and interests of the wholly-owned subsidiary of the Company, resulting in losses, Shareholders individually or jointly holding 1% or more of the Company's voting shares for 180 consecutive days or more may, in accordance with the preceding three paragraphs, request the board of supervisors or the board of directors of the wholly-owned subsidiary in writing to initiate legal proceedings in the People's Court, or directly initiate legal proceedings in the People's Court in their own names.

If Directors or senior management violate laws, administrative regulations or the Articles of Association, damaging the interests of Shareholders, the Shareholders may initiate legal proceedings in the People's Court. If the controlling Shareholder(s) or actual controller(s) of the Company instruct Directors or senior management to engage in acts that harm the interests of the Company or Shareholders, they shall bear joint and several liability with such Directors or senior management.

The Shareholders of the Company shall assume the following obligations:

(1) to abide by laws, administrative regulations, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, and the Articles of Association, and to keep the Company's commercial secrets confidential;

(2) to pay subscription monies according to the shares subscribed and the method of subscription;

(3) not to withdraw their equity except under circumstances stipulated by laws and administrative regulations;

(4) not to abuse their Shareholder rights to the detriment of the interests of the Company or other Shareholders; not to abuse the Company's independent legal person status and Shareholders' limited liability to the detriment of the interests of the Company's creditors;

(5) other obligations imposed by laws, administrative regulations, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, and the Articles of Association.

Shareholders holding 5% or more of the Company's voting shares who pledge their shares shall submit a written report to the Company on the day such fact occurs.

The controlling Shareholder(s) and actual controller(s) of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations, and the provisions of the CSRC and the stock exchange(s) in the place(s) where the Company's shares are listed, to safeguard the interests of the listed company.

If the controlling Shareholder(s) or actual controller(s) of the Company instruct Directors or senior management to engage in acts that harm the interests of the Company or Shareholders, they shall bear joint and several liability with such Directors or senior management.

GENERAL PROVISIONS ON THE SHAREHOLDERS' MEETINGS

The Shareholders' meeting of the Company shall be composed of all Shareholders. The Shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with laws:

(1) to elect and replace Directors, and to decide on matters concerning the remuneration of Directors;

(2) to consider and approve the reports of the Board of Directors;

(3) to consider and approve the Company's profit distribution plans and plans for making up losses;

(4) to pass resolutions on the increase or reduction of the Company's registered capital;

(5) to pass resolutions on the issuance of corporate bonds;

(6) to pass resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) to amend the Articles of Association;

(8) to pass resolutions on the engagement or dismissal of accounting firms undertaking the Company's audit business and matters concerning their remuneration;

(9) to consider and approve the guarantee matters that are required to be considered and approved by the Shareholders' meeting;

(10) to consider the Company's purchases or disposals of material assets within one year exceeding 30% of the Company's latest audited total assets;

(11) to consider and approve matters concerning the change in the use of proceeds;

(12) to consider the stock incentive plans and employee stock ownership plans;

(13) to consider other matters that shall be decided by the Shareholders' meeting as stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to pass resolutions on the issuance of corporate bonds. The specific execution of the issuance of corporate bonds resolved by the Shareholders' meeting or resolved by the Board of Directors as authorized by the Shareholders' meeting shall comply with the provisions of laws, administrative regulations, the CSRC and the Hong Kong Stock Exchange.

Except as otherwise provided by laws, administrative regulations, provisions of the CSRC, the securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association, the functions and powers of the Shareholders' meeting mentioned in the preceding paragraph shall not be exercised by the Board of Directors or other institutions and individuals through authorization.

If the Company enters into a transaction that is required to be announced under the rules of the stock exchange(s) in the place(s) where the Company's shares are listed, it shall perform the corresponding approval and decision-making procedures and make disclosures in accordance with the provisions of the Hong Kong Listing Rules.

The following external guarantees of the Company shall be submitted to the Shareholders' meeting for consideration after being considered and approved by the Board of Directors:

(1) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries exceeds 50% of the Company's latest audited net assets;

(2) any guarantee provided after the total amount of external guarantees provided by the Company exceeds 30% of its latest audited total assets;

(3) any guarantee provided by the Company to others within one year with an amount exceeding 30% of the Company's latest audited total assets;

(4) guarantees provided to guaranteed parties with a gearing ratio exceeding 70%;

(5) any single guarantee with an amount exceeding 10% of the Company's latest audited net assets;

(6) guarantees provided by the Company to Shareholders, actual controllers and their connected (related) parties;

(7) other guarantees stipulated by laws, administrative regulations, departmental rules, normative documents, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, or the Articles of Association.

If the Company provides guarantees to its wholly-owned subsidiaries, or provides guarantees to its holding subsidiaries while the other shareholders of such holding subsidiaries provide guarantees in the same proportion according to their entitled interests, and the interests of the Company are not impaired, such guarantees may be exempted from being submitted to the Shareholders' meeting for consideration. If the Company provides guarantees to connected persons (as defined in the Hong Kong Listing Rules), it shall comply with the applicable provisions of the Hong Kong Listing Rules (unless exempted by the Hong Kong Stock Exchange). When the Shareholders' meeting considers a proposal on providing guarantees to a Shareholder, the actual controller and their connected person(s), such Shareholder or the Shareholder controlled by such actual controller shall not participate in the voting on such matter, and such matter shall be passed by more than half of the voting rights held by other Shareholders attending the Shareholders' meeting.

When the Company enters into connected (related-party) transactions, it shall ensure the legality, necessity, reasonableness and fairness of the connected (related-party) transactions, maintain the independence of the Company, and shall not use connected (related-party) transactions to adjust financial indicators or harm the interests of the Company.

If the Company enters into a connected (related-party) transaction that is required to be announced under the rules of the stock exchange(s) in the place(s) where the Company's shares are listed, it shall perform the corresponding approval and decision-making procedures and make disclosures in accordance with the provisions of the Hong Kong Listing Rules.

Shareholders' meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and shall be held within six months after the end of the previous accounting year.

Under any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date of occurrence of the fact:

(1) the number of Directors falls below the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;

(2) the unrecovered losses of the Company amount to one-third of the total paid-in share capital;

(3) upon request by Shareholders individually or jointly holding 10% or more of the Company's voting shares;

(4) when deemed necessary by the Board of Directors;

(5) upon proposal by the Audit Committee;

(6) other circumstances stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, or the Articles of Association.

CALLING OF SHAREHOLDERS' MEETING

Shareholders' meetings shall be convened by the Board of Directors.

With the consent of more than half of all independent non-executive Directors, the independent non-executive Directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Regarding the proposal of the independent non-executive Directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the provisions of the Articles of Association, give written feedback on agreeing or disagreeing to convene the extraordinary general meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the resolution of the Board of Directors is made; if the Board of Directors disagrees to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall put forward its proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the provisions of the Articles of Association, give written feedback on agreeing or disagreeing to convene the extraordinary general meeting within 10 days after receiving the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the resolution of the Board of Directors is made, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the proposal, it shall be deemed that the Board of Directors is unable to or fails to perform the duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders individually or jointly holding 10% or more of the voting shares of the Company (excluding the voting rights attached to treasury Shares) shall have the right to request the Board of Directors to convene an extraordinary general meeting and to add proposals to the meeting agenda, and such request shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the provisions of the Articles of Association, give written feedback on agreeing or disagreeing to convene the extraordinary general meeting within 10 days after receiving the request. If the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after the resolution of the Board of Directors is made, and any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors disagrees to convene the extraordinary general meeting, or fails to give feedback within 10 days after receiving the request, Shareholders individually or jointly holding 10% or more of the Company's voting shares shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and such request shall be made to the Audit Committee in writing. If the Audit Committee agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after receiving the request, and any changes to the original proposal in the notice shall be subject to the consent of the relevant Shareholders. If the Audit Committee fails to issue a notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee will not convene and preside over the general meeting, and Shareholders individually or jointly holding 10% or more of the Company's voting shares for 90 consecutive days or more may convene and preside over the meeting on their own. If the Audit Committee or the Shareholders decide to convene the general meeting on their own, they must notify the Board of Directors in writing, and at the same time, complete the necessary reporting, announcement or filing (if required) in accordance with applicable regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules. Prior to the announcement of the resolution of the general meeting, the proportion of voting shares held by the convening Shareholders shall not be less than 10%.

The Audit Committee or the convening Shareholders shall, when issuing the notice of the general meeting and the announcement of the resolution of the general meeting, submit relevant proving materials (if required) to the Hong Kong Stock Exchange in accordance with applicable regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, and complete the necessary reporting or announcements.

PROPOSALS AND NOTICES OF SHAREHOLDERS' MEETING

The content of a proposal shall fall within the scope of authority of the Shareholders' meeting, include a clear agenda and specific matters to be resolved, and comply with the relevant provisions of laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association.

Where the Company convenes a Shareholders' meeting, the Board of Directors, the Audit Committee, and Shareholder(s) individually or jointly holding 1% or more of the voting shares of the Company shall have the right to make proposals to the Company.

Shareholder(s) individually or jointly holding 1% or more of the voting shares of the Company may submit ad hoc proposals in writing to the convener ten days before the convening of the Shareholders' meeting. Ad hoc proposals shall have clear agenda and specific matters to be resolved. The convener shall issue a supplemental notice of the Shareholders' meeting within two days upon receipt of the proposal to announce the content of the ad hoc proposal, and submit such ad hoc proposal to the Shareholders' meeting for consideration; provided that the ad hoc proposal does not violate the provisions of laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association, or fall outside the scope of authority of the Shareholders' meeting. Where the Shareholders' meeting is required to be adjourned due to the publication of the supplemental notice of the Shareholders' meeting in accordance with the provisions of the securities regulatory rules of the place(s) where the Company's shares are listed, the convening of the Shareholders' meeting shall be adjourned in accordance with the provisions of the securities regulatory rules of the place(s) where the Company's shares are listed. Except for the circumstances provided in the preceding paragraph, the convener shall not amend the proposals already set out in the notice of the Shareholders' meeting or add any new proposals after the notice of the Shareholders' meeting has been issued.

The Shareholders' meeting shall not vote and adopt resolutions on proposals not set out in the notice of the Shareholders' meeting or not in compliance with the Articles of Association.

The convener shall notify all Shareholders by way of announcement at least 21 days before the convening of an annual general meeting, and notify all Shareholders by way of announcement at least 15 days before the convening of an extraordinary general meeting. In determining the commencement date of the period, the Company shall not include the date on which the notice is issued and the date on which the meeting is convened.

The notice of a Shareholders' meeting shall include the following content:

(1) time, venue, and duration of the meeting;

(2) matters and proposals to be submitted to the meeting for consideration;

(3) a clear statement in writing that: all Shareholders have the right to attend the Shareholders' meeting, and may appoint a proxy in writing to attend the meeting and vote on his/her behalf, and that such proxy need not be a Shareholder of the Company;

(4) the record date for determining the Shareholders who have the right to attend the Shareholders' meeting;

(5) the name and telephone number of the permanent contact person for meeting affairs;

(6) the timing and procedures for voting through the internet or by other means;

(7) other requirements stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

The notice of the Shareholders' meeting and any supplemental notice shall fully and comprehensively disclose the specific details of all proposals. Where the matters to be discussed require the independent non-executive Directors to express their opinions, the notice of the Shareholders' meeting or the supplemental notice shall also include the opinions of the independent non-executive Directors and the reasons therefor.

The interval between the record date and the date of the meeting shall not be more than seven working days. Once the record date is confirmed, it shall not be changed.

Where the election of Directors is proposed to be discussed at a Shareholders' meeting, the notice of the Shareholders' meeting shall fully disclose the detailed information about the candidates for Directors, including at least the following:

(1) personal particulars such as educational background, working experience and concurrent positions;

(2) whether there is any connected (affiliated) relationship with the Company or the controlling Shareholder(s) and actual controller(s) of the Company;

(3) disclosure of the number of shares held in the Company;

(4) whether he/she has been subject to penalties imposed by the CSRC and other relevant authorities and disciplinary actions by the stock exchange;

(5) whether he/she meets other eligibility requirements for office as stipulated by laws, administrative regulations and the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules.

Each candidate for Director shall be proposed as a separate proposal.

After the notice of a Shareholders' meeting is issued, the Shareholders' meeting shall not be postponed or cancelled without just cause, nor shall any proposals set out in the notice of the Shareholders' meeting be withdrawn. In the event of a postponement or cancellation, the convener shall issue a public announcement at least two working days prior to the originally scheduled date and explain the reasons. Where the securities regulatory rules of the place(s) where the Company's shares are listed contain specific provisions regarding the procedures for postponing or cancelling a Shareholders' meeting, such provisions shall prevail, provided that they do not conflict with domestic regulatory requirements.

CONVENING OF SHAREHOLDERS' MEETINGS

All Shareholders on the register of members as of the record date or their proxies shall be entitled to attend the Shareholders' meeting and exercise their voting rights in accordance with relevant laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association (unless individual Shareholders are required by the securities regulatory rules of the place(s) where the Company's shares are listed to abstain from voting on specific matters). Shareholders have the right to speak at a Shareholders' meeting.

A Shareholder may attend a Shareholders' meeting in person, or may appoint a proxy to attend, speak and vote on his/her behalf, and such proxy need not be a Shareholder of the Company.

A Shareholders' meeting shall be presided over by the Chairman of the Board of Directors. Where the Chairman is unable to perform his/her duties or fails to do so, a Director jointly nominated by a majority of the Directors shall preside. A Shareholders' meeting convened by the Audit Committee itself shall be presided over by the convener of the Audit Committee. Where the convener of the Audit Committee is unable to perform his/her duties or fails to do so, a member of the Audit Committee jointly nominated by a majority of the Audit Committee members shall preside. A Shareholders' meeting convened by the Shareholders themselves shall be presided over by the convener or a representative nominated by the convener.

If, during a Shareholders' meeting, the presiding officer violates the rules of procedure to the extent that the meeting cannot continue, the meeting may, with the consent of a majority of the Shareholders present at the meeting who hold voting rights, nominate another person to serve as presiding officer and continue the meeting.

The Company shall formulate the rules of procedures for Shareholders' meetings, which shall specify in detail the procedures for convening and voting at such meetings, including notice, registration, consideration of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, meeting minutes and the signing thereof, as well as the principles governing the authorization of the Board of Directors by the Shareholders' meeting; the scope of such authorization shall be clear and specific. The rules of procedures for Shareholders' meetings shall be attached to the Articles of Association, drafted by the Board of Directors and approved by the Shareholders' meeting.

At an annual general meeting, the Board of Directors shall report to the Shareholders' meeting on its work over the past year.

Directors and senior management shall provide explanations and clarifications regarding Shareholders' inquiries and suggestions at the Shareholders' meeting.

The chairperson of the meeting shall, prior to voting, announce the number of Shareholders and proxies present at the meeting and the total number of voting shares held by them. The number of Shareholders and proxies present at the meeting and the total number of voting shares held by them shall be determined based on the meeting registration records.

Minutes shall be kept for each Shareholders' meeting, and the secretary to the Board of Directors shall be responsible for this.

The convener shall ensure that the content of the minutes is true, accurate and complete. The Directors, the secretary to the Board of Directors, the convener or their representatives in attendance, and the chairperson of the meeting shall sign the minutes. The minutes shall be retained together with the sign-in sheet for Shareholders present in person, the proxy forms for those attending by proxy, and valid records of voting results via the internet or other means, for a period of ten years.

The convener shall ensure that the Shareholders' meeting is held continuously until a final resolution is adopted. In the event that the Shareholders' meeting is suspended or unable to adopt a resolution due to force majeure or other special circumstances, necessary measures shall be taken to resume the Shareholders' meeting as soon as possible or to terminate the current meeting directly, and announcements or reports shall be made in a timely manner in accordance with the provisions of laws, administrative regulations, departmental rules, and the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules.

VOTING AND RESOLUTIONS AT SHAREHOLDERS' MEETINGS

Resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution of the Shareholders' meeting shall be passed by more than half of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies). A special resolution of the Shareholders' meeting shall be passed by two-thirds or more of the voting rights held by the Shareholders present at the Shareholders' meeting (including proxies).

The following matters shall be passed by an ordinary resolution at a Shareholders' meeting:

(1) work reports of the Board of Directors;

(2) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(3) appointment and removal of the members of the Board of Directors, their remuneration and methods of payment;

(4) any other matters not required by laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association, to be adopted by a special resolution.

The following matters shall be passed by a special resolution at a Shareholders' meeting:

(1) increase or reduction in the registered capital of the Company;

(2) division, spin-off, merger, dissolution and liquidation of the Company;

(3) amendments to the Articles of Association;

(4) the Company's purchases or disposals of material assets or provisions of guarantees within one year exceeding 30% of the Company's latest audited total assets;

(5) stock incentive plans;

(6) other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association, as well as other matters determined by the Shareholders' meeting through an ordinary resolution to have a material impact on the Company and requiring approval by a special resolution.

If, at any time, the Company's share capital is divided into different classes of shares, any proposal by the Company to alter or abolish the rights of Shareholders of a particular class shall be subject to approval by a special resolution passed by the Shareholders of the affected class at a separately convened Shareholders' meeting.

Shareholders (including proxies) shall exercise their voting rights based on the number of voting shares they represent, with each share carrying one vote.

Shares of the Company held by the Company itself shall not carry voting rights, and such shares shall not be counted toward the total number of voting shares present at a Shareholders' meeting.

Where a Shareholder purchases voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights attached to the portion of shares exceeding the prescribed ratio shall not be exercised for a period of 36 months following the purchase, and such shares shall not be counted toward the total number of voting shares present at the Shareholders' meeting. If the regulatory rules of the place(s) where the Company's shares are listed, such as the Hong Kong Listing Rules, require any Shareholder to abstain from voting on a particular resolution, or restrict any Shareholder to vote only in favor of (or against) a particular resolution, any votes cast by such Shareholders or their proxies in violation of such provisions or restrictions shall not be counted.

The Company's Board of Directors, independent non-executive Directors, Shareholders holding 1% or more of voting shares, or investor protection organizations established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit Shareholders' voting rights. When soliciting Shareholders' voting rights, the solicitor shall fully explain to the Shareholders being solicited information such as the specific voting intentions. It is prohibited to solicit Shareholders' voting rights in exchange for compensation or through disguised forms of compensation. Except as required by laws, the Company shall not impose a minimum shareholding ratio requirement on the solicitation of voting rights.

When the Shareholders' meeting deliberates on matters related to connected (related-party) transactions, connected (affiliated) Shareholders shall not participate in the voting; the number of voting shares held by them shall not be counted in the total number of valid votes, and they shall not exercise voting rights on behalf of other Shareholders. The announcement of the Shareholders' meeting resolution shall fully disclose the voting results of non-connected (non-affiliated) Shareholders.

The list of candidates for Directors shall be submitted to the Shareholders' meeting for voting in the form of a proposal.

When the Shareholders' meeting votes on the election of Directors, it may adopt a cumulative voting system in accordance with the provisions of the Articles of Association or the resolutions of the Shareholders' meeting. When the Shareholders' meeting elects two or more independent non-executive Directors, it shall adopt a cumulative voting system. Where the Shareholders' meeting elects Directors by cumulative voting, voting for independent non-executive Directors and other Directors shall be conducted separately, and the Directors to be elected shall be determined based on the number of Directors to be elected, in descending order of the number of votes received. Where the cumulative voting system is not adopted for the election of Directors, each candidate for Director shall be proposed as a separate proposal. The cumulative voting system referred to above means that, when the Shareholders' meeting elects Directors, each share carries a number of votes equal to the number of Directors to be elected, and Shareholders may pool their votes. Where the Hong Kong Listing Rules contain separate provisions regarding the methods and procedures for nominating company directors, such provisions shall prevail.

Except for the cumulative voting system, the Shareholders' meeting shall vote on all proposals item by item; where there are different proposals on the same matter, voting shall proceed in the order in which the proposals were submitted. Except where the Shareholders' meeting is suspended or unable to pass a resolution due to force majeure or other special circumstances, the Shareholders' meeting shall not defer or refrain from voting on any proposal.

When the Shareholders' meeting deliberates on proposals, no amendments to the proposals shall be made; otherwise, such amendments shall be deemed a new proposal and may not be put to a vote at this Shareholders' meeting.

DIRECTORS AND BOARD OF DIRECTORS

General Provisions on Directors and the Board of Directors

A Director of the Company shall be a natural person. A person shall not serve as a Director of the Company if any of the followings apply to them:

(1) having no civil capacity or having restricted civil capacity;

(2) having been penalized for corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of the market economy, or having been deprived of political rights for committing a crime, where less than five years have elapsed since the completion of the execution of the penalty, or having been placed on probation, where less than two years have elapsed since the expiry of the probation period;

(3) having served as a director, factory director or manager of a company or enterprise which was bankrupted and liquidated, and being personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the completion of the bankruptcy and liquidation of such company or enterprise;

(4) having served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to a violation of laws, and being personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license or the order to close down of such company or enterprise;

(5) having failed to repay a relatively large amount of personal debt upon maturity and having been listed as a dishonest person subject to enforcement by the People's Court;

(6) being subject to a measure of prohibition from accessing the securities market imposed by the CSRC, the rules of the securities regulatory authorities in the place(s) where the Company's shares are listed or the Hong Kong Stock Exchange, where the term has not yet expired;

(7) being deemed as unfit to serve as a director, senior management member and other roles of a listed company by the securities regulatory rules of the place(s) where the Company's shares are listed where the term has not yet expired;

(8) other circumstances stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place(s) where the Company's shares are listed.

If a Director is elected or appointed in violation of the provisions of the preceding paragraph, such election, appointment or engagement shall be invalid. If any of the circumstances specified in the preceding paragraph occurs to a Director during their term of office, the Company shall remove them from office and cease their duties.

Directors shall be elected or replaced by the Shareholders' meeting, and may be removed from office by the Shareholders' meeting prior to the expiry of their term of office. The term of office of a Director shall be three years, and a Director is eligible for re-election and re-appointment upon the expiry of their term of office.

The term of office of a Director shall commence from the date of assumption of office until the expiry of the term of the current Board of Directors. Where a re-election is not carried out in a timely manner upon the expiry of the term of office of a Director, prior to the assumption of office by the newly elected Director, the original Director shall continue to perform their duties in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the provisions of the Articles of Association.

Subject to compliance with the relevant laws and administrative regulations, Shareholders at a Shareholders' meeting may, by way of an ordinary resolution, remove any Director (including the general manager or other executive Directors) whose term of office has not expired, which shall be without prejudice to any claim for damages such Director may make pursuant to any contract.

Any person appointed by the Board of Directors as a Director to fill a casual vacancy on or as an addition to the Board of Directors shall hold office only until the first annual Shareholders' meeting of the Company after their appointment, and shall then be eligible for re-election.

A Director may be concurrently served by a member of the senior management, provided that the total number of Directors concurrently serving as members of the senior management and Directors acting as employee representatives shall not exceed one-half of the total number of Directors of the Company.

Directors shall abide by laws, administrative regulations and the provisions of the Articles of Association, be loyal to the Company, take measures to avoid conflicts between their personal interests and the interests of the Company, and shall not abuse their positions and powers to seek improper benefits.

Directors owe the following duties of loyalty to the Company:

(1) not to embezzle the Company's property or misappropriate the Company's funds;

(2) not to open accounts in their own names or in the names of other individuals to deposit the Company's funds;

(3) not to abuse their powers to accept bribes or other illegal income;

(4) not to directly or indirectly enter into contracts or conduct transactions with the Company, unless they have reported to the Board of Directors or the Shareholders' meeting, and such contracts or transactions have been approved by a resolution of the Board of Directors or the Shareholders' meeting in accordance with the provisions of the Articles of Association;

(5) not to take advantage of their positions to seek commercial opportunities belonging to the Company for themselves or others, unless they have reported to the Board of Directors or the Shareholders' meeting, and have been approved by a resolution of the Shareholders' meeting in accordance with the provisions of laws, administrative regulations or the Articles of Association;

(6) not to operate businesses of the same nature as those of the Company for themselves or for others, unless they have reported to the Board of Directors or the Shareholders' meeting, and have been approved by a resolution of the Shareholders' meeting;

(7) not to accept and appropriate as their own any commissions from transactions between others and the Company;

(8) not to disclose the Company's confidential information without authorization;

(9) not to exploit their connected or affiliated relationships to damage the interests of the Company;

(10) other duties of loyalty stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association.

Any revenue obtained by a Director in violation of the provisions of the preceding paragraph shall belong to the Company; if any loss is caused to the Company, such Director shall be liable for compensation.

The provisions of item (4) above shall apply where the close relatives of Directors and senior management members, the enterprises directly or indirectly controlled by the Directors, senior management members or their close relatives, and related persons having other affiliated relationships with the Directors and senior management members enter into contracts or conduct transactions with the Company.

Directors shall abide by laws, administrative regulations and the provisions of the Articles of Association, owe a duty of diligence to the Company, and shall, in the performance of their duties, exercise the reasonable care normally expected of a manager for the best interests of the Company.

Directors owe the following duties of diligence to the Company:

(1) to exercise the rights conferred by the Company with due caution, care and diligence, to ensure that the commercial actions of the Company comply with the requirements of national laws, administrative regulations and various national economic policies, and that its commercial activities do not exceed the business scope stipulated in the business license;

(2) to treat all Shareholders fairly;

(3) to keep abreast of the business operation and management conditions of the Company in a timely manner;

(4) to sign written confirmations for the periodic reports of the Company, and to ensure that the information disclosed by the Company is true, accurate and complete;

(5) to truthfully provide relevant information and materials to the Audit Committee, and not to hinder the Audit Committee from exercising its functions and powers;

(6) other duties of diligence stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association.

If a Director fails to attend the Board meetings in person for two consecutive times and does not entrust another Director to attend on their behalf, they shall be deemed incapable of performing their duties, and the Board of Directors shall propose to the Shareholders' meeting that they be removed. Subject to compliance with the securities regulatory rules of the place(s) where the Company's shares are listed, a Director attending a Board meeting by means of internet, video, telephone or other methods with equivalent effect shall also be deemed to have attended in person.

A Director may resign before the expiry of their term of office. A Director who resigns shall submit a written resignation report to the Board of Directors.

Except for the circumstances specified in this provision, the resignation shall take effect on the date when the Company receives the resignation report, and the Board of Directors shall disclose the relevant circumstances within two days:

(1) where the resignation of a Director results in the number of members of the Board of Directors of the Company falling below the statutory minimum number (including where the number of independent non-executive Directors is less than three);

(2) where the resignation of an independent non-executive Director results in the number of independent non-executive Directors falling below one-third of the members of the Board of Directors, or there being no independent non-executive Director possessing appropriate professional qualifications or appropriate accounting or related financial management expertise.

Under the above circumstances, prior to the assumption of office by the newly elected Director, the original Director shall continue to perform their duties in accordance with the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association. Under the circumstance in the second item as above, the Company must immediately inform the Hong Kong Stock Exchange and publish an announcement to disclose the relevant details and reasons. The original nominator of such independent non-executive Director or the Board of Directors of the Company shall nominate a new candidate for independent non-executive Director within the period stipulated by laws, administrative regulations, departmental rules, and the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules.

The Company shall establish a departure management system for the Directors, specifying the safeguard measures for accountability and compensation regarding unfulfilled responsibilities. Upon the resignation taking effect or the expiry of the term of office, a Director shall complete all handover procedures with the Board of Directors, and their duty of loyalty to the Company and the Shareholders is not automatically discharged upon the end of their term of office. The departing Director's duty of confidentiality regarding the commercial secrets of the Company shall remain valid after their departure until such secrets become public information; the duration of other duties of loyalty shall be determined in accordance with the principle of fairness and the specific circumstances of the relevant matters. Where a Director and the Company have reached an agreement on the performance of the duty of loyalty, it shall be performed in accordance with such agreement.

Unless stipulated by the Articles of Association or legally authorized by the Board of Directors, no Director shall act on behalf of the Company or the Board of Directors in their personal capacity. When a Director acts in their personal capacity, under circumstances where a third party would reasonably believe that the Director is acting on behalf of the Company or the Board of Directors, the Director shall declare their position and identity in advance.

If a Director causes damage to others while performing their duties for the Company, the Company shall bear the liability for compensation; if the Director acts with intent or gross negligence, they shall also bear the liability for compensation. If a Director violates laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, or the provisions of the Articles of Association while performing their duties for the Company, causing loss to the Company, they shall bear the liability for compensation.

Board of Directors

The Company shall establish a board of directors, which shall be accountable to the Shareholders' meeting.

The Board of Directors shall consist of seven Directors, of which three shall be independent non-executive Directors. The Board of Directors shall have one Chairman.

The Board of Directors shall exercise the following functions and powers:

(1) to convene Shareholders' meetings to which it reports its work;

(2) to execute the resolutions of the Shareholders' meetings;

(3) to decide on the Company's business plans and investment proposals;

(4) to formulate the Company's profit distribution plans and plans for making up losses;

(5) to formulate plans for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and the listing plans;

(6) to formulate plans for material acquisitions, purchases of shares of the Company, or merger, division, dissolution and changes in the corporate form of the Company;

(7) to decide on matters such as external investments, acquisition and disposal of assets, asset pledge, external guarantees, entrusted wealth management, connected transactions and external donations within the scope of authorization by the Shareholders' meeting;

(8) to decide on the establishment of the Company's internal management structure;

(9) to decide on the appointment or dismissal of the general manager, the secretary to the Board of Directors and other senior management of the Company, and to decide on their remuneration, rewards and punishments; based on the nominations by the general manager, to decide on the appointment or dismissal of the deputy general manager, the person in charge of finance and other senior management of the Company, and to decide on their remuneration, rewards and punishments;

(10) to formulate the Company's basic management system;

(11) to formulate proposals for amending the Articles of Association;

(12) to manage the information disclosure matters of the Company;

(13) to propose to the Shareholders' meeting the appointment or replacement of the accounting firm that audits the Company;

(14) to attend to the work reports of the general manager of the Company and review the work of the general manager;

(15) other functions and powers granted by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, the Articles of Association, or the Shareholders' meetings.

Matters beyond the scope of authorization by the Shareholders' meeting shall be submitted to the meeting for consideration.

The Board of Directors of the Company shall establish an audit committee to exercise the functions and powers of the supervisory committee stipulated in the Company Law. In addition to the audit committee, the Board of Directors shall establish other specialized committees, such as a nomination committee, and a remuneration and appraisal committee (if needed). The members of each specialized committee of the Board of Directors shall be elected by the Board of Directors.

The specialized committees shall be accountable to the Board of Directors, perform their duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for consideration and decision. The members of the specialized committees shall consist entirely of Directors. The specific composition and qualification requirements shall be governed by the provisions of laws such as the Company Law, administrative regulations, departmental rules, and the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules. The Board of Directors shall be responsible for formulating the working rules for the specialized committees to regulate the operations of the specialized committees.

The Board of Directors of the Company shall provide an explanation to the Shareholders' meeting regarding any extraordinary audit opinion by the certified public accountants on the financial reports of the Company.

The Board of Directors shall formulate the rules of procedure for the Board meetings to ensure the implementation of resolutions of the Shareholders' meeting by the Board of Directors, improve working efficiency and ensure scientific decision-making. The rules of procedure for the Board meetings shall be annexed to the Articles of Association, formulated by the Board of Directors and approved by the Shareholders' meeting.

The Board of Directors shall determine the authority for external investments, acquisition and disposal of assets, asset pledge, external guarantees, entrusted wealth management, connected (related-party) transactions and external donations, and establish strict examination and decision-making procedures; for material investment projects, relevant experts' and professionals' evaluations shall be arranged, and such projects shall be reported to the Shareholders' meeting for approval. Transactions or matters occurring in the Company that are required to be submitted to the Board of Directors for consideration as stipulated by laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, shall be executed in accordance with the corresponding provisions.

The Chairman shall be elected by the Board of Directors by more than half of all Directors.

The Chairman shall exercise the following functions and powers:

(1) to preside over Shareholders' meetings and to convene and preside over meetings of the Board of Directors;

(2) to supervise and inspect the implementation of the resolutions of the Board of Directors;

(3) to sign important documents of the Board of Directors or other documents that shall be signed by the legal representative of the Company;

(4) to exercise the functions and powers of the legal representative;

(5) other functions and powers stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association, or granted by the Board of Directors.

In the event that the Chairman of the Company is unable or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall perform such duties.

The Board of Directors shall hold at least four regular meetings annually at approximately quarterly intervals. The meetings shall be convened by the Chairman, and a notice of the meeting shall be given to all Directors by written form, mail, fax, email or hand delivery at least fourteen days before the meeting is convened.

Shareholders representing one-tenth or more of the voting rights, one-third or more of the Directors, the Audit Committee, the Chairman, or more than half of the independent non-executive Directors may propose to convene an extraordinary meeting of the Board of Directors. The Chairman shall convene and preside over a meeting of the Board of Directors within ten days after receiving such proposal.

To convene an extraordinary meeting of the Board of Directors, the office of the Board of Directors shall issue a notice of the meeting by written form, mail, telephone, fax, email or other means at least two days before the meeting is convened (excluding the day of the meeting). Where the meeting notice is not served by direct delivery, it shall also be confirmed by telephone and recorded accordingly. In emergency where an extraordinary meeting of the Board of Directors needs to be convened as soon as possible, the aforementioned restriction on the notice period of the meeting shall not apply, and a notice of the meeting may be given by telephone or other verbal means at any time, provided that the convener shall provide an explanation at the meeting.

A meeting of the Board of Directors shall only be held if more than half of the Directors (including proxies) are present. Resolutions of the Board of Directors must be passed by more than half of all Directors. Where relevant laws, administrative regulations, departmental rules, the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules provide otherwise regarding matters related to the resolutions of the Board of Directors, such provisions shall prevail.

Voting on resolutions of the Board of Directors shall be based on the principle of one vote per person. When the number of votes in favour of and against a proposal are equal, the Board of Directors may reconsider and vote on such matters again; if there is a tie for three consecutive times, such matters shall be submitted to the Shareholders' meeting for consideration.

If a Director is connected or affiliated to an enterprise or individual involved in a matter to be resolved at a Board meeting, such Director shall promptly report to the Board of Directors in writing, and the connected or affiliated Director shall not exercise his/her voting rights on such resolution, nor shall he/she act as a proxy for other Directors to exercise voting rights. Such Board meeting may be held if more than half of the Directors who are not connected or affiliated are present, and the resolutions made at the Board meeting shall be passed by more than half or two-thirds or more (as the case may be) of the Directors not connected or affiliated thereof. If the number of Directors not connected or affiliated who attended the Board meeting is less than three, the matter shall be submitted to the Shareholders' meeting for consideration.

The voting method for resolutions of the Board of Directors shall be open ballot in writing.

Board meetings shall principally be held physically. Where necessary, on the premise of ensuring that Directors can fully express their opinions and in compliance with the regulatory rules of the place(s) where the Company's shares are listed, subject to the consent of the convener, meetings may be held by video, telephone, fax or email. If a Board meeting is not held physically, the number of Directors attending the meeting shall be calculated based on the Directors shown as present by video, the Directors shown as attending in the teleconference system, the valid voting tickets actually received by fax or email within the stipulated period, or the valid documentary proof of attendance submitted by Directors after the meeting. During voting by communication means, Directors shall send their written opinions and voting intentions on the matters under consideration to the Board of Directors by fax, email or other means after signing for confirmation, based on which the Board of Directors shall count the voting results and form a resolution of the Board meeting. If laws, regulations and the securities regulatory rules of the place(s) where the Company's shares are listed impose any additional restrictions on the participation and voting of Directors at Board meetings, such provisions shall prevail.

Directors shall attend Board meetings in person; if a Director is unable to attend for any reason, he/she may appoint another person in writing to attend on his/her behalf. The power of attorney shall specify the name of the proxy, the matters to be represented, the scope of authorization and the valid period, and shall be signed or sealed by the principal. The representative attending the meeting on behalf of the Director shall exercise the rights of the Director within the scope of authorization. A Director who fails to attend a Board meeting and fails to appoint a proxy to attend shall be deemed to have waived his/her voting rights at such meeting. A Director shall not accept appointments from more than two Directors to attend a Board meeting on their behalf. When considering connected (related-party) transaction, unconnected or unaffiliated Directors shall not appoint a connected or affiliated Director to attend the meeting on their behalf.

The Board of Directors shall keep minutes of decisions on matters discussed at the meetings, and the Directors attending the meeting shall sign the minutes.

The minutes of Board meetings shall be kept as Company archives for a retention period of ten years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive Directors must maintain their independence. Matters relating to the qualifications, nomination and election procedures, and powers and duties of independent non-executive Directors shall be implemented according to the relevant provisions of laws, regulations, and the securities rules of the place(s) where the Company's shares are listed. Independent non-executive Directors shall conduct an annual self-assessment of their independence and submit the self-assessment result to the Board of Directors. The Board of Directors shall annually evaluate the independence of the incumbent independent non-executive Directors and issue a special opinion, which shall be disclosed simultaneously with the annual report.

As members of the Board of Directors, independent non-executive Directors owe duties of loyalty and duties of diligence to the Company and all Shareholders, and shall prudently perform the following duties:

(1) participating in the decision-making of the Board of Directors and expressing clear opinions on the matters under consideration;

(2) supervising matters involving potential material conflicts of interest between the Company and its controlling Shareholder, actual controllers, Directors, and senior management members, and protecting the lawful rights and interests of minority Shareholders;

(3) providing professional and objective advice on the operation and development of the Company, and facilitating the improvement on the standard of decision-making of the Board of Directors;

(4) other duties stipulated by laws, administrative regulations, the CSRC, the Hong Kong Stock Exchange, and the Articles of Association.

Independent non-executive Directors shall exercise the following special powers:

(1) independently engaging intermediary agencies to conduct audit, consultation, or verification on specific matters of the Company;

(2) proposing to the Board of Directors to convene an extraordinary Shareholders' meeting;

(3) proposing to convene a meeting of the Board of Directors;

(4) publicly soliciting Shareholder rights from the Shareholders pursuant to laws;

(5) expressing independent opinions on matters that may prejudice the rights and interests of the Company or minority Shareholders;

(6) other powers stipulated by laws, administrative regulations, the CSRC, the Hong Kong Stock Exchange, and the Articles of Association.

The exercise of the powers listed in items 1 to 3 of the preceding paragraph by independent non-executive Directors shall be subject to the consent of more than half of all independent non-executive Directors.

Where independent non-executive Directors exercise the powers listed in the first paragraph, the Company shall disclose the same in a timely manner. If the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

The following matters shall be submitted to the Board of Directors for consideration after obtaining the consent of more than half of all independent non-executive Directors of the Company:

(1) connected transactions that shall be disclosed;

(2) plans for alteration or waiver of commitments by the Company and related parties;

(3) decisions made and measures taken by the board of directors of the listed company being acquired in response to the acquisition; and

(4) other matters stipulated by laws, administrative regulations, the CSRC, the Hong Kong Stock Exchange, and the Articles of Association.

The Company shall establish a special meeting mechanism attended exclusively by independent non-executive Directors. Where the Board of Directors considers matters such as connected transactions, such matters shall be endorsed in advance by the special meeting of independent non-executive Directors.

The Company shall convene special meetings of independent non-executive Directors on a regular or ad hoc basis. The matters listed in items (1) to (3) of the first paragraph among the powers of independent non-executive Directors stipulated in the Articles of Association, and the matters stipulated in the Articles of Association which require the consent of more than half of all independent non-executive Directors of the Company before being submitted to the Board of Directors for consideration, shall be considered at a special meeting of independent non-executive Directors.

Special meetings of independent non-executive Directors may examine and discuss other matters of the Company as needed.

A special meeting of independent non-executive Directors shall be convened and chaired by an independent non-executive Director jointly elected by more than half of the independent non-executive Directors; where the convener fails or is unable to perform their duties, two or more independent non-executive Directors may convene the meeting on their own and elect a representative to chair the meeting.

Special meetings of independent non-executive Directors shall keep minutes pursuant to regulations, and the opinions of the independent non-executive Directors shall be recorded in the minutes. The independent non-executive Directors shall sign to confirm the meeting minutes.

SENIOR MANAGEMENT

The Company shall have a general manager, deputy general managers (if needed), a person in charge of finance, and a secretary to the Board of Directors, who shall be appointed or dismissed by the Board of Directors.

The senior management of the Company shall include the general manager, deputy general managers (if needed), the person in charge of finance, the secretary to the Board of Directors, and other senior management members recognized by the Board of Directors.

The provisions of the Articles of Association regarding the circumstances under which a person may not serve as a Director and the resignation management system shall also apply to the senior management.

The provisions of the Articles of Association regarding the duties of loyalty and duties of diligence of the Directors shall also apply to the senior management.

Persons who hold administrative positions other than directors and supervisors in the entities of the controlling Shareholders of the Company shall not serve as the senior management of the Company. The senior management of the Company shall only receive remuneration from the Company, and their remuneration shall not be paid by the controlling Shareholders on behalf of the Company.

The general manager shall serve a term of three years, and may be reappointed for consecutive terms.

The general manager shall be accountable to the Board of Directors and shall exercise the following powers and duties:

(1) to preside over the production, operation and management of the Company, organize the implementation of the resolutions of the Board of Directors, and report on their work to the Board of Directors;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to formulate plans for the establishment of the Company's internal management structures;

(4) to formulate the basic management system of the Company;

(5) to formulate specific rules and regulations of the Company;

(6) to propose to the Board of Directors the appointment or dismissal of the deputy general manager, the person in charge of finance, the secretary to the Board of Directors, and other senior management members;

(7) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;

(8) to consider and approve general connected transactions, other than those required to be submitted to the Board of Directors or the Shareholders' meeting for approval pursuant to the Articles of Association;

(9) to consider and approve other major transactions, external investments, external guarantees, and other matters, other than those required to be submitted to the Board of Directors or the Shareholders' meeting for approval pursuant to laws, regulations, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, or the Articles of Association;

(10) to decide on the establishment of wholly-owned subsidiaries and/or branch offices of the Company; and

(11) other powers and duties conferred by the Articles of Association, the securities regulatory rules of the place(s) where the Company's shares are listed, or the Board of Directors.

The general manager shall attend the meetings of the Board of Directors.

The general manager shall formulate the detailed working rules of the general manager, which shall be implemented upon approval by the Board of Directors.

The detailed working rules of the general manager shall include the following:

(1) conditions, procedures, and attendees of the general manager's office meetings;

(2) specific duties and division of responsibilities of the general manager and other senior management members;

(3) the authority to utilize the Company's funds and assets and to sign significant contracts, as well as the reporting system to the Board of Directors;

(4) other matters deemed necessary by the Board of Directors.

The general manager may resign prior to the expiration of their term of office. The specific procedures and methods concerning the resignation of the general manager shall be stipulated in the employment contract between the general manager and the Company.

Candidates for deputy general managers shall be nominated by the general manager, and their appointment or dismissal shall be decided by the Board of Directors at a meeting. The deputy general managers shall be accountable to the general manager, perform their respective duties pursuant to the authority granted by the general manager, and assist the general manager in their work.

The Company shall have a secretary to the Board of Directors, who shall be responsible for the preparation of the Shareholders' meetings and Board meetings, custody of documents, management of the Company's Shareholders' information, and handling matters such as information disclosure and investor relations management.

The secretary to the Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, as well as the Articles of Association.

Where any senior management member, in the course of performing their duties for the Company, violates laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, or the provisions of the Articles of Association, thereby causing losses to the Company, they shall be liable for compensation.

The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all Shareholders. Where the senior management of the Company fails to faithfully perform their duties or breaches their fiduciary duties, thereby causing damage to the interests of the Company and its Shareholders, they shall be liable for compensation according to laws.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting Systems and Profit Distribution

The Company shall prepare, publish and distribute its annual reports and interim reports pursuant to the provisions of relevant laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place(s) where the Company's shares are listed. The Company shall not keep any accounting books other than the statutory accounting books. The funds of the Company shall not be deposited in any account opened in the name of any individual.

When distributing its after-tax profits of the current year, the Company shall allocate 10% of the profits to its statutory reserve fund. Where the accumulated amount of the statutory reserve fund reaches 50% or more of the Company's registered capital, no further allocation is required. Where the statutory reserve fund of the Company is insufficient to make up for the losses of the Company in previous years, before allocation to the statutory reserve fund pursuant to the preceding paragraph, the profits of the current year shall be used to make up for such losses.

By resolution of the Shareholders' meeting, the Company may also allocate a discretionary reserve fund from its after-tax profits after allocation is made to the statutory reserve fund from its after-tax profits.

The remaining after-tax profits of the Company after making up for losses and making allocations to the reserve funds shall be distributed in proportion to the shareholdings of the Shareholders, unless all Shareholders unanimously agree not to distribute in proportion to their shareholdings. Where the Company distributes profits to the Shareholders in violation to the preceding paragraph, the Shareholders shall return the profits distributed in violation to the provisions to the Company. Where losses are caused to the Company, the Shareholders and the responsible Directors and senior management members shall be liable for compensation. The shares of the Company held by the Company itself shall not participate in profit distribution.

The reserve funds of the Company shall be applied to make up for the Company's losses, expand its scale of production and operations, or be converted into an increase in the Company's registered capital. When the reserve funds are used to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; where such funds are still insufficient, the capital reserve fund may be used pursuant to the regulations. When the statutory reserve fund is converted into registered capital, the balance of such reserve fund shall not be less than 25% of the Company's registered capital before such conversion.

After the Shareholders' meeting has passed a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within two months after the convening of the Shareholders' meeting.

The profit distribution policy of the Company is as follows: the profit distribution of the Company shall pay adequate attention to the returns to investors, maintain the continuity and stability of the Company's profit distribution policy, while taking into account the long-term interests of the Company, the overall interests of all Shareholders and the sustainable development of the Company, and shall comply with the relevant provisions of laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and other regulatory rules of the place(s) where the Company's shares are listed, as well as the Articles of Association.

Internal Audit

The Company shall implement an internal audit system, and employ full-time audit personnel to conduct internal audit and supervision over the financial income and expenses and economic activities of the Company.

The internal audit system of the Company and the duties of the audit personnel shall be implemented upon approval by the Board of Directors. The person in charge of the audit shall be accountable and report to the Board of Directors.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

A merger of the Company may take the form of a merger by absorption or a merger by the establishment of a new company. Where one company absorbs another, such merger shall be a merger by absorption, and the company being absorbed shall be dissolved. Where two or more companies merge to establish a new company, such merger shall be a merger by the establishment, and all parties to the merger shall be dissolved.

Where the Company merges with a company in which it holds more than 90% of the equity interests, the company being merged need not obtain a resolution of the Shareholders' meeting, provided that the other Shareholders shall be notified, and such other Shareholders shall have the right to request the Company to acquire their equity interests or shares at a reasonable price. Where the consideration payable for the merger is less than 10% of the net assets of the Company, a resolution of the Shareholders' meeting may be dispensed with, unless otherwise provided in the Articles of Association. Where, in accordance with the foregoing provisions, the merger is effected without a resolution of the Shareholders' meeting, the matter shall be considered and approved by a resolution of the Board of Directors.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the merger resolution and shall, within 30 days, make an announcement in a newspaper recognized by the industry and commerce administration at the place where the Company is located or on the National Enterprise Credit Information Publicity System. Within 30 days from the date of receipt of the notice, or, in the case of creditors who have not received such notice, within 45 days from the date of the announcement, creditors may require the Company to settle its debts or provide corresponding security.

Upon a merger of the Company, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company after the merger.

In the event of a division of the Company, its assets shall be split accordingly. In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the division resolution and shall, within 30 days, make an announcement in a newspaper recognized by the industry and commerce administration at the place where the Company is located or on the National Enterprise Credit Information Publicity System. Debts incurred by the Company prior to the division shall be subject to joint and several liability of the companies existing after the division, unless otherwise agreed in writing between the Company and its creditors in respect of debt settlement prior to the division. Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution for reduction of registered capital and shall, within 30 days, make an announcement in a newspaper recognized by the industry and commerce administration at the place where the Company is located or on the National Enterprise Credit Information Publicity System. Within 30 days from the date of receipt of the notice, or, in the case of creditors who have not received such notice, within 45 days from the date of the announcement, creditors shall be entitled to require the Company to settle its debts or provide corresponding security.

After the reduction of capital, the registered capital of the Company shall not be less than the statutory minimum amount.

Where the Company still has losses after making up losses in accordance with the provisions of the Articles of Association or the Company Law, it may make up such losses by reducing its registered capital. Where registered capital is reduced for the purpose of making up losses, the Company shall not make any distribution to Shareholders, nor shall it release Shareholders from their obligation to make capital contributions or pay up their share capital. Where the reduction of capital is made for the purpose of making up losses, an announcement shall be made in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days from the date on which the Shareholders' meeting adopts the resolution for reduction of registered capital.

Where the Company has completed a reduction of capital pursuant to the preceding paragraph, no profits shall be distributed until the aggregate amount of the statutory reserve and discretionary reserve reaches 50% of the registered capital of the Company. In the event of any unlawful distribution of profits, the Shareholders shall return the relevant profits to the Company. Where losses are caused to the Company, the Shareholders and the Directors and senior management members responsible shall be liable for compensation.

Where, as a result of a merger or division, any registered items are changed, the Company shall apply to the company registration authority for registration of such changes in accordance with laws. Where the Company is dissolved, it shall apply for deregistration of the Company in accordance with laws. Where a new company is established, registration of incorporation of the company shall be effected in accordance with laws. Where the Company increases or reduces its registered capital, it shall apply to the company registration authority for registration of such changes in accordance with laws.

Dissolution and Liquidation

The Company could be dissolved for the following reasons:

(1) upon expiry of the operation term stipulated in the Articles of Association or upon the occurrence of any other cause of dissolution stipulated in the Articles of Association;

(2) where the Shareholders' meeting resolve to dissolve the Company;

(3) where dissolution is required as a result of the merger or division of the Company;

(4) where the business license of the Company is revoked in accordance with laws, or the Company is ordered to close down or is deregistered; or

(5) where the Company encounters serious difficulties in its operation and management, and its continued existence would cause substantial losses to the interests of the Shareholders, and such difficulties cannot be resolved through any other means, Shareholders holding more than 10% of the voting rights of the Company may petition the People's Court to dissolve the Company.

Where any cause of dissolution as prescribed in the preceding paragraph arises, the Company shall, within 10 days, disclose such cause of dissolution through the National Enterprise Credit Information Publicity System.

Where the Company encounters serious difficulties in its operation and management, and its continued existence would cause substantial losses to the interests of the Shareholders, and such difficulties cannot be resolved through any other means, Shareholders holding more than 10% of all voting rights of the Shareholders of the Company may petition the People's Court to dissolve the Company.

Where the Company falls such circumstances as described under item (1) or item (2) of the first paragraph above and the Company has not yet distributed its assets to the Shareholders, the Company may continue to exist by amending the Articles of Association or by a resolution of the Shareholders' meeting.

Any amendment to the Articles of Association or any resolution of the Shareholders' meeting made pursuant to the preceding paragraph shall be passed by more than two-thirds of the voting rights held by the Shareholders present at the meeting.

Voluntary winding-up of the Company shall be approved by more than two-thirds of the voting rights held by the Shareholders present at the Shareholders' meeting.

Where the Company is dissolved pursuant to item (1), item (2), item (4) or item (5) of the first paragraph above, a liquidation committee shall be established within 15 days from the date on which the cause of dissolution arises, and the liquidation shall commence. The liquidation committee shall comprise the Directors or such persons as determined by the Shareholders' meeting. Where the liquidation committee is not established within the prescribed period to carry out the liquidation, creditors may apply to the People's Court for the appointment of relevant persons to form a liquidation committee and commence the liquidation.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment, and shall, within 60 days, make an announcement in a newspaper recognized by the industry and commerce administration at the place where the Company is located or on the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice, or, in the case of creditors not yet received such notice, within 45 days from the date of the announcement.

In declaring their claims, creditors shall specify matters relating to their claims and provide supporting materials. The liquidation committee shall register such claims. During the period for declaration of claims, the liquidation committee shall not make any settlement to creditors.

After clearing the Company's assets and preparing the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the Shareholders' meeting or the People's Court for confirmation. After payment of liquidation expenses, wages of employees, social insurance expenses and statutory compensation, outstanding taxes, and settlement of the Company's debts, the remaining assets of the Company shall be distributed in proportion to the shareholdings of the Shareholders. During the liquidation period, the Company shall continue to exist, but shall not carry on any business activities unrelated to the liquidation. Before the Company's assets are applied in settlement in accordance with the preceding paragraph, they shall not be distributed to the Shareholders.

Where, after clearing the Company's assets and preparing the balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to settle its debts in full, it shall apply to the People's Court for a declaration of bankruptcy in accordance with laws. After the Company is declared bankrupt by a ruling of the People's Court, the liquidation committee shall transfer the liquidation matters to the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, submit the same to the Shareholders' meeting or the People's Court for confirmation, and submit the same to the company registration authority, apply for deregistration of the Company, and announce the termination of the Company.

Where the Company is declared bankrupt in accordance with laws, bankruptcy liquidation shall be carried out in accordance with the relevant laws governing enterprise bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend its Articles of Association upon the occurrence of any of the following circumstances:

(1) where, following any amendment to the Company Law, relevant laws, administrative regulations, or the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules, any provision of the Articles of Association becomes inconsistent with such amended laws, administrative regulations, or the regulatory rules of the place(s) where the Company's shares are listed such as the Hong Kong Listing Rules;

(2) where there is any change in the Company's circumstances which renders them inconsistent with the matters recorded in the Articles of Association;

(3) where the Shareholders' meeting resolve to amend the Articles of Association.

Where any amendment to the Articles of Association approved by a resolution of the Shareholders' meeting is subject to approval by the competent authorities, such amendment shall be submitted to the competent authorities for approval. Where such amendment involves any registered particulars of the Company, the relevant change in registration shall be effected in accordance with laws.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders in general meeting approving the amendment to the Articles of Association and the approval opinions of the relevant competent authorities.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on August 29, 2023. Our registered office is located at Room 2301, 23/F, Tower D, Building 8, No. 1 Yard, Zhongguancun East Road, Haidian District, Beijing, PRC.

Our Company has established a place of business in Hong Kong at Room 1918, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●]. Ms. Yeung Lai Shan has been appointed as our authorized representative for acceptance of service of process and notices on behalf of the Company in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company is established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Appendix III — Summary of Articles of Association."

2. Changes in the Share Capital of Our Company

Save as disclosed below and in "History, Development and Corporate Structure," there has been no change in the share capital of our Company within the two years immediately preceding the date of this document.

(a) On July 17, 2024, the registered capital of our Company increased from RMB1,239,432 to RMB1,375,769.

(b) On October 18, 2024, the registered capital of our Company increased from RMB1,375,769 to RMB13,757,690.

(c) On March 10, 2025, the registered capital of our Company increased from RMB13,757,690 to RMB15,123,893.

(d) On May 20, 2025, the registered capital of our Company increased from RMB15,123,893 to RMB18,913,189.

(e) On July 22, 2025, the registered capital of our Company increased from RMB18,913,189 to RMB19,207,265.

(f) On February 13, 2026, the registered capital of our Company increased from RMB19,207,265 to RMB20,266,977.

(g) On April 1, 2026, the registered capital of our Company increased from RMB20,266,977 to RMB20,664,369.

(h) On June 26, 2026, the registered capital of our Company increased from RMB20,664,369 to RMB25,489,202.

3. Change in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountant's Report.

Save as disclosed below, there has been no change in the share capital of our subsidiaries within the two years preceding the date of this document:

(a) on December 5, 2024, SiliconFlow (Shanghai) Technology Co., Ltd. (硅基流動(上海)科技有限公司) was established in the PRC with a registered capital of RMB1,000,000.

(b) on May 16, 2025, Silicon Cloud (Shanghai) Technology Co., Ltd. (硅基雲聯(上海)科技有限公司) was established in the PRC with a registered capital of RMB1,000,000.

(c) on May 5, 2026, SiliconFlow Labs (HK) Limited (硅基流動實驗室(香港)有限公司) was incorporated in Hong Kong with a share capital of HK$100,000.

(d) on May 7, 2026, SILICONFLOW LABS PTE. LTD. was incorporated in Singapore with a share capital of SGD1,000.

4. Resolutions of Our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders held on June 26, 2026, our Shareholders resolved that, among others:

(a) the adoption and implementation of the Share Subdivision immediately prior to the [**REDACTED**] and the [**REDACTED**] by our Company of the H Shares of nominal value of RMB[**REDACTED**] each and such H Shares being [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] shall not be more than [**REDACTED**]% of the total issued share capital of our Company as enlarged by the [**REDACTED**], and the grant to the [**REDACTED**] (or their representatives) of the [**REDACTED**] of not more than [**REDACTED**]% of the number of H Shares initially available under the [**REDACTED**];

(c) subject to the filing procedure with the CSRC, upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares held by existing Shareholders will be converted into H Shares on a one-for-one basis;

(d) subject to completion of the [**REDACTED**], the grant of a general mandate to our Board to allot and issue Shares or sell and/or transfer treasury Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as our Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue (excluding any Treasury Shares) as at the [**REDACTED**];

(e) subject to the completion of the [**REDACTED**], the grant of a general mandate to our Board to repurchase H Shares issued on the Stock Exchange at any time within a period commencing from the [**REDACTED**] and up to the date of the conclusion of the next annual general meeting of the Shareholders to be held after the [**REDACTED**] or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be repurchased shall not exceed 10% of the number of the total issued H Shares (excluding any treasury shares) as at the [**REDACTED**];

(f) subject to completion of the [**REDACTED**], the adoption of the Articles of Association which shall become effective on the [**REDACTED**], and authorization to our Board to amend the Articles of Association to the extent necessary for the purpose of the [**REDACTED**]; and

(g) authorization of our Board or its authorized individual(s) to deal with all matters relating to the [**REDACTED**] and the [**REDACTED**].

5. Restriction on Share Repurchase

For details of the restrictions on share repurchase by our Company, see "Appendix III — Summary of Articles of Association."

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(a) [**REDACTED**].

2. Intellectual Property Rights

(a) Trademark

As of the Latest Practicable Date, we had registered the following trademark which we considered to be material to our business.

No.	Trademark	Owner
1.	SiliconFlow	Our Company

(b) Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business.

No.	Patent name	Owner	Filing Date	Registration Place
1 . . .	Task Scheduling Method for Large Language Models, Data Processing System and Electronic Device	Our Company	September 11, 2024	China
2 . . .	Token Screening Method and Apparatus Based on Medusa Model	Our Company	January 13, 2025	China
3 . . .	LoRA Weight Fusion Method and Apparatus for Large Language Model Inference System for Text Generation	Our Company	January 17, 2025	China
4 . . .	LoRA Weight Management Method and Apparatus for Large Language Models	Our Company	January 17, 2025	China
5 . . .	Inference System and Method for Large Models	Our Company	March 4, 2025	China
6 . . .	Load Balancing Routing System and Method for Large Models	Our Company	March 4, 2025	China
7 . . .	Static Graph Mode Image Generation System and Method Supporting Dynamic Resolution	Our Company	June 3, 2025	China
8 . . .	Workflow Conversion System and Method for Converting Native Nodes to Cloud Nodes	Our Company	June 3, 2025	China

No.	Patent name	Owner	Filing Date	Registration Place
9 . . .	System and Method for Reducing Latency of Multi-GPU Reduction Summation in Distributed Text Inference	Our Company	April 23, 2025	China
10 . .	Inference Service System and Method Supporting Multi-Model Hybrid Deployment	Our Company	November 4, 2025	China
11 . .	Iterative Task Execution Method and System Based on Dynamic Feedback and Causal Fault Tolerance	Our Company	October 15, 2025	China

(c) Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we considered to be material to our business.

No.	Copyright Name	Type of Copyright	Registration No.	Date of Registration
1 . .	Low-Bit Quantization Software for Large Language Models V1.0	Software Copyright	2026SR0440119	March 16, 2026
2 . .	SiliconFlow Large Language Model Inference Service Gateway Platform V1.0	Software Copyright	2026SR0131318	January 21, 2026
3 . .	SiliconFlow Large Language Model Inference Service Platform (AI Computing Center Edition) V1.0	Software Copyright	2026SR0095699	January 15, 2026
4 . .	SiliconFlow Large Language Model Inference Service Platform (Enterprise Edition) V1.0	Software Copyright	2026SR0089222	January 15, 2026
5 . .	High-Performance Parallel Inference Software for Multi-Head Latent Attention and Mixture-of-Experts Large Models V1.0	Software Copyright	2025SR0634842	April 17, 2025
6 . .	MoE-Transformer-INT8 Scalable Efficient Large Model Inference Quantization System V1.0	Software Copyright	2025SR0513992	March 25, 2025
7 . .	SiliconLLM-MTP Large Language Model Speculative Sampling Inference System V1.0	Software Copyright	2025SR0504502	March 24, 2025
8 . .	SiliconLLM-PD Disaggregated High-Performance Inference Software V1.0	Software Copyright	2025SR0484941	March 19, 2025

No.	Copyright Name	Type of Copyright	Registration No.	Date of Registration
9 . .	SiliconLLM-NPU-Enterprise Large Language Model High-Performance Inference System V1.0	Software Copyright	2025SR0377519	March 4, 2025
10 .	SiliconCloud Generative AI Cloud Service Platform V1.0	Software Copyright	2024SR2053887	December 11, 2024
11 .	SiliconLLM Large Language Model High-Performance Inference System V1.0	Software Copyright	2024SR0959165	July 9, 2024

(d) Domain Name

As of the Latest Practicable Date, we had registered the following internet domain name which we considered to be material to our business:

No.	Domain name	Owner	Expiry date
1. . . .	www.siliconflow.cn	Our Company	September 8, 2031

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts

We have entered into a service contract with each of our Directors which contains provisions in relation to, among others, term of service and termination. The service contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed in "Directors and Senior Management" and above, we have not entered into, and do not propose to enter into, any service contracts with any of our Directors in their respective capacities as Directors (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

2. Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and "Appendix I — Accountant's Report — Note 32 to the Historical Financial Information — Benefits and Interests of Directors," none of our Directors received other remuneration or benefits in kind from our Company during the three years ended December 31, 2025.

3. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executive in the Shares and underlying Shares of our Company and our associated corporation

Save as disclosed below, so far as our Directors are aware, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares to H Shares, none of our Directors or chief executive will have any interest and/or short position in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he or she is taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

(i) Interests in the Shares

Name	Position	Nature of interest	Number of Shares interested in immediately following completion of the [REDACTED](1)(2)	Approximate percentage of interest in the Unlisted Shares immediately following completion of the [REDACTED](2)	Approximate percentage of interest in the total share capital of our Company immediately following completion of the [REDACTED](2)
				(%)	(%)
Dr. Yuan . . .	Chairman of our Board, executive Director, CEO, general manager and financial controller	Beneficial owner	**[REDACTED]** Unlisted Shares (L)	**[REDACTED]**	**[REDACTED]**
		Interest in controlled corporation(3)	**[REDACTED]** Unlisted Shares (L)	**[REDACTED]**	**[REDACTED]**
Mr. Liu Juncheng .	Executive director and chief technology officer	Interest in controlled corporation(4)	**[REDACTED]** Unlisted Shares (L)	**[REDACTED]**	**[REDACTED]**

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The calculation is based on the total number of [**REDACTED**] Unlisted Shares and [**REDACTED**] H Shares in issue immediately following completion of the [**REDACTED**], and assuming that the [**REDACTED**] is not exercised.

(3) The general partner of our Employee Incentive Platforms is Dr. Yuan. As such, Dr. Yuan is deemed to be interested in the Shares held by each of our Employee Incentive Platforms under the SFO.

(4) Mr. Liu Juncheng is a limited partner of Silicon Innovation, holding approximately 35.00% of the partnership interest. As such, Mr. Liu is deemed to be interested in the Shares held by Silicon Innovation under the SFO.

(b) Interests and short positions of our substantial Shareholders in the Shares and underlying Shares of our Company

For the information on the persons who will, immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) and the conversion of Unlisted Shares to H Shares, have any interest and/or short position in the Shares or underlying Shares of our Company which will fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, see "Substantial Shareholders."

4. Disclaimers

Save as disclosed in "History, Development and Corporate Structure" and "Business" and above:

(a) none of our Directors or experts named in "Qualifications of Experts" in this section is:

(i) interested in our promotion, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group; and

(b) none of our Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. EMPLOYEE INCENTIVE SCHEME

The Employee Incentive Scheme was adopted by the Company in October 2024 (as amended in May 2026).

Silicon Innovation, Silicon Future, Silicon Exploration, and Silicon Excellence are Employee Incentive Platforms of our Company. Given the underlying Shares under the Employee Incentive Scheme had already been issued by the Company to the Employee Incentive Platforms, there will be no dilutive effect to the issued Shares upon the vesting of the awards thereunder.

As of the date of this document, Silicon Innovation, Silicon Future, Silicon Exploration, and Silicon Excellence held [**REDACTED**], [**REDACTED**], [**REDACTED**], and [**REDACTED**] Shares (assuming the Share Subdivision is completed), respectively.

The following is a summary of the principal terms of the Employee Incentive Scheme (the "**Scheme**"):

Purposes

The purpose of the Scheme is to improve the Company's incentive mechanism by granting equity interests to attract, incentivize and retain selected employees and other eligible participants, thereby enhancing their enthusiasm and creativity, encouraging long-term stable contribution to the Company, promoting sustained growth in Company performance and enabling participants to share in the appreciation of the Company's value.

Plan limit

The maximum number of corresponding Shares available for grant under the Scheme shall not exceed [**REDACTED**] Shares.

Administrator

The Plan is administered by the Board. Day-to-day management is delegated to the Compensation Committee established by the Board. The Board shall determine grants to participants whose incentive equity represents 2% or more of the Company's total equity. The Board may authorize the Compensation Committee to make autonomous grant decisions for participants whose incentive equity represents less than 2% of total equity, including the determination of individual allocations, grant prices, and vesting schedules.

Eligibility

Persons eligible to participate in the Plan include the Company's key technical personnel, senior management, other employees, consultants, directors, and such other persons as the Board or the Compensation Committee may approve (each, a "**Participant**"). The Compensation Committee has sole discretion to select Participants from among eligible persons.

Grant price

The grant price of incentive equity is determined by the Board and may be adjusted for individual Participants having regard to the pricing methodologies of comparable companies and the Company's historical financing valuations. Unless otherwise determined by the Board, the grant price is RMB1.00 per Share, as specified in the relevant grant agreement. Different tranches under the Scheme may carry different grant prices.

Vesting

Subject to the terms of individual grant agreements, incentive equity granted under the Plan may vest under one of three schedules as determined by the Board or Compensation Committee: (i) equally over four years at one-quarter per year; (ii) equally over six years at one-sixth per year; or (iii) immediately upon grant, provided that immediately-vesting grants shall not exceed 1% of total incentive equity in aggregate. If a Participant fails to meet applicable annual performance targets, all unvested incentive equity will be forfeited without compensation, and the general partner of the relevant Employee Incentive Platform or its designated entity will have the option (but not the obligation) to repurchase any vested incentive equity held by that Participant.

Non-transferability

The award (whether vested or unvested) is personal in nature and may not be sold, pledged, assigned, transferred, gifted or otherwise disposed of by a Participant except as expressly permitted under the Scheme. In the event of a Participant's death or incapacity, unvested incentive equity will be forfeited without compensation, and vested incentive equity will be transferred to or repurchased by the relevant Employee Incentive Platform's general partner or its designated entity, with any applicable consideration payable to the Participant's heirs or guardians.

No shareholder's right

The rights conferred on Participants by the awards are limited to economic rights only, comprising the right to receive dividends, profit distributions and capital gains attributable to the incentive equity. All other rights of a shareholder or partner (including, without limitation, voting rights and proposal rights) vest in the executive partner of the relevant Employee Incentive Platform.

Amendment, cancellation and termination

The Board shall be entitled to approve, amend and interpret the Scheme at any time. The Board of Directors may terminate the Scheme at any time, and shall endeavour to protect the existing rights of Participants in respect of vested awards at the time of termination.

Term of the Scheme

The Plan shall continue in effect for a term of ten (10) years from its adoption date. No awards shall be granted under the Scheme after the tenth anniversary of the adoption date. Awards previously granted may extend beyond that date and shall remain subject to the terms and conditions of the Scheme. Any vested awards that is repurchased during the term may be recycled and re-granted within the Grant Period, following the completion of all primary grants.

Details of the Awards Granted

Details of the awards granted to the relevant grantees are set out below:

Name	Positions	Relevant Employee Incentive Platform(s)	Approximate partnership interests in the relevant Employee Incentive Platform(s)	Approximate number of Shares corresponding to awards granted to the grantees[1]	Approximate percentage in the issued Shares immediately after the completion of the [REDACTED]
			(%)		(%)
Directors					
Dr. Yuan	Chairman of our Board, executive Director, CEO, general manager and financial controller	Silicon Future[2]	0.00005	[**REDACTED**]	[**REDACTED**]
		Silicon Innovation[3]	0.00005	[**REDACTED**]	[**REDACTED**]
		Silicon Exploration[4]	0.00005	[**REDACTED**]	[**REDACTED**]
		Silicon Excellence[5]	0.00006	[**REDACTED**]	[**REDACTED**]
Mr. Liu Juncheng .	Executive Director and chief technology officer	Silicon Innovation	35.00	[**REDACTED**]	[**REDACTED**]

Name	Positions	Relevant Employee Incentive Platform(s)	Approximate partnership interests in the relevant Employee Incentive Platform(s)	Approximate number of Shares corresponding to awards granted to the grantees[(1)]	Approximate percentage in the issued Shares immediately after the completion of the [REDACTED]
Mr. Zeng Hua	Executive Director and deputy general manager	Silicon Innovation	25.00	[**REDACTED**]	[**REDACTED**]
Senior Management					
Ms. Zhao Zhen . . .	Chief operating officer	Silicon Innovation	15.00	[**REDACTED**]	[**REDACTED**]
		Silicon Excellence	3.57	[**REDACTED**]	[**REDACTED**]
		Silicon Future	1.00	[**REDACTED**]	[**REDACTED**]
		Silicon Exploration	1.00	[**REDACTED**]	[**REDACTED**]
Mr. Hu Jian	Deputy general manager	Silicon Innovation	15.00	[**REDACTED**]	[**REDACTED**]
		Silicon Excellence	5.95	[**REDACTED**]	[**REDACTED**]

Notes:

(1) For illustrating the indirect interests of grantees in the Shares, the number of Shares is presented and calculated by multiplying their respective percentage of partnership interests in the relevant Employee Incentive Platforms by the total number of Shares (assuming that the [**REDACTED**] is not exercised and taking into account the Share Subdivision) held by the relevant Employee Incentive Platforms.

(2) Silicon Future is a limited partnership established in the PRC. Its general partner is Dr. Yuan, holding approximately 0.00005% of the partnership interest. Save as disclosed above and as of the Latest Practicable Date, the remaining partnership interests of Silicon Future were held by 31 employees and one former director of our Group, none of which held 30% or more of the partnership interests.

(3) Silicon Innovation is a limited partnership established in the PRC. Its general partner is Dr. Yuan, holding approximately 0.00005% of the partnership interest. Save as disclosed above and as of the Latest Practicable Date, the remaining partnership interests of Silicon Innovation were held by one former director of our Group, holding approximately 10.00% of the partnership interest.

(4) Silicon Exploration is a limited partnership established in the PRC. Its general partner is Dr. Yuan, holding approximately 0.00005% of the partnership interest. Save as disclosed above and as of the Latest Practicable Date, the remaining partnership interests of Silicon Exploration were held by 42 employees and one external consultant of our Group, none of which held 30% or more of the partnership interest.

(5) Silicon Excellence is a limited partnership established in the PRC. Its general partner is Dr. Yuan, holding approximately 0.00006% of the partnership interest. Save as disclosed above and as of the Latest Practicable Date, the remaining partnership interests of Silicon Excellence were held by six employees and one former director of our Group, none of which held 30% or more of the partnership interest.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or our subsidiaries.

2. Joint Sponsors

The Joint Sponsors have made an [**REDACTED**] on behalf of our Company to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**], the H Shares to be [**REDACTED**] pursuant to the [**REDACTED**] and the H Shares to be converted from Unlisted Shares, on the Main Board of the Stock Exchange. The Joint Sponsors will receive an aggregate fee of [**REDACTED**] for acting as joint sponsors for the [**REDACTED**]. Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

3. Preliminary Expense

As of the Latest Practicable Date, our Company did not incur any material preliminary expense.

4. Promoters

The promoters of our Company are all the then registered Shareholders as of June 17, 2026. Save as otherwise disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters of our Company in connection with the [**REDACTED**] or the related transactions described in this document.

5. Qualifications of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities as defined under the SFO
Haitong International Capital Limited	A licensed corporation to conduct for type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Commerce & Finance Law Offices	Legal advisor to our Company as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

6. Consent of Experts

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

7. Binding Effect

This document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance as far as applicable.

8. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Miscellaneous

(a) Save as otherwise disclosed in "Financial Information," "History, Development and Corporate Structure" and [**REDACTED**] within the two years immediately preceding the issue of this document:

(i) no share or debenture of any member of our Group has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid up otherwise than in cash;

(ii) no share or debenture of any member of our Group is under option or agreed conditionally or unconditionally to be put under option;

(iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group; and

(iv) no commission has been paid or is payable for subscribing, agreeing to subscribe, procuring or agreeing to procure subscriptions for any shares in or debentures of our Company.

(b) There are no founder or management or deferred shares in our Company.

(c) There is no arrangement under which future dividends are waived or agreed to be waived.

(d) There are no contracts for the hire or hire purchase of plant to or by our Group for a period of over one year which are substantial in relation to our Group's business.

(e) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months.

(f) No part of the equity or debt securities of our Company is [**REDACTED**] or [**REDACTED**] in on any stock exchange, and no such [**REDACTED**] or permission to [**REDACTED**] on any stock exchange other than the Stock Exchange is being or is proposed to be sought.

(g) Our Company has no outstanding convertible debt securities or debentures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 6. Consent of Experts"; and

(b) a copy of the material contract referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.siliconflow.cn** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountant's Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2025;

(d) the report from PricewaterhouseCoopers on the [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the PRC legal opinion issued by Commerce & Finance Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and property interests of our Group under PRC law;

(f) the industry report prepared by Frost & Sullivan, the summary of which is set forth in "Industry Overview";

(g) the material contract referred to in "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract(s)";

(h) the written consents referred to in "Appendix IV — Statutory and General Information — E. Other Information — 6. Consent of Experts";

(i) the service contracts referred to in "Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Particulars of Directors' Service Contracts";

(j) the terms of the Employee Incentive Scheme; and

(k) the PRC Company Law, the PRC Securities Law and the Overseas Listing Trial Measures, together with their unofficial English translations.