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Application Proof of

COSMOPlat IoT Technology Co., Ltd.
卡奧斯物聯科技股份有限公司

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

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IMPORTANT

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COSMOPlat IoT Technology Co., Ltd.
卡奧斯物聯科技股份有限公司

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

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	:	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	:	**HK$[REDACTED] per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Hong Kong Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)**
Nominal value	:	**RMB1.00 per H Share**
[REDACTED]	:	**[REDACTED]**

Joint Sponsors, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]

CICC 中金公司　　滙豐 HSBC

[REDACTED]

华泰国际 HUATAI INTERNATIONAL　　DBS 星展集团

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A copy of this document, having attached thereto the documents specified in "Appendix VII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in this document, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this document or any other documents referred to above.

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The [REDACTED], for themselves and on behalf of the [REDACTED], may, where considered appropriate and with the consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] below that is stated in this document (being HK$[REDACTED] per [REDACTED] to HK$[REDACTED] per [REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, an announcement will be published on the websites of our Company at https://www.cosmoplat.hk and the Stock Exchange at www.hkexnews.hk and the [REDACTED] will be cancelled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] and the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or disclosed in a new document (as appropriate)), not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. Details of the arrangement will then be announced by us as soon as practicable. For further information, please refer to the sections headed "Structure of the [REDACTED] and "How to Apply for [REDACTED]" in this document.

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The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be [REDACTED], sold, pledged or otherwise transferred within the United States, except pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws in the United States. The [REDACTED] may only be [REDACTED] and sold (a) in the United States solely to QIBs in reliance on Rule 144A or another available exemption from registration requirements under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S. No [REDACTED] of the [REDACTED] will be made in the United States.

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

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SUMMARY

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 before you decide to invest in the ***[REDACTED]****.*

There are risks associated with any investment. Some of the particular risks in investing in the ***[REDACTED]*** *are set out in the section headed "Risk Factors." You should read that section carefully before you decide to invest in the* ***[REDACTED]****. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this document.*

OVERVIEW

Who We Are

We are a provider of industrial intelligence products and solutions, comprising Internet of Things ("**IoT**") products (variable-frequency controllers and system controllers) and data intelligence solutions. Our products and solutions are dedicated to the intelligent transformation of our customers in various industrial sectors. Our IoT products are software-embedded controller hardware installed in customers' end devices, while our data intelligence solutions are delivered through platform-level software, application-level industrial software, intelligent agents, system integration services and, where required by customers, third-party hardware equipment. Our data intelligence solutions comprise intelligent manufacturing solutions, green manufacturing solutions, regional industrial internet solutions and enterprise value-added services. According to Frost & Sullivan, we ranked first among platform-based industrial data intelligence solution providers in China by revenue in 2025, with a market share of 1.7%. We ranked first among edge intelligent controllers in China's home appliance by revenue in 2025, with a market share of 4.3%. We have independently developed the COSMOPlat Industrial Internet Platform ("**COSMOPlat**") powered by industrial large models and built a technology architecture that integrates industrial intelligent software, intelligent agents, industrial operating systems and industrial brains with IoT systems and edge computing devices. Leveraging COSMOPlat, we connect equipment and systems, govern industrial data, deploy software and intelligent agents, and support local execution through controllers and edge devices. Our products and solutions have achieved commercialization at scale, with over 9,600 paying enterprises in various industry verticals such as home appliances, machinery equipment, electronics, automotive and energy and chemicals.

Our COSMOPlat is driven by industrial large models and rooted in our mass customization experience and Haier Group's 40-year intelligent manufacturing experience. It is one of the first platforms to be put on the list of "cross-industry and cross-domain industrial internet platforms" certified by the Ministry of Industry and Information Technology ("**MIIT**") and has maintained top ranking on the list for seven consecutive years. Centered on the value-driven transformation of industrial data, our COSMOPlat integrates technologies such as the IoT, big data, and artificial intelligence, decomposing the full manufacturing process into seven modules — demand interaction, research and development, marketing, procurement, production, logistics and services — and encapsulating the complex processes of industrial enterprises into replicable and scalable industrial intelligent software products and integrated solutions combining local device processing with cloud-based support. In practical terms, COSMOPlat provides the basic operating environment for software systems, reusable components for industrial applications, data governance capabilities, model capabilities and intelligent-agent development tools that support our IoT products and data intelligence solutions. These components help us configure and deploy solutions more efficiently than building each project from scratch.

SUMMARY

STRENGTHS

We believe that the following strengths contribute to our success, and distinguish us from our competitors: (i) early-mover advantage and differentiated competitive strengths in China's industrial digital intelligence market; (ii) a business model driven by an AI technology system; (iii) effective customer acquisition that ensures rapid growth in our customer base; (iv) strong backing from Haier Group's industrial ecosystem; and (v) an experienced team supported by a strong management culture.

STRATEGIES

We plan to implement the following strategies to achieve our further business expansion: (i) upgrade large-model capabilities to build a powerful engine for the development of industrial intelligent agents; (ii) develop key industrial intelligent products and solutions through focusing on scenarios with large demand; (iii) deepen coverage of key industry verticals and strengthen the operational capabilities of customers; (iv) deepen our globalization efforts and gradually increase overseas revenue contribution; and (v) enrich comprehensive data applications and continue unlocking the value of industrial data.

OUR BUSINESS MODEL

We are dedicated to developing and offering industrial intelligence products and solutions based on COSMOPlat. Our offerings cover platforms, software and hardware, comprising (i) IoT products that focus on delivering software-embedded controller hardware to enhance the intelligence and full lifecycle management capabilities of customers' end devices and (ii) data intelligence solutions that focus on the digital intelligence and green transformation of our customers' full lifecycle of operations. For data intelligence solutions, "platform" refers primarily to platform-level software and related deployment services, rather than a standalone hardware product. Depending on the project, our delivery may include application-level industrial software, intelligent agents, system integration services and third-party hardware equipment procured from ecosystem partners. On the supply side, we rely on structured sourcing and partner management processes designed to ensure consistency with our platform standards, quality controls and delivery schedules. On the demand side, we focus on building direct, long-term customer relationships and aligning our capabilities with a wide range of scenarios and evolving user needs. Our offerings include solutions with standardized products, thereby enabling scalable deployments and supporting on-demand and on-time adoption by customers.

Our COSMOPlat provides a unified digital foundation and toolset for scenario-based applications. On this basis, we have built an integrated product stack: (i) intelligent agents, along with an integrated development platform that allows users to quickly build and configure intelligent agents with limited coding required for different application scenarios, (ii) industrial software, including (a) product lifecycle management system (PLM)/simulation (SIM) for product structure management and research and development collaboration, (b) manufacturing operations management system (MOM) for discrete-industry manufacturing operations management, (c) manufacturing execution system (MES)/advanced planning and scheduling system (APS) for production execution, scheduling and process management and (d) energy management system (EMS) for energy monitoring, dispatch and optimization, supporting modular configuration across customer use cases, and (iii) intelligent hardware, primarily including intelligent controllers and edge controllers that acquire equipment signals and enable real-time control, forming the execution and sensing interface between the physical world and digital applications. In other words, our platform-level software connects equipment and systems, our application-level industrial software addresses specific manufacturing and energy-carbon scenarios, our intelligent agents analyze scenario data and assist with recommendations or workflow execution, and our controllers and edge devices perform data collection and local control. Our software and hardware together form a

comprehensive architecture. Building on this architecture, we offer two major solutions: IoT products and data intelligence solutions. Our solutions are deployed and operated within customers' local environments, and we do not directly access or process customers' data.

OUR COSMOPLAT

Our COSMOPlat is built around a business best practice as a service ("**BaaS**") engine, which includes the BaaS Industrial Brain and the BaaS Industrial Operating System. Our COSMOPlat provides unified connectivity interfaces to underlying industrial terminals and offers standardized, user-friendly and open development and deployment interfaces to industrial software and intelligent agent applications. The BaaS Industrial Operating System functions as a software foundation for connectivity, resource management, common tools and deployment interfaces, while the BaaS Industrial Brain provides data, model and knowledge capabilities for industrial intelligent software and intelligent agents. This allows the platform to deliver modular, ready-to-deploy enterprise-grade industrial internet platform solutions to enterprises, and provides fast, efficient and modular deployment capabilities for industrial intelligence products and solutions. Our COSMOPlat has accumulated years of industry expertise and know-how and has grown into a foundational platform driven by industrial large models.

BaaS Industrial Operating System is the core technology behind COSMOPlat. It brings together essential functions such as industrial IoT connectivity, modern cloud infrastructure, and resource management. With these capabilities, the system enables comprehensive connectivity of industrial elements, allows shared use of common tools, and helps coordinate activities across production process. It also allows customers to flexibly mix and match system components, application components, and industrial applications. This flexibility satisfies enterprises' needs for intelligence customization, lowers the cost and effort required for intelligence transformation and provides reliable support for rolling out industrial internet solutions at scale.

BaaS Industrial Brain is built on BaaS Industrial Operating System. BaaS Industrial Brain uses data as production factor, integrating digital technology, intelligence technology and industrial knowledge, and provides users with industrial intelligent software, industrial intelligent agents and other products. The BaaS Industrial Brain consists of two core capability components: COSMOTide Industrial Big Data and COSMOMind Industrial Large Model.

OUR PRODUCTS AND SOLUTIONS

Our business is built on a platform-centric architecture that combines IoT connectivity and data intelligence to deliver closed-loop industrial solutions. We operate through two complementary pillars: (i) IoT products, which provide real-time sensing, connectivity and execution capabilities; and (ii) data intelligence solutions, which enable value-driven transformation from data into productive factors. Our IoT products are delivered as software-embedded controller hardware. Our data intelligence solutions are delivered through a combination of platform-level software, application-level industrial software, intelligent agents, system integration services and, where required, third-party hardware equipment. Although our data intelligence solutions share COSMOPlat as a common technology foundation, they are different in terms of customer type, delivery content and application scenario: intelligent manufacturing solutions focus on internal manufacturing upgrades for individual enterprise customers; green manufacturing solutions focus on energy and carbon management for enterprises and industrial parks; regional industrial internet solutions focus on city-, industry- and industrial park-level governance, platform deployment and operational management for local governments; and enterprise value-added services focus on supply-demand matching and value-added services for enterprise participants on industry-specific platforms.

SUMMARY

Products/Solutions	What we deliver/key functions	Key suppliers	Revenue recognition policy	Typical fee model/ revenue model	Target customers	Basis for charging customers	Basis for paying suppliers/business partners
IoT Products — Variable-frequency Controllers	We deliver software-embedded controller hardware installed in customers' end devices. The controller regulates motor speed through embedded software and motor-control algorithms, and may connect the end device to an IoT platform for remote monitoring, remote control, alert generation and online software upgrades.	Suppliers of electronic components, PCB boards, structural parts and basic auxiliary materials.	Revenue is recognized on a gross basis when control of goods is transferred.	Software-embedded hardware sales.	Manufacturers of household and commercial appliances and other equipment manufacturers with low-power, variable-frequency control needs.	Pricing is generally determined on a cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering.
IoT Products — System Controllers	We deliver software-embedded controller hardware installed in customers' end devices. The controller coordinates system-level functions, such as receiving user instructions, processing sensor signals, managing displays, enabling communication among functional modules and connecting the device to IoT platforms for remote monitoring, remote control and online software upgrades.	Suppliers of electronic components, PCB boards, structural parts and basic auxiliary materials.	Revenue is recognized on a gross basis when control of goods is transferred.	Software-embedded hardware sales.	Manufacturers of household and commercial appliances, power battery producers, automotive manufacturers and mold producers.	Pricing is generally determined on a cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering.
Data Intelligence Solutions — Intelligent Manufacturing Solutions	We deliver enterprise-level platform-level software, application-level industrial software, intelligent agents, system integration services and, where required, third-party hardware equipment. COSMO-Sphere is platform-level software for device connection, data governance and intelligent-agent development. COSMO-iMOM and other application-level software are deployed for production execution, scheduling, quality management, warehousing, logistics and equipment management.	Hardware suppliers, including suppliers of servers, switches, robots and other hardware equipment; and software suppliers, including suppliers of simulation tools, customized development services and data collection services.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Enterprises in industries such as home appliances, machinery equipment, electronics, automotive and energy and chemicals.	Pricing is generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.

SUMMARY

Products/Solutions	What we deliver/key functions	Key suppliers	Revenue recognition policy	Typical fee model/ revenue model	Target customers	Basis for charging customers	Basis for paying suppliers/business partners
Data Intelligence Solutions — Green Manufacturing Solutions	We deliver COSMO-iEMS, energy-carbon intelligent agents, system integration services and, where required, energy infrastructure planning, retrofit and construction services. The platform collects energy and carbon data from meters, sensors and energy equipment, analyzes consumption and emission patterns, generates optimization recommendations and supports dispatch or operating strategies for equipment such as microgrids, compressed-air stations and heating and cooling plants.	Hardware suppliers, including HVAC, refrigeration and industrial energy storage equipment suppliers; and engineering construction and installation service providers.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Industrial parks and enterprise users in industries such as home appliances, electronics, machinery equipment, automotive and energy and chemicals.	Pricing is generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.
Data Intelligence Solutions — Regional Industrial Internet Solutions	We deliver customized platform-level software and related deployment services for local governments at the city, industry or industrial park level.	Hardware suppliers, including suppliers of servers and switches; and software suppliers, including suppliers of simulation tools, customized development services and data collection services.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Local governments. Services are provided for city-level, industry-level or industrial park-level governance and operation scenarios.	Generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.
Data Intelligence Solutions — Enterprise Value-added Services	We operate industry-specific platforms independently developed, invested in and operated by us, and provide supply-demand matching and value-added services to upstream and downstream participants in the relevant industry chain.		Revenue is recognized based on the agreed transaction service fee sharing ratio, or on a gross basis for value-added service fees.	Transaction service fees and value-added service fees.	Target customers include home appliance manufacturers, controller manufacturers and enterprises in industrial parks.	Operation service fees are generally settled monthly.	

SUMMARY

CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily include enterprises from home appliances, machinery equipment, electronics, automotive, energy and chemicals industries. Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB4,082.0 million, RMB4,063.5 million, RMB4,322.3 million and RMB1,007.8 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 81.7%, 80.2%, 68.1% and 68.3% of our total revenue, respectively. Revenue from our largest customer in each year/period during the Track Record Period was RMB3,607.4 million, RMB3,421.1 million, RMB3,468.8 million and RMB828.7 million, respectively, accounting for 72.2%, 67.5%, 54.6% and 56.2% of our total revenue for the respective years/periods. During the Track Record Period, our procurement primarily comprised (i) IoT-related raw materials, mainly electronic components and (ii) raw materials for data intelligence solutions, including hardware, software and system integration components. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB1,214.7 million, RMB1,161.6 million, RMB1,242.6 million and RMB293.2 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 30.8%, 30.0%, 27.4% and 24.5% of our total purchases, respectively. Purchases from our largest supplier in each year/period during the Track Record Period were RMB855.0 million, RMB863.0 million, RMB916.8 million and RMB192.1 million, respectively, accounting for 21.7%, 22.3%, 20.2% and 16.1% of our total purchases for the respective years/periods.

RISK FACTORS

We believe that our operations involve certain risks and uncertainties, some of which are outside our control. These risks are described in the "Risk Factors" section in this document, and we strongly encourage you to read them carefully before deciding to invest in our Shares. Some of the major risks we face include (i) the size of our addressable markets and the market demand for our solutions may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations and financial condition; (ii) the industry in which we operate is characterized by constant development, and if we fail to continuously improve our technology and provide solutions that meet the expectations of our customers, our business, financial condition and prospects may be materially and adversely affected; (iii) significant investment in research and development is required to maintain our competitive edge, and if such efforts fail to deliver the expected outcomes, our financial condition and operating results may be materially and adversely affected; (iv) our business success depends on our ability to retain existing customers and attract new ones; and (v) if our expansion into new industry sectors and use cases is not successful, our business, prospects and financial condition could be materially and adversely affected. See "Risk Factors."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants' Report as set out in Appendix IA to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

SUMMARY

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years/periods indicated.

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Continuing operations										
Revenue	4,993,539	100.0	5,069,457	100.0	6,351,148	100.0	1,252,618	100.0	1,474,914	100.0
Cost of sales	(4,103,086)	(82.2)	(4,150,308)	(81.9)	(5,223,222)	(82.2)	(1,032,404)	(82.4)	(1,215,491)	(82.4)
Gross profit	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**
Other income and gains	242,681	4.9	184,514	3.7	164,827	2.6	29,639	2.4	29,902	2.0
Selling and distribution expenses	(315,419)	(6.3)	(284,980)	(5.6)	(311,515)	(4.9)	(65,190)	(5.2)	(75,613)	(5.1)
Administrative expenses	(396,220)	(7.9)	(340,729)	(6.7)	(305,735)	(4.8)	(68,698)	(5.5)	(79,169)	(5.4)
Research and development expenses	(422,398)	(8.5)	(373,191)	(7.4)	(420,517)	(6.6)	(90,639)	(7.2)	(104,215)	(7.1)
Impairment losses on financial and contract assets, net	(4,655)	(0.1)	(16,468)	(0.3)	(35,858)	(0.6)	(3,367)	(0.3)	(2,169)	(0.1)
Other expenses	(15,036)	(0.3)	(8,413)	(0.2)	(19,543)	(0.3)	(1,578)	(0.1)	(4,863)	(0.4)
Finance costs	(8,856)	(0.2)	(9,349)	(0.2)	(10,932)	(0.2)	(2,384)	(0.2)	(3,294)	(0.2)
Share of profits of associates	27,534	0.6	14,829	0.3	14,129	0.2	4,098	0.3	5,737	0.4
(Loss)/Profit before tax from continuing operations	**(1,916)**	**(0.0)**	**85,362**	**1.7**	**202,782**	**3.2**	**22,095**	**1.8**	**25,739**	**1.7**
Income tax expense	(18,903)	(0.4)	(10,603)	(0.2)	(29,667)	(0.5)	(6,370)	(0.5)	(6,348)	(0.4)
(LOSS)/PROFIT FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS	**(20,819)**	**(0.4)**	**74,759**	**1.5**	**173,115**	**2.7**	**15,725**	**1.3**	**19,391**	**1.3**
Discontinued Operation										
(Loss)/profit for the year/period from a discontinued operation	(61,902)	(1.3)	(9,623)	(0.2)	47,386	0.7	47,386	3.7	—	—
(LOSS)/PROFIT FOR THE YEAR/PERIOD	**(82,721)**	**(1.7)**	**65,136**	**1.3**	**220,501**	**3.5**	**63,111**	**5.0**	**19,391**	**1.3**
Attributable to:										
Owners of the parent	(74,752)		61,827		175,389		61,670		18,735	
Non-controlling interests	(7,969)		3,309		45,112		1,441		656	
	(82,721)		65,136		220,501		63,111		19,391	

Non-IFRS Measure

The following table reconciles our (loss)/profit for the year/period from continuing operations presented in accordance with IFRS Accounting Standards to adjusted profit from continuing operations for the year/period (non-IFRS measure):

	Year ended December 31,			Three Months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(Unaudited)*	*(RMB'000)*
(Loss)/profit for the year/period from continuing operations	(20,819)	74,759	173,115	15,725	19,391
Adjusted by:					
Equity-settled share-based payment expenses	28,654	31,685	39,316	8,656	11,115
[REDACTED] expenses	—	—	8,357	—	8,661
Adjusted profit for the year/period from continuing operations (non-IFRS measure)	**7,835**	**106,444**	**220,788**	**24,381**	**39,167**

SUMMARY

We define adjusted profit for the year/period from continuing operations (non-IFRS measure) as profit for the year/period from continuing operations, excluding equity-settled share-based payment expenses and **[REDACTED]** expenses. Equity-settled share-based payment expenses are non-cash in nature and mainly represent the arrangement that we receive services from employees and others providing similar services as consideration for our equity instruments. Equity-settled share-based payment expenses are not expected to result in future cash payments. The **[REDACTED]** expenses are composed of (i) **[REDACTED]** and (ii) non **[REDACTED]**-related expenses, which consist of fees and expenses of legal advisers and Reporting Accountants and other fees and expenses. We believe that adjusted profit for the year/period from continuing operations (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. We also believe that this non-IFRS measure facilitates comparisons of operating performance from year to year and period to period, as well as company to company, by eliminating potential impacts of certain items. However, our non-IFRS measure does not have a standardized meaning prescribed by IFRS Accounting Standards, and our presentation of adjusted profit for the year/period from continuing operations (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit for the year/period from continuing operations (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We recorded a loss of RMB82.7 million in 2023, primarily due to (i) the loss arising from our discontinued operation of COSMO Moulds and (ii) increased research and development expenses incurred during a period of accelerated product commercialization and business expansion, which were not fully covered by our gross profit and other income and gains. During the Track Record Period, none of our business segments incurred any gross loss. In 2024, we returned to profitability, recording a profit of RMB65.1 million, mainly as a result of (i) the optimization of our operating expenses, including (a) enhancing sales digitalization and establishing standardized sales enablement tools to optimize sales resource allocation, (b) adopting automated reports and business intelligence dashboards to streamline management processes and reduce manual administrative work, and (c) applying AI-assisted development tools, reusable modules and low-code components to reduce repetitive development and testing work and improve research and development resource allocation; and (ii) an increase in gross profit.

With the enhanced standardization and modularization of our solutions, we are able to serve a broader customer base and undertake projects with scalable replication potential going forward. At the same time, we have continued to optimize our operating cost structure through software modularization, rapid deployment, improved delivery efficiency, shortened development cycles and enhanced software engineer productivity, which together have contributed to cost savings and improved gross margins. See "Financial Information — Period to Period and Year to Year Comparison of Results of Operations" for more details. Our adjusted profit for the year increased from RMB7.8 million in 2023 to RMB106.4 million in 2024, reflecting the improved profitability of our continuing operations during the year.

SUMMARY

During the Track Record Period, we conducted direct sales of IoT products and provided data intelligence solutions to our customers. The following table sets forth a breakdown of our revenue by business segment both in absolute amounts and as percentages of total revenue for the years/periods indicated.

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Variable-frequency controllers	930,591	18.6	1,197,763	23.6	1,409,049	22.2	282,195	22.5	330,211	22.4
System controllers	3,149,770	63.1	2,722,306	53.7	3,008,727	47.4	697,246	55.7	758,491	51.4
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Intelligent manufacturing solutions	580,936	11.6	701,153	13.8	838,703	13.2	156,425	12.5	140,210	9.5
Green manufacturing solutions	18,839	0.4	74,982	1.5	705,779	11.1	27,556	2.2	132,537	9.0
Regional industrial internet solutions	63,241	1.3	89,818	1.8	75,023	1.2	19,939	1.6	25,810	1.7
Enterprise value-added services	250,162	5.0	283,435	5.6	313,867	4.9	69,257	5.5	87,655	6.0
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*
							(Unaudited)			
IoT Products	**555,797**	**13.6**	**510,838**	**13.0**	**543,203**	**12.3**	**123,833**	**12.6**	**131,831**	**12.1**
Variable-frequency controllers	137,347	14.8	164,340	13.7	173,695	12.3	37,168	13.2	43,194	13.1
System controllers	418,450	13.3	346,498	12.7	369,508	12.3	86,665	12.4	88,637	11.7
Data Intelligence Solutions	**334,656**	**36.6**	**408,311**	**35.5**	**584,723**	**30.2**	**96,381**	**35.3**	**127,592**	**33.0**
Intelligent manufacturing solutions	126,979	21.9	135,646	19.3	170,658	20.3	29,298	18.7	40,355	28.8
Green manufacturing solutions	2,821	15.0	12,853	17.1	138,173	19.6	3,798	13.8	17,684	13.3
Regional industrial internet solutions	15,649	24.7	37,336	41.6	31,691	42.2	9,406	47.2	13,096	50.7
Enterprise value-added services	189,207	75.6	222,476	78.5	244,201	77.8	53,879	77.8	56,457	64.4
Total	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**

During the Track Record Period, sales of our IoT products were primarily conducted to customers in the Chinese Mainland, with overseas markets representing a smaller but consistent portion, and are mainly generated from customers within the Haier Group, while sales to independent customers have increased in recent years. By contrast, during the Track Record Period, our data intelligence solutions were mainly sold to customers in the Chinese Mainland, with revenue largely derived from independent customers, and overseas sales currently accounting for a relatively limited portion of this business line. For details of the revenue composition and the related gross profit performance of each business line by geographical locations and types of customers, see "Business — Our Products and Solutions" and "Financial Information — Description of Major Components of Our Results of Operations — Revenue" and "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin."

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by geographic locations for the years/periods indicated:

	Year ended December 31,												Three Months ended March 31,							
	2023				2024				2025				2025				2026			
	Revenue	Percentage of total revenue	Gross profit	Gross profit margin	Revenue	Percentage of total revenue	Gross profit	Gross profit margin	Revenue	Percentage of total revenue	Gross profit	Gross profit margin	Revenue	Percentage of total revenue	Gross profit	Gross profit margin	Revenue	Percentage of total revenue	Gross profit	Gross profit margin
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
													(Unaudited)							
Chinese Mainland	**4,369,170**	**87.5**	**801,397**	**18.3**	**4,360,500**	**86.0**	**765,345**	**17.6**	**5,582,071**	**87.9**	**994,609**	**17.8**	**1,075,775**	**85.9**	**183,192**	**17.0**	**1,304,350**	**88.4**	**227,621**	**17.5**
Overseas	**624,369**	**12.5**	**89,056**	**14.3**	**708,957**	**14.0**	**153,804**	**21.7**	**769,077**	**12.1**	**133,317**	**17.3**	**176,843**	**14.1**	**37,022**	**20.9**	**170,564**	**11.6**	**31,802**	**18.6**
United States	287,139	5.8	44,823	15.6	273,060	5.4	67,437	24.7	307,103	4.8	61,459	20.0	73,984	5.9	15,688	21.2	53,731	3.6	13,500	25.1
India	51,592	1.0	7,912	15.3	78,968	1.6	14,027	17.8	112,256	1.8	23,611	21.0	18,676	1.5	4,498	24.1	37,586	2.5	9,212	24.5
Thailand	54,711	1.1	11,501	21.0	52,078	1.0	13,499	25.9	99,029	1.6	10,534	10.6	4,216	0.3	829	19.7	13,946	0.9	2,656	19.0
Russia	104,005	2.1	14,638	14.1	152,878	3.0	31,583	20.7	50,258	0.8	9,202	18.3	19,142	1.5	3,865	20.2	5,398	0.4	1,055	19.5
Others[(1)]	126,922	2.5	10,182	8.0	151,973	3.0	27,258	17.9	200,431	3.1	28,511	14.2	60,825	4.9	12,142	20.0	59,903	4.2	5,379	9.0
Total	**4,993,539**	**100**	**890,453**	**17.8**	**5,069,457**	**100**	**919,149**	**18.1**	**6,351,148**	**100**	**1,127,926**	**17.8**	**1,252,618**	**100**	**220,214**	**17.6**	**1,474,914**	**100**	**259,423**	**17.6**

Notes:

(1) Others primarily include Vietnam, Pakistan, Mexico and Hong Kong.

SUMMARY

Summary of Consolidated Statements of Financial Position

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB '000)*
Non-current assets	1,860,332	2,238,057	3,639,169	3,647,072
Current assets	8,163,596	8,018,824	7,659,766	7,631,011
Total Assets	**10,023,928**	**10,256,881**	**11,298,935**	**11,278,083**
Non-current liabilities	391,411	327,063	392,824	394,854
Current liabilities	4,373,241	4,556,757	5,276,336	5,211,672
Total Liabilities	**4,764,652**	**4,883,820**	**5,669,160**	**5,606,526**
Net Current Assets	**3,790,355**	**3,462,067**	**2,383,430**	**2,419,339**
Net Assets	**5,259,276**	**5,373,061**	**5,629,775**	**5,671,557**

Our net assets remained relatively stable at RMB5,259.3 million and RMB5,373.1 million as of December 31, 2023 and 2024, respectively. Our net assets increased from RMB5,373.1 million as of December 31, 2024 to RMB5,629.8 million as of December 31, 2025, primarily due to the increase in the profit for the year in 2025. Our net assets remained relatively stable at RMB5,629.8 million as of December 31, 2025 and RMB5,671.6 million as of March 31, 2026.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information from our consolidated cash flow statements for the years/periods indicated:

	Year ended December 31,			Three Months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB '000) (Unaudited)*	*(RMB '000)*
Net cash generated from/ (used in) operating activities	77,284	87,296	223,238	(80,091)	27,093
Net cash (used in)/generated from investing activities	(245,475)	(2,182,350)	(514,537)	21,194	(99,886)
Net cash used in financing activities	(23,792)	(56,853)	(149,176)	(6,625)	(37,828)
Net decrease in cash and cash equivalents	(191,983)	(2,151,907)	(440,475)	(65,522)	(110,621)
Cash and cash equivalents at the beginning of the year/ period	4,147,300	3,958,997	1,808,915	1,808,915	1,366,130
Effect of foreign exchange rate changes, net	3,680	1,825	(2,310)	(929)	(6,319)
Cash and Cash Equivalents at the End of the Year/Period	**3,958,997**	**1,808,915**	**1,366,130**	**1,742,464**	**1,249,190**

Key Financial Ratios

The following table sets forth our key financial ratios for the years/periods indicated:

	As of/For the Year ended December 31,			As of/For the Three Months ended March 31,	
	2023	2024	2025	2025	2026
Net profit margin[(1)]	(1.7%)	1.3%	3.5%	5.0%	1.3%
Current ratio[(2)]	1.9 times	1.8 times	1.5 times	/	1.5 times
Gearing ratio[(3)]	4.0%	3.8%	5.0%	/	4.6%
Quick ratio[(4)]	1.7 times	1.6 times	1.2 times	/	1.2 times

Notes:

(1) Net profit margin is calculated as net profit for the relevant year/period divided by revenue for the same year/period and multiplied by 100%.
(2) Current ratio represents current assets divided by current liabilities as of the same date.
(3) Gearing ratio is calculated as total debt divided by total equity and multiplied by 100%. Total debt is defined as total payables incurred not in the ordinary course of business, including short-term and long-term borrowings, and lease liabilities.
(4) Quick ratio is calculated as current assets less inventories divided by current liabilities.

COMPETITION

China's market for platform-based industrial data intelligence solutions remained at an early stage of transition toward large-scale application in 2024 and was highly fragmented. According to Frost & Sullivan, in terms of revenue in 2025, the top three market participants accounted for only 3.8% of the market, and we ranked first with a market share of 1.7%. As demand from enterprises, industrial parks and industry customers for data governance, model management and cross-system collaboration continues to grow, competition in this market is expected to intensify. We also compete in the market for edge intelligent controllers, which is characterized by rapid product iteration, stringent requirements for hardware reliability and edge computing performance, and the need for adaptation to diverse downstream devices. In both segments, we face competition from domestic and international industrial platform providers, software companies, intelligent hardware manufacturers and AI technology companies, some of which have greater resources or longer operating histories. As the adoption of AI-enabled industrial platforms and intelligent edge controllers accelerates, industry concentration and differentiation based on technology, data assets and delivery experience are expected to increase. See "Industry Overview."

ACQUISITION OF SHANGHAI DISCOVERY

On August 13, 2025, our Company, through its wholly owned subsidiary, entered into an investment agreement pursuant to which we acquired 67% equity interest in Shanghai Discovery at a total consideration of RMB576.2 million by way of capital contribution and acquisition of equity interests from its then existing shareholders. On August 14, 2025, Shanghai Discovery became a non-wholly owned subsidiary of our Company and we started to consolidate its financial information since then.

As the highest applicable percentage ratios in relation to the acquisition exceeds 25% by reference to the most recent audited financial year of the Track Record Period, the acquisition is considered as a major acquisition for the purpose of Rule 4.05A of the Listing Rules. For further details of the acquisition, see "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers". For further details of the financial performance of Shanghai Discovery, see "Appendix IB — Accountants' Report of Shanghai Discovery Group".

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Haier Corp was entitled to exercise approximately 78.04% of the voting rights in our Company, among which (i) approximately 10.83% was held by Haier Corp as a direct Shareholder, (ii) approximately 49.11% was held by COSMO Digital Technology which is

indirectly wholly owned by Haier Corp through COSMO Holdings, and (iii) approximately 18.10% in aggregate was held by other subsidiaries or controlled entities of Haier Corp (including HSH (as to approximately 9.68%), Hefei Washing Machine (as to approximately 5.41%), HEG (as to approximately 1.80%) and Haichuang Zhilian (as to approximately 1.20%). Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Haier Corp will, directly and indirectly through its subsidiaries or controlled entities, be entitled to exercise approximately **[REDACTED]**% of the voting rights in our Company. Accordingly, Haier Corp, COSMO Holdings, COSMO Digital Technology, Hefei Washing Machine, Smart Home Appliances, Qingdao Washing Machine, HEG, HSH, Haichuang Zhilian, Qingdao Haichuang, Haier Venture Capital, Haier Finance Holding and Qingdao Haironghui constitute a group of our Controlling Shareholders under the Listing Rules.

Our Group is engaged in the sales and manufacturing of IoT products and the provision of data intelligence solutions, whereas Haier Group is primarily engaged in manufacturing-oriented and consumer-facing businesses such as home appliances, healthcare and other selected digital economy businesses. As such, there is a clear delineation of business between our Group and Haier Group.

We were incubated by Haier Group's industrial internet initiatives, and our products and solutions were initially developed and deployed within Haier Group's manufacturing and operational scenarios. Since our inception in 2017, we have maintained a long-term and stable business relationship with Haier Group. During the Track Record Period, our revenue attributable to Haier Group amounted to approximately RMB3,607.4 million, RMB3,421.1 million, RMB3,468.8 million and RMB828.7 million, representing approximately 72.2%, 67.5%, 54.6% and 56.2% of our total revenue, respectively, while our purchases attributable to Haier Group amounted to approximately RMB855.0 million, RMB863.0 million, RMB916.8 million and RMB192.1 million, representing approximately 21.7%, 22.3%, 20.2% and 16.1% of our total purchases, respectively. According to Frost & Sullivan, such customer concentration is in line with industry norms for industrial intelligence platforms incubated by major manufacturing groups. Our transactions with Haier Group are conducted in the ordinary and usual course of business, and our Directors confirm that these transactions are conducted on normal commercial terms, in accordance with the arm's length principle, and on pricing terms comparable to those applicable to Independent Third Parties. Our Directors believe that our business relationship with Haier Group is commercially beneficial and mutually complementary and is in the best interests of our Company and does not give rise to any undue reliance on Haier Group.

Notwithstanding the foregoing, our Directors recognize the risks associated with customer concentration and possible supply chain disruption. To mitigate such risk exposure, we have implemented specific measures across sales, R&D and procurement, primarily including expanding independent third-party customer base and enhancing our procurement capabilities and supplier diversification. See "Relationship with Our Controlling Shareholders" for further details.

PRE-[REDACTED] INVESTMENTS

Throughout the development of our Group, we obtained several rounds of Pre-**[REDACTED]** Investments. For details, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments" in this document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions which will constitute continuing connected transactions under Chapter 14A of the Listing Rules upon **[REDACTED]**. For further details, see "Connected Transactions" in this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

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

converted from **[REDACTED]** Shares on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (a) our revenue of RMB6,351.1 million for the year ended December 31, 2025 which exceeds HK$500 million, and (b) our expected market capitalization at the time of **[REDACTED]**, which, based on the **[REDACTED]** of HK$**[REDACTED]** per H Share (being the low-end of the indicative **[REDACTED]**), exceeds HK$4 billion.

[REDACTED] EXPENSES

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** stated in this document), the aggregate **[REDACTED]** and fees, together with the Stock Exchange **[REDACTED]** fee, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the **[REDACTED]**, which are payable by us, are estimated to be approximately RMB**[REDACTED]**, accounting for **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**, of which (i) approximately RMB**[REDACTED]** was recognized in our consolidated statements of profit or loss during the Track Record Period, (ii) RMB**[REDACTED]** is expected to be charged to profit or loss after the Track Record Period and (iii) approximately RMB**[REDACTED]** will be deducted from equity upon the completion of the **[REDACTED]**. By nature, our **[REDACTED]** expenses are composed of: (i) **[REDACTED]** of approximately RMB**[REDACTED]** and (ii) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]**, which consist of fees and expenses of legal advisers and Reporting Accountants of approximately RMB**[REDACTED]** and other fees and expenses of approximately RMB**[REDACTED]**.

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 assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** and HK$**[REDACTED]**), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** 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$**[REDACTED]**) will be used to improve our core platform and product capabilities; (ii) approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to enhance our business development capabilities to accelerate market penetration and deepen customer engagement and value proposition; (iii) approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used for potential investment and acquisition opportunities aimed at further consolidating our technology capabilities and expanding our business boundaries. We will look for suitable targets that complement our existing products and technology platforms, create synergies and help strengthen our competitiveness in the industry; and (iv) approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used for working capital and general corporate purposes. See "Future Plans and Use of **[REDACTED]**."

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) the **[REDACTED]** is completed and **[REDACTED]** H Shares are **[REDACTED]** in the **[REDACTED]**; and (ii) the **[REDACTED]** is not exercised:

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Market capitalization of our H Shares[(1)]	[HK$[REDACTED]]	[HK$[REDACTED]]
Market capitalization of our Shares[(2)]	HK$[REDACTED]	HK$[REDACTED]
Unaudited **[REDACTED]** adjusted consolidated net tangible assets per Share[(3)]	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) The calculation of market capitalization is based on **[REDACTED]** H Shares that will be issued pursuant to the **[REDACTED]** and **[REDACTED]** **[REDACTED]** Shares that will be converted into H Shares upon completion of the **[REDACTED]**, without taking into account any exercise of the **[REDACTED]**.

(2) The calculation of market capitalization is based on **[REDACTED]** Shares expected to be in issue and outstanding following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised.

(3) The unaudited **[REDACTED]** adjusted consolidated net tangible assets of the Group attributable to owners of the parent per Share are arrived at after adjustments referred to in the preceding paragraphs and on the basis that **[REDACTED]** Shares are in issue, without taking into account of any shares which may be allotted and issued upon the exercise of the **[REDACTED]**.

DIVIDENDS

No dividend was paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or fixed dividend payout ratio. After completion of the **[REDACTED]**, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and any other factors that our Directors may consider important. Future dividend payments will also depend upon the availability of dividends received from our subsidiaries in China. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles, while the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects. PRC laws also require our subsidiaries to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Subsequent to the Track Record Period and up to the Latest Practicable Date, our business continued to grow and we further expanded our presence across key industry verticals, including machinery and equipment, pan-semiconductor, automotive, and energy and chemicals, and entered into strategic cooperation with a number of leading enterprises. During the relevant period, we entered into 249 new contracts in relation to our data intelligence solutions business, with independent customers accounting for approximately 72% of the total, and recorded new orders of RMB748 million, of which approximately 78% were from independent customers.

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, and there has been no event since March 31, 2026 that would materially affect the information shown in the Accountants' Report set out in Appendix IA to this document.

DEFINITIONS

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".

"%"	per cent
"Accountants' Report"	the accountants' report of our Company from Ernst & Young, the text of which is set out in Appendix IA to this document
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, which will become effective on the **[REDACTED]** and as amended from time to time, a summary of which is set out in "Appendix V — Summary of the Articles of Association" to this document
"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
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal business to the public
"CAGR"	compound annual growth rate
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"CFETS"	China Foreign Exchange Trade System
"China", "Chinese Mainland" or "PRC"	the People's Republic of China, and for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China" and the "PRC" do not apply to Hong Kong, Macau Special Administrative Region and Taiwan
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Common High Priority List"	a set of 50 dual-use and advanced technology items identified by the U.S., EU, UK, Japan and other partners as high-risk goods and subject to heightened export-control scrutiny
"Companies Ordinance"	the 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"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

"Company", "our Company" or "the Company"	COSMOPlat IoT Technology Co., Ltd. (卡奧斯物聯科技股份有限公司), a limited liability company established in the PRC on April 19, 2017 which was converted into a joint stock company with limited liablity on December 30, 2022
"Company Law" or "PRC Company Law"	the 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
"Compliance Adviser"	Maxa Capital Limited
"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 Shareholders"	has the meaning ascribed to under in the Listing Rules and unless the context requires otherwise, refers to the group of controlling shareholders of our Company, namely the Haier Corp, COSMO Holdings, COSMO Digital Technology, Hefei Washing Machine, Smart Home Appliances, Qingdao Washing Machine, HEG, HSH, Haichuang Zhilian, Qingdao Haichuang, Haier Venture Capital, Haier Finance Holding and Qingdao Haironghui, details of which are set forth in "Relationship with our Controlling Shareholders"
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"COSMO Digital Technology"	COSMO Digital Technology Development Co., Ltd. (海爾卡奧斯數字科技發展有限公司) (formerly known as Haier COSMO Ecological Technology Co., Ltd. (海爾卡奧斯生態科技有限公司) and Qingdao Haier Ecological Investment Co., Ltd. (青島海爾生態投資有限公司)), a limited liability company established in the PRC on December 4, 2019, a member of Haier Group and one of our Controlling Shareholders
"COSMOPlat Energy"	COSMOPlat Energy Technology Co., Ltd. (卡奧斯能源科技有限公司), a limited liability company established in the PRC on May 20, 1993 and one of our subsidiaries
"COSMO Holdings"	Qingdao COSMO Holdings Co., Ltd. (青島卡奧斯控股有限公司), a limited liability company established in the PRC on September 4, 2023, a member of Haier Group and one of our Controlling Shareholders
"COSMO Moulds"	COSMO Moulds (Qingdao) Co., Ltd. (卡奧斯模具(青島)有限公司) (currently known as Qingdao Haier Moulds Co., Ltd. (青島海爾模具有限公司)), a limited liability company established in the PRC on September 1, 1992
"COSMO Qingdao"	COSMO Digital Technology (Qingdao) Co., Ltd. (卡奧斯數字科技(青島)有限公司), a limited liability company established in thePRC on February 8, 2018 and one of our subsidiaries
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company

"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
[REDACTED]	**[REDACTED]**
"Extreme Conditions"	announced by the Hong Kong Government pursuant to the "*Code of Practice in Times of Adverse Weather and 'Extreme Conditions'*", being circumstances where a Super Typhoon or other natural disaster of a substantial scale seriously affects the working public's ability to resume work or gives rise to safety concerns for a prolonged period
[REDACTED]	**[REDACTED]**
"Frost & Sullivan" or "Industry Consultant"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
"Frost & Sullivan Report"	the industry report commissioned by us and independently prepared by Frost & Sullivan, summary of which is set forth in the section headed "Industry Overview" in this document
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Group", "our Group", "we", "our" or "us"	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
"H Share(s)"	overseas **[REDACTED]** ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be subscribed for and traded in HK dollars and to be **[REDACTED]** on the Hong Kong Stock Exchange
[REDACTED]	**[REDACTED]**
"Haichuang Zhilian"	Qingdao Haichuang Zhilian Industrial Internet Industry Investment Fund Partnership (Limited Partnership) (青島海創智鏈工業互聯網產業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC on July 16, 2021, a member of Haier Group and one of our Controlling Shareholders

DEFINITIONS

"Haier Finance Holding"	Haier Group (Qingdao) Finance Holding Co., Ltd. (海爾集團(青島)金盈控股有限公司), a limited liability company established in the PRC on February 27, 2014, a member of Haier Group and one of our Controlling Shareholders
"Haier Corp"	Haier Group Corporation (海爾集團公司), a collectively-owned enterprise established in the PRC, one of our Controlling Shareholders
"Haier Group"	Haier Corp and its subsidiaries
"Haier Venture Capital"	Qingdao Haier Venture Capital Investment Co., Ltd. (青島海爾創業投資有限責任公司), a limited liability company established in the PRC on April 16, 2010, a member of Haier Group and one of our Controlling Shareholders
"Hefei Washing Machine"	Hefei Haier Washing Machine Co., Ltd. (合肥海爾洗衣機有限公司), a limited liability company established in the PRC on November 2, 2000, a member of Haier Group and one of our Controlling Shareholders
"HEG"	Haier Electronics Group Co., Ltd. (海爾電器集團有限公司), a company incorporated in Bermuda with limited liability on September 23, 1997 which was listed on the Stock Exchange (stock code: 1169) and subsequently privatized and delisted from the Stock Exchange in December 2020, a member of Haier Group and one of our Controlling Shareholders
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"HK$" or "Hong Kong dollars" or "HK dollars" or "cents"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

DEFINITIONS

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"HSH"	Haier Smart Home Co., Ltd. (海爾智家股份有限公司) (formerly known as Qingdao Qindao Haier Co., Ltd. (青島琴島海爾股份有限公司) and Qingdao Haier Refrigerator Co., Ltd. (青島海爾電冰箱股份有限公司)), a joint stock limited company incorporated in the PRC on April 28, 1989, whose H Shares are listed on the Stock Exchange (stock code: 6690), A shares are listed on the Shanghai Stock Exchange (stock code: 600690) and D shares are listed on the China Europe International Exchange AG D-Share Market and quoted on the Frankfurt Stock Exchange (stock code: 690D), a member of Haier Group and one of our Controlling Shareholders
"IFRS Accounting Standards"	the IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board (IASB) and the IAS and interpretations issued by the International Accounting Standards Committee (IASC)
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of our Company and our connected persons as defined under the Listing Rules
[REDACTED]	**[REDACTED]**

DEFINITIONS

[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the **[REDACTED]**"
"Kesimeng I"	Shanghai Kesimeng Enterprise Management Partnership (Limited Partnership) (上海科思盟企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on September 23, 2019, and an employee shareholding platform of our Company
"Kesimeng II"	Shanghai Kesimeng II Enterprise Management Partnership (Limited Partnership) (上海科思盟貳企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on December 7, 2023, and an employee shareholding platform of our Company
"Latest Practicable Date"	July 22, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"Listing Rules" or "Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time

DEFINITIONS

"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"MIIT"	Ministry of Industry and Information Technology (中華人民共和國工業和信息化部)
"Nomination Committee"	the nomination committee of our Board
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"PBOC"	People's Bank of China
"PTC"	Parametric Technology Corporation
"PRC Legal Adviser"	King&Wood, the legal adviser to our Company as the laws of the PRC
"Pre-**[REDACTED]** Investment(s)"	the investment(s) in our Company undertaken by the Pre-**[REDACTED]** Investors pursuant to the relevant equity transfer agreement(s) and/or investment agreement(s), details of which are set out in the section headed "History, Development and Corporate Structure" in this document
"Pre-**[REDACTED]** Investor(s)"	the investor(s) who acquired interest in our Company pursuant to the relevant equity transfer agreement(s) and/or investment agreement(s), details of which are set out in the section headed "History, Development and Corporate Structure" in this document
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

"Primary Sanctioned Activity"	any activity in a Sanctioned Country or (1) with; or (2) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by a **[REDACTED]** applicant incorporated or located in a Relevant Jurisdiction or which otherwise has a nexus with such jurisdiction with respect to the relevant activity, such that it is subject to the relevant sanctions law or regulation
"document"	this document being issued in connection with the **[REDACTED]**
"Qingdao Haichuang"	Qingdao Haichuang Smart Chain Equity Investment Management Co., Ltd. (青島海創智鏈股權投資管理有限公司), a limited liability company established in the PRC on December 16, 2020, a member of Haier Group and one of our Controlling Shareholders
"Qingdao Haichuangbo"	Qingdao Haichuangbo Equity Investment Partnership (Limited Partnership) (青島海創博股權投資合夥企業(有限合夥)), a limited partnership established in the PRC on August 26, 2019
"Qingdao Haironghui"	Qingdao Haironghui Holdings Co., Ltd. (青島海融匯控股有限公司), a limited liability company established in the PRC on September 4, 2023, a member of Haier Group and one of our Controlling Shareholders
"Qingdao Washing Machine"	Qingdao Haier Washing Machine Co., Ltd. (青島海爾洗衣機有限公司), a limited liability company established in the PRC on January 2, 2004, a member of Haier Group and one of our Controlling Shareholders
"Regulation S"	Regulation S under the U.S. Securities Act
"Relevant Jurisdiction"	any jurisdiction that is relevant to our company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets of certain countries, governments, persons, or entities targeted by such law or regulation
"Relevant Persons"	an applicant, together with its investors and shareholders and persons who might, directly or indirectly, be involved in permitting the **[REDACTED]**, trading, clearing and settlement of its shares, including the Exchange and related group companies
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SAFE"	State Administration of Foreign Exchange (中華人民共和國外匯管理局)

"Sanctioned Country"	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions related law or regulation of the Relevant Jurisdiction. As of the Latest Practicable Date, the Sanctioned Countries are considered to be Cuba, Iran, North Korea, Syria and the Crimea, Donetsk and Luhansk regions of Ukraine which are the Sanctioned Countries for purposes of U.S. law. We note that Russia is treated as a High-Risk jurisdiction under U.S. practice, although it is generally treated as a Sanctioned Country for purposes of EU and UK law
"Sanctioned Target"	any person or entity: (1) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (2) that is, or is owned or controlled by, a government of a Sanctioned Country; or (3) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (1) or (2)
"Sanctioned Trader"	any person or entity that does a material portion (10% or more) of its business with Sanctioned Targets and Sanctioned Country entities or persons
"Secondary Sanctionable Activity"	certain activity by a listing applicant that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the listing applicant is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus with that Relevant Jurisdiction
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Shanghai Discovery"	Shanghai Discovery Energy Services Co., Ltd (上海碳索能源服務股份有限公司) (formerly known as Shanghai Discovery Energy Environmental Services Co., Ltd. (上海碳索能源環境服務有限公司) and Shanghai Discovery Energy Services Co., Ltd. (上海碳索能源服務有限公司)), a limited liability company established in the PRC on May 30, 2011 which was converted into a joint stock company with limited liablity on July 21, 2015 and one of our subsidiaries
"Shanghai Wukun"	Shanghai Wukun Enterprise Management Partnership (Limited Partnership) (上海物鯤企業管理合夥企業(有限合夥)), a limited partnership established in the PRC on November 15, 2023, and an employee shareholding platform of our Company
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each including both **[REDACTED]** Shares and H Shares
"Shareholder(s)"	holder(s) of Share(s)
"Smart Home Appliances"	Qingdao Haier Smart Home Appliances Co., Ltd. (青島海爾智慧家用電器有限公司), a limited liability company established in the PRC on April 12, 2017, a member of Haier Group and one of our Controlling Shareholders

DEFINITIONS

[REDACTED]	**[REDACTED]**
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy and Investment Committee"	the strategy and investment committee of our Board
"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
"Track Record Period"	the years ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2026
"UL"	Underwriters Laboratories Inc
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
"**[REDACTED]** Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and not **[REDACTED]** or traded on any stock exchange
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency for the time being of the United States
"VAT"	value-added tax
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as of the date of this document.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

"5G"	the fifth generation of cellular network technology, designed to deliver significantly faster data speeds, lower latency, and greater network capacity compared to previous generations such as 4G
"AI"	artificial intelligence, the ability of a digital computer or computer-controlled robot to perform tasks commonly associated with intelligent beings
"AOI"	automated optical inspection
"APS"	advanced planning and scheduling system, a manufacturing planning system used to optimize production scheduling and resource allocation under complex constraints
"BaaS"	business best practice as a service, our proprietary solution framework and service delivery model under which industrial know-how, operational processes and best practices are digitized, modularized and embedded into its industrial operating system, and are made available to customers on a service basis. "BaaS" is a branding and product term used by our Company and does not represent a standardized industry definition
"BaaS Industrial Brain"	the intelligent core of COSMOPlat, boasting industrial data processing, industrial large model training and inference, and industrial agent development capabilities
"BaaS Industrial Operating System"	the digital foundation of the COSMOPlat Industrial Internet Platform, mainly supporting industrial device connection and management, along with containerized resource management capabilities
"carbon accounting"	the calculation of carbon emissions in accordance with recognized standards or methodologies, ensuring consistency, accuracy and comparability of emission data
"COSMO-iMOM integrated digital twin manufacturing platform"	an all-in-one software suite that empowers manufacturing enterprises to simulate, execute, and optimize their operations by fusing AI and digital twin technology with Manufacturing Operations Management to create a real-time virtual mirror of the factory, enabling managers to predict outcomes and make confident, data-driven decisions
"COSMOMind Industrial Large Model"	an AI-powered foundational model developed for industrial applications built from large industrial datasets and expert knowledge to deliver deep cognitive capabilities, scenario-driven insights, and intelligent decision-making tailored to specific industrial sectors
"COSMOPlat/ COSMOPlat Industrial Internet Platform"	a proprietary AI-powered industrial internet platform that serves as a foundational technology and capability of us for industrial intelligent transformation

GLOSSARY OF TECHNICAL TERMS

"COSMO-Sphere"	a software product which mainly integrates the capabilities of COSMOBase, COSMOTide, COSMOMind, allowing customers to freely assemble its capability modules according to their own needs, and helping enterprises of all sizes achieve digital transformation
"COSMOTide Industrial Big Data"	a full-process data governance system within the COSMOPlat Industrial Internet Platform responsible for data cleansing, storage, and analysis of industrial data acquired from customer operations, enabling systematic aggregation and intelligent processing of large-scale, heterogeneous industrial datasets to support advanced analytics and AI applications
"Data intelligence solutions"	data and AI-driven solutions, including industrial digital transformation solutions and industrial green manufacturing solutions
"DevOps"	a set of automated processes, tools and practices that enable software teams to build, test and deliver applications continuously and reliably
"digital twin"	a virtual model of a physical asset, process or system (such as factories or equipment) that uses data to simulate the real-time behavior of, and stay synchronised with, such physical asset, process or system, enabling monitoring, simulation, testing and predictive analysis to optimize their operations
"DIP"	a classic through-hole packaging technology for electronic components (such as integrated circuits, resistors and capacitors), in which the pins of the component are arranged in two parallel rows and inserted into the corresponding holes of the printed circuit board for soldering and fixation, widely used in industrial control, electronic equipment and embedded systems
"EAM"	enterprise asset management system, a comprehensive system that integrates processes, data, and digital tools to manage an organization's physical assets throughout their entire lifecycle including planning, acquisition, operation, maintenance, and disposal with the aim of maximizing asset reliability, optimizing performance, reducing downtime, and improving overall operational efficiency
"EDSP"	COSMOPlat Ecological Delivery Service Platform, a full-process digital delivery service platform that integrates sales management (from customer to lead, business opportunity, and contract), project management (from project initiation to delivery), commercial product research and development, and operation management, all centered on the user to ensure project success and customer satisfaction
"EMS"	energy management system, an integrated system of software and hardware used to monitor, control and dispatch energy flows among connected energy resources, enabling the optimization of energy generation, storage and consumption
"COSMO-iEMS"	an advanced, AI-driven management platform developed by us, which delivers scenario-based solutions for energy efficiency, carbon reduction, and operational excellence
"ERP"	enterprise resource planning system

GLOSSARY OF TECHNICAL TERMS

"ESD"	electrostatic discharge, a sudden and momentary flow of electric current between two objects with different electrical potentials, typically caused when they come close together or when the insulating material between them breaks down
"Green manufacturing solutions"	solutions that leverage advanced hardware, software, and AI-driven platforms to optimize energy systems, reduce operational costs, and support customers in meeting their environmental and sustainability goals. According to Frost & Sullivan, the naming of green manufacturing solutions is appropriately reflect the nature of the business. In China, green manufacturing is a formally defined term under the national standard GB/T 28612–2023 (Green Manufacturing -Terminology), which sets out the authoritative definition of green manufacturing with a focus on low consumption, low emissions, high efficiency, and the integration of green development concepts throughout the product life cycle. Our green manufacturing solution business segment was in line with this industry-recognized definition
"IATF16949"	international technical specification of automotive industry quality management system, which was prepared by International Automotive Task Force and International Organization for Standardization
"industrial internet platform(s)"	a key digital infrastructure for industrial upgrading, which connects industrial production equipment, systems and enterprises through digital technologies, collects and analyzes industrial data, and empowers the optimization of manufacturing processes and industrial chain collaboration, helping traditional manufacturing achieve digital transformation and further development
"Intelligent manufacturing solutions"	a suite of integrated hardware and software offerings that optimize manufacturing processes for industrial customers
"IoT"	Internet of Things, the integration of intelligent hardware devices, such as controllers, sensors, and modules, into industrial products and equipment, enabling them to connect, communicate and interact over digital networks
"KA customers"	major customers with relatively large business scale and stable, ongoing commercial relationships with the company
"Kubernetes"	an open-source container-orchestration system designed to automate the deployment, scaling, and management of containerized applications
"Lighthouse Factory"	a manufacturing facility recognized by the World Economic Forum for adopting advanced intelligent manufacturing technologies
"LLM" or "Large Language Model(s)"	AI systems that have been trained based on very large amounts of data to recognize and generate language that seems similar to human language
"machine vision inspection"	an automated technology that uses industrial cameras, controlled lighting, and computer vision software to evaluate products
"MCP"	model context protocol, a standardized, open protocol that allows AI applications and large language models to access external tools, databases, services, and structured templates through a unified, documented interface

GLOSSARY OF TECHNICAL TERMS

"MES"	manufacturing execution system, a computerized system used in manufacturing to monitor, control and document production processes, tracking the transformation of raw materials into finished goods in real time
"Microgrids"	small-scale power grids that operate independently to generate electricity
"Modbus"	open, widely-used industrial communication protocol
"MOM"	manufacturing operations management system, a set of systems used to manage and coordinate end-to-end manufacturing operations, covering production activities from planning through execution
"OEM(s)"	companies that produces parts, components, or products that are used in another company's final goods
"OPC-UA"	open platform communications unified architecture, a platform-independent, vendor-neutral industrial data exchange standard
"PLM"	product lifecycle management system, a digital platform that manages a product's information, processes, and data throughout its entire lifecycle
"Productization"	the process of transforming a technology, capability, or internal solution into a standardized, market-ready product that can be packaged, delivered, and scaled for commercial use
"QMS"	quality management system, a structured framework of policies, processes, and procedures used to plan, control, and improve the quality of products or services, ensuring they consistently meet internal requirements, customer expectations, and applicable regulatory or industry standards
"SaaS"	software as a service, a cloud-based software delivery model where applications are hosted by a service provider and made available to users over the internet
"SIM"	simulation software tools used to model and analyze manufacturing systems and processes in a virtual environment, allowing testing and refinement of equipment, workflows and logistics before actual production
"SMT"	surface mount technology, a assembly technique where electronic components are soldered directly onto the surface of a circuit board
"SPC"	statistical process control, a data-quality control method that uses statistical data to monitor process performance and prevent defects before they occur
"WMS"	a digital warehouse platform that empowers manufacturing enterprises with end-to-end inventory visibility by replacing manual processes with data-driven automation, transforming complex logistics into an efficient, error-free operation that accelerates inventory turnover

FORWARD-LOOKING STATEMENTS

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

This document contains certain forward-looking statements relating to our Company, our subsidiaries and consolidated affiliated entities that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim", "anticipate", "believe", "could", "expect", "going forward", "intend", "may", "ought to", "plan", "project", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- general political and economic conditions of jurisdictions in which we operate;
- our business operations and prospects;
- our capital expenditure plans;
- weather, natural disasters and climate change;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and business plans; and
- various business opportunities that we may pursue.

RISK FACTORS

You should carefully consider all the information in this document, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.

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

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY

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

Our addressable markets are primarily concentrated in industrial sectors in Chinese Mainland and overseas, which have been accelerating their intelligent transformation in recent years. The future market size and the demand for our solutions may, however, be difficult to anticipate since they depend on a number of variables, most of which are beyond our control. For example, the market growth may depend on the prevalence of new technologies, supportive government policies and the performance and cost-efficiency of the available solutions in the market. In order to grow our business and extend our market position, we intend to continuously accumulate our industry experience and know-how to identify customer pain points, educate our existing and prospective customers about the benefits of our solutions and enhance and innovate our technologies and features to increase market acceptance. However, if we fail to cultivate and discover the long-term business needs of existing customers for our solutions, or our solutions do not achieve widespread acceptance across advanced industries, or there is a decrease in customer demand as a result of alternative technologies, competing solutions, technological challenges, data security or privacy concerns, enhanced regulations, decreases in customer spending, macroeconomic downturns, international and regional political tensions, or other causes, our business, results of operations and financial condition would be materially and adversely affected.

In addition, the market acceptance of our solutions may vary across different industries. As we aim to reach out to more customers across different industry sectors, we are focusing on industries in which we already have a presence, such as home appliances, machinery equipment, electronics, automotive, energy and chemicals. However, we may face challenges brought about by more diverse and complex use cases. We cannot assure you that the trend of adopting and utilizing our solutions by potential customers will develop or continue in the future in any given industry sector, which, in turn, would hinder our ability to achieve the desired level of adoption of our solutions.

The industry in which we operate is characterized by constant development. If we fail to continuously improve our technology and provide solutions that meet the expectations of our customers, our business, financial condition and prospects may be materially and adversely affected.

The industry in which we operate is characterized by rapid technological evolution, frequent introduction of new solutions, evolving customer demands and changing industry standards, according to Frost & Sullivan. Our success depends in part on our ability to respond to these changes in a timely and cost-effective manner, including anticipating new technologies, enhancing our solutions and adjusting to changes in customer requirements, market conditions and the regulatory environment. We may encounter technical challenges or delays in developing new or enhanced solutions, which may require substantial investment in research and development. In addition, we

may not be able to upgrade our technologies promptly or cost-effectively, and new technologies may render our existing technologies or solutions obsolete or less attractive. Any of the foregoing could materially and adversely affect our business, results of operations and prospects.

Significant investment in research and development is required to maintain our competitive edge, and if such efforts fail to deliver the expected outcomes, our financial condition and operating results may be materially and adversely affected.

Our technological capabilities and infrastructure are critical to our success. We need to allocate significant resources, including financial resources, to research and development to lead technological advances, in order to make our solutions competitive in the market. As a result, we have been investing heavily in our research and development efforts. In 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB422.4 million, RMB373.2 million, RMB420.5 million, RMB90.6 million and RMB104.2 million, respectively. We expect that our research and development expenses may continue to increase in the future. Furthermore, research and development activities are inherently uncertain, and we might encounter practical difficulties in commercializing our research and development results. Our significant expenditures on research and development may not generate corresponding benefits. Given the fast pace with which the technology has been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. New technologies in our industries could render our technologies, our technological infrastructure or solutions that we are developing, or expect to develop in the future, obsolete or unattractive, thereby limiting our ability to recover related research and development expenses, which could result in a decline in our revenue, profitability and market share.

We experienced customer and supplier concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future.

Our revenue generated from our top five customers in each year/period during the Track Record Period accounted for approximately 81.7%, 80.2%, 68.1% and 68.3% of our total revenue in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. There is no guarantee that we will maintain relationships with existing customers or secure new contracts from them. If we cannot secure comparable projects from new customers or obtain sufficient new business from existing customers in a timely manner or at all, our business, results of operations and financial condition would be materially and adversely affected and our revenue may fluctuate materially. If any major customer delays or defaults in payment, our cash flow and financial condition would also be adversely affected.

Our purchases from our top five suppliers in each year/period during the Track Record Period accounted for 30.8%, 30.0%, 27.4% and 24.5% of our total purchases in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. Significant supplier price increases would raise our costs and may adversely affect results if we cannot pass them on to customers. Supplier prices may be affected by factors beyond our control, including inflation, regulatory developments and economic cycles. Supplier concentration also exposes us to risks relating to availability and timely delivery, quality consistency and supply chain disruptions caused by capacity constraints, operational interruptions,

A significant portion of our revenue is generated from sales to related parties. Any reduction in the volume or frequency of such transactions could adversely affect our business, financial condition and operating results.

A substantial portion of our revenue during the Track Record Period was derived from transactions with related parties, including entities within the Haier Group. During the Track Record Period, our revenue from the sales to our related parties was RMB3,662.0 million, RMB3,465.1 million, RMB3,585.4 million, RMB820.3 million and RMB852.0 million, in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively, representing 73.3%, 68.4%, 56.5%, 65.5% and 57.8% of our total revenues during the same years/periods, respectively.

Our ability to maintain and enhance our existing partnership with the Haier Group and offer more value propositions to Haier Group is critical to our results of operations. There can be no assurance that such relationships will continue on the same terms and secure orders for our products. If we are unable to maintain our relationship with the Haier Group and other related parties, or if our arrangement is modified so that the economic terms become less favorable to us, our business operations, results of operations and financial condition may be materially adversely affected. In addition, we have entered into various framework agreements with the Haier Group and its associates, which govern the connected transactions between us and the related parties. See the section headed "Connected Transactions." There is no assurance that our related parties will continue to purchase products and services from us on the same level in the future. In addition, any deterioration in our cooperative relationship with these related parties may require us to build new relationships with other customers, which is subject to uncertainties and could be time-consuming.

Our business success depends on our ability to retain existing customers and attract new ones.

Our ability to generate and grow revenue depends largely on retaining existing customers, attracting new customers and increasing customer spending. This depends on factors including our ability to offer solutions meeting customer needs at competitive prices, enhance features and functionalities, strengthen technology and respond to industry trends and competition. We primarily provide data intelligence solutions on a project basis and may need to tailor them to customer requirements, which may limit replicability, cross-selling, up-selling and conversion to chargeable long-term services. Customers may also view existing solutions as sufficient, develop in-house alternatives or reduce reliance on third-party providers. Certain large-enterprise projects during the Track Record Period were obtained through public tenders, which involve intense competition and pricing pressure. If our customer base or customer spending declines, or if we fail to implement our sales and marketing strategies or provide solutions perceived to add value, our business, results of operations, financial condition and prospects could be materially and adversely affected.

If our expansion into new industry sectors and use cases is not successful, our business, prospects and financial condition could be materially and adversely affected.

We have expanded into various new industries and use cases successfully. We provide various solutions to address the diversified needs of our customers across various industry sectors and in different use cases. We cannot assure you, however, that we will be able to maintain this momentum in the future. Expanding into new industries and use cases involves new risks and challenges, such as the difficulty in keeping pace with evolving customer demands and preferences that we may be unfamiliar with. In addition, there may be one or more existing market leaders in such areas. Such companies may be able to compete more effectively than us by leveraging their experience in addressing customer needs in those use cases, as well as their deeper industry insights, greater brand recognition, more advanced technologies and better access to customer base and business opportunities. We could also be subject to additional regulations relating to new industry sectors and use cases that we enter into, and we may not have sufficient experience or resources in dealing with those enhanced requirements and could incur additional compliance costs as a result. Expansion into any new industry sectors and use cases may place significant strains on our management and resources.

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

Our international expansion may require substantial management attention and resources and expose us to risks and uncertainties that differ from those in the PRC. These include the need to localize our solutions for specific markets and incur additional costs; challenges in staffing and managing overseas operations; longer sales and collection cycles and different pricing environments; limited experience, infrastructure or market knowledge in new jurisdictions; intensified or different competitive landscapes; economic and political instability in international markets; foreign exchange

fluctuations; compliance with complex and evolving cross-border laws and regulations, including those relating to data protection, employment, tax and telecommunications; weaker protection and enforcement of intellectual property rights; local laws or practices favoring domestic competitors; and increased financial reporting and compliance burdens.

Our business and financial performance are exposed to risks related to completed, in-progress or potential acquisitions or strategic partnerships.

We have enhanced our abilities and expanded our market presence through acquisitions, including the acquisition of Hangzhou Chixiao and Shanghai Discovery, and may continue to pursue similar acquisitions or strategic partnerships. We have in the past increased market positions in our product and service areas and entered into new geographic and product areas through acquisitions and may continue to do so in the future. Such transactions and initiatives could require our management to develop expertise in new areas, manage new business relationships and attract new types of customers. Furthermore, such transactions and initiatives may require significant attention from our management, and the diversion of our management's attention and resources could have a material adverse effect on our ability to manage our business. In addition, we may incur significant acquisition, administrative and other costs in connection with such transactions, including costs related to the integration of acquired or restructured businesses. These costs may include unanticipated costs or expenses, including post-closing asset impairment charges, legal, regulatory and contractual costs and expenses associated with eliminating duplicate facilities.

We may also experience difficulties with integrating any investments, acquisitions and/or partnerships into our existing business and operations. There is no assurance that we will be able to successfully implement these initiatives or that we will be able to identify successful initiatives in the future. These acquisitions and business initiatives may also expose us to potential risks, including risks associated with: (i) operational, managerial and organizational challenges arising from the integration of new business lines, operations and personnel; (ii) difficulties in achieving effective cultural integration, as differences in corporate culture, management approaches and business practices may adversely affect integration effectiveness; (iii) failure to realize the anticipated synergies, cost savings, revenue enhancement opportunities or other expected benefits from acquired businesses, or to operate such businesses at a level of profitability acceptable to us; (iv) valuation risks resulting from misjudgments regarding the value of acquisition targets or the expected synergies and benefits, which may lead to overpayment, impairment of goodwill or other intangible assets, or lower-than-expected returns; (v) difficulties in exercising effective control and supervision over newly acquired operations, including delays or failures in implementing our internal controls and risk management procedures; (vi) the loss of, or deterioration in, relationships with key employees, customers or business partners of acquired businesses; and (vii) unforeseen, contingent or hidden liabilities associated with acquired businesses.

There can be no assurance that we will be able to successfully integrate any businesses we acquire into existing operations or that such businesses will perform according to expectations once integrated. There also can be no assurance that we will reach the synergy we expect. Similarly, disposals of certain non-core assets may prove to be not as profitable as anticipated and may affect our net sales and results of operations. There can be no assurance that we will be able to identify and acquire, on reasonable terms, if at all, suitable acquisition candidates or investment opportunities. With continuing consolidation a likely industry trend, we could be faced with increasing competition for attractive acquisition candidates. Compliance with antitrust or any other regulations may delay proposed acquisitions or prevent us from closing such acquisitions or investments in the manner proposed, if at all. Such delay or failure to close proposed acquisitions could impair our ability to achieve our strategic objectives.

We recorded net loss during the Track Record Period and may continue to incur net loss in the future.

For the year ended 31 December 2023, our net loss amounted to RMB82.7 million. We recorded a net profit in 2024, 2025 and the three months ended March 31, 2025 and 2026. Our historical profitability may not continue, and we cannot assure you that we will be able to maintain profitability or avoid net losses in the future. Our ability to achieve and sustain profitability depends on a number of factors, including, among others, our ability to effectively manage our operating and development costs, improve operating efficiency, expand our revenue base and respond to changes in market demand and competitive conditions. In addition, we may continue to incur substantial expenses in connection with our business expansion, technology development, marketing and personnel costs, which may outpace our revenue growth from time to time. Furthermore, our results of operations may be subject to fluctuations due to factors beyond our control, including changes in customer demand, competitive pressures, macroeconomic conditions and industry dynamics. If we are unable to generate sufficient revenue to offset our costs and expenses or to effectively manage our cost structure, we may continue to incur net losses. Any continued or future net loss position may expose us to risks relating to liquidity constraints and could adversely affect our ability to fund our operations, raise additional capital, make investments or declare and pay dividends.

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

Successfully maintaining and enhancing our brand recognition will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable solutions that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, our ability to continue to develop better functionalities and services and our ability to successfully differentiate our services from competitive services. However, our efforts may not always be successful or yield increased revenue. Moreover, the promotion of our brand also requires us to make expenditures, and we expect that these expenditures will increase as the market competition intensifies. Our selling and distribution expenses were RMB315.4 million, RMB285.0 million, RMB311.5 million, RMB65.2 million and RMB75.6 million in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively, accounting for 6.3%, 5.6%, 4.9%, 5.2% and 5.1% of our total revenue in the same years/periods. We may also be unable to hire and train sufficient numbers of qualified sales and marketing personnel or ensure the productivity of our sales and marketing personnel in acquiring new customers or cross-selling to our existing customers.

Our success relies on senior management and highly qualified personnel such as research and development staff with specialized skills and profound industrial experience.

Our success depends on the continued service of our senior management and research and development personnel and on our ability to continue to attract, retain and motivate qualified research and development staff, especially during periods of rapid growth or technical change. In particular, our focus on introducing new solutions means that we must aggressively recruit engineers with expertise in advanced technologies. There is substantial competition for top research and development personnel in the industry, both in China and in the overseas jurisdictions in which we operate, and there can be no assurance that we will be able to attract or retain such personnel. The loss of the services of our research and development and engineering personnel without adequate replacement, or the inability to attract new qualified personnel, would have a material adverse effect on our business, results of operations and financial condition.

Our historical financial performance and results of operations may not be representative of our future performance.

We commenced our operations in 2017 and have continued to expand our business since our inception. We have developed, and will continue to develop, solutions across diversified use cases. Our new business initiatives have not been fully proven, given the limited track record of such offerings, which may subject us to a number of uncertainties and additional costs and expenses, and

adversely affect our ability to project and plan for future growth. Our revenue increased from RMB5,069.5 million in 2024 to RMB6,351.1 million in 2025. Our revenue increased from RMB1,252.6 million in the three months ended March 31, 2025 to RMB1,474.9 million in the three months ended March 31, 2026. However, you should not consider our historical performance as indicative of our future financial performance. As a result of our evolving business portfolio and limited operating history in certain of our solutions, it is difficult to draw an exact period-over-period comparison of our business, results of operations and financial condition as a whole. Furthermore, as our business further develops, we may modify our business model or continue to change our business portfolio. We may launch new solutions or discontinue any existing ones for strategic purposes. Any of such changes may have a material adverse effect on our business, results of operations, financial condition and prospects.

We are susceptible to supply shortages, longer lead times and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, adversely affect our profitability and delay deliveries of our products to customers.

Our production operations rely on securing sufficient raw materials, mainly including electronic components for IoT products. During the Track Record Period, costs of raw materials accounted for a large amount of our cost of sales, amounting to RMB3,082.5 million, RMB2,946.1 million, RMB3,357.7 million, RMB745.3 million and RMB845.5 million, respectively, representing 75.1%, 71.0%, 64.3%, 72.1% and 69.5% of our total cost of sales in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively. Our production operations rely on securing sufficient raw materials. In the event that our suppliers fail to cater to our growing demands, we may be unable to fulfill customers' customized requirements or meet market demand for our products, which may have an adverse impact on our reputation and profitability. Additionally, factors that are beyond our control, including natural disasters, public health hazards, civil unrest, wars, strikes or trade sanctions or restrictions, may impact the supply and market price of raw materials.

We may be subject to inventory obsolescence risk and may not be able to manage our inventory efficiently.

Our inventories amounted to RMB943.8 million, RMB916.8 million, RMB1,251.3 million and RMB1,296.5 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively. For the same periods, our inventory turnover days were 90 days, 81 days, 75 days and 94 days, respectively. As our business continues to expand and our inventory levels increase, our exposure to inventory obsolescence risk may also increase. We maintain our inventory levels based on our internal forecasts of customer demand. We cannot guarantee that we will be able to maintain appropriate inventory levels for our raw materials, work-in-progress and finished products. If our forecast demand exceeds actual demand, we may experience an accumulation of excess or slow-moving inventory, which may increase our inventory holding costs and the risk of inventory obsolescence or impairment. Failure to effectively manage our inventories may result in elevated financial risks, including the need to make provisions for inventory write-downs if the net realizable value of our inventories falls below their carrying value prior to sale. With changes in market demand, product upgrades, aging inventories and the scaling of our business operations, the amount and proportion of our inventory provisions may further increase. Conversely, if our forecast demand is lower than actual demand, we may not be able to maintain an adequate level of inventory in a timely manner, which could result in lost sales opportunities and erosion of our market share.

Our success depends in part on our ability to maintain, enhance and expand our manufacturing capabilities that respond to market trends.

Our success depends in part on our ability to maintain, enhance and expand our manufacturing capabilities, including expanding capacity, improving efficiency and upgrading our solutions to meet evolving and customized customer demands. If we are unable to achieve the desired economies of scale, reduce manufacturing costs or maintain our competitive advantages, our business and results

of operations may be adversely affected. Our efforts to enhance our manufacturing capabilities are subject to various risks and uncertainties, including our ability to obtain sufficient funding for capital expenditures and working capital, potential delays and cost overruns arising from factors such as increases in raw material or energy prices, labor shortages, transportation constraints, supplier or service provider disruptions, equipment malfunctions, as well as our ability to obtain or renew the necessary permits, licences, approvals, technology or equipment from third parties or through internal research and development. In addition, our facility expansion plans may not be completed in time or within budget.

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

We may fail to maintain the standards of our customer service, retain a sufficient number of customer support personnel and provide them with adequate training. Moreover, our customer service may fail to timely and effectively resolve the problems associated with our solution offerings. Furthermore, to grow our operations and expand our customer base, we need to continuously provide effective maintenance and technical support that meets our customers' needs at scale. Any failure to maintain satisfactory maintenance and technical support services or a market perception that we do not maintain such services for our customers would harm our business. We may also receive complaints from our customers regarding our services. If we do not handle customer complaints effectively, our brand and reputation may suffer, our customers may lose confidence in us and reduce or cease their use of our solutions. As our solutions are frequently adopted by entities in their routine operations, our failure to resolve the problems of our offerings may result in significant disruptions to their businesses and our brand image and ability to retain and bring in customers may be negatively affected thereby. Our customers may post and discuss on social media and other channels about our offerings, and complaints or other forms of negative publicity on those channels may arise from our failure to provide satisfactory services. Further, our customers may seek compensation for business interruptions or other adverse impacts resulting from software failures. Such claims can be costly and time-consuming to resolve, diverting management's attention from other business activities.

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

The technology underlying our solutions is complex and may contain defects, errors, vulnerabilities or bugs, particularly when new versions or features are introduced or when our solutions are integrated with third-party hardware or software. Any actual or perceived defects or failures may result in negative publicity, system downtime, data loss or performance issues, which could harm our reputation, customer relationships and business operations. The identification and remediation of such issues may be costly and time-consuming, and we may also be exposed to disputes or legal liabilities arising from such defects or failures.

In addition, certain new technologies adopted in our solutions, including artificial intelligence, continue to evolve and may contain flaws or deficiencies that affect the accuracy or reliability of their outputs. AI technologies also present operational, compliance and reputational risks, including potential misuse, biased or inappropriate outputs, data manipulation, intellectual property infringement, or breaches of applicable laws and regulations. We cannot assure you that the measures we adopt to prevent misuse, address data protection issues or comply with existing or future laws and regulations will always be effective. Any misuse, regulatory changes or restrictions on the use of AI or other new technologies may limit our ability to offer or enhance our solutions and could materially and adversely affect our reputation, business, results of operations and financial condition.

Our sales cycle to large enterprises can be lengthy and unpredictable and requires considerable time and expense.

We offer our IoT products and data intelligence solutions primarily to large enterprises in home appliances, machinery equipment, electronics, automotive, energy and chemicals. A significant portion of our revenue is derived from these large enterprises. The length of our sales cycle, which is the time between initial contact with a potential customer and the ultimate sale to that customer, varies depending upon the size of the potential customer and project. Based on our experience, the sales cycle for large enterprises is often lengthy and unpredictable, especially when we serve them on a project basis. Many of our prospective customers are at the early stage of their intelligent transformation and do not have prior experience with industrial internet services. Therefore, they typically spend significant time and resources evaluating our solutions before they purchase from us. Similarly, we typically spend more time and efforts determining their requirements and educating these customers about the benefits and uses of our solutions. Large enterprises also tend to demand more customization and additional features than their smaller counterparts. As a result, we may be required to divert more sales, product fulfillment and research and development resources to large enterprises and will have less personnel available to support other customers, or we may need to hire additional personnel, which would increase our operating expenses. Large enterprises may delay their purchases as they assess their budget constraints, negotiate early termination with their existing providers or wait for us to develop new features. Any delay in closing, or failure to close, a sales opportunity with such customers in a particular period or year could significantly harm our projected growth rates and cause the amount of new sales we book to vary significantly from period to period. If we fail to effectively execute the sales, configuration, implementation and ongoing support of our solutions to large enterprises, our results of operations and our overall ability to grow our customer base could be materially and adversely affected.

We may not be able to adequately protect our intellectual property rights, and uncertainty regarding the validity, enforceability or scope of our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly.

We believe that our patents, copyrights, trademarks and other intellectual properties are essential to our success. The protection of our intellectual property rights may not be adequate. Infringement upon, or the misappropriation of, our proprietary technologies could have a material adverse effect on our business, results of operations and financial condition. Our intellectual properties may be pirated or otherwise infringed by competitors or other third parties. Moreover, our trade secrets may become known or be independently discovered by our competitors. In addition, litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others. Such litigation may be costly and divert management's attention away from our business. An adverse determination in any such litigation would impair our intellectual property rights and may harm our business, prospects and reputation. There is no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain an effective and full recovery in the event that the enforceable assets of the losing party are insufficient to compensate for our losses. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits challenging the validity and enforceability of our intellectual property rights. Furthermore, we have no insurance coverage against litigation costs and would have to bear all costs arising from such litigation to the extent that we are unable to recover them from other parties.

We may be exposed to infringement or misappropriation claims by, or disputes with, third parties, which could cause us to lose significant rights and pay substantial damages.

We cannot assure you that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. We also cannot assure you that holders of patents purportedly relating to some aspects of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. For example, third parties may

claim that our employees have misappropriated or divulged their former employers' proprietary rights or confidential information. Furthermore, we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time-consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question.

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

We view data privacy and security of vital importance to our brand and reputation, and our customers' confidence in our offerings. We may have access to certain data of our customers when we conduct on-site solution deployment or maintenance for customers. We may be subject to certain challenges and risks inherent to handling and protecting the customers' business and operation data to which we have access. Development and construction defects in the technical infrastructure, or errors or malfeasance of our staff implementing the operation and maintenance services, may also subject us to cyberattacks, computer viruses, physical or electronic break-ins or similar disruptions.

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

We have been and may in the future continue to be subject to claims, disputes, lawsuits and other legal and administrative proceedings from time to time.

We are susceptible to claims, disputes, fines and various legal and administrative proceedings. Claims arising out of actual or alleged violations of law, breach of contract, torts or liability allocation with other third parties could be asserted against us by customers, business partners, suppliers, competitors, employees or governmental entities in investigations and legal proceedings, and could take the form of either individual action or class action. As of the Latest Practicable Date, we were named as a defendant in three material pending legal proceedings, each involving an amount in dispute of less than RMB3.0 million. As of the Latest Practicable Date, we were preparing to appeal against the first-instance judgment rendered in one of the proceedings, pursuant to which we were ordered to pay approximately RMB1.9 million, and the remaining two proceedings were at the first-instance trial stage. In addition, the result of such legal and regulatory proceedings cannot be

predicted with certainty, and ongoing or threatened litigation, legal or contractual disputes, investigations or administrative proceedings may divert our management's attention and consume their time and our other resources, thereby disrupting our business operations and adversely impacting our financial condition. For some matters, such as class actions, insurance may not be cost-effectively available. Regardless of the merit of the particular claim, legal and administrative proceedings may be expensive, time-consuming or disruptive to our operations and distracting to management. Such proceedings could also lead to adverse publicity and have a negative impact on our reputation and brand image. In recognition of these considerations, we may enter into agreements to settle litigation and resolve such disputes. We cannot guarantee that such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements may also significantly increase our expenses. New legal or administrative proceedings and claims may arise in the future, which may cause us to incur defense costs, and our business, financial condition and results of operations 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, proceedings 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 business, financial condition and results of operations.

Our legal rights to some leased properties may be challenged.

We lease properties mainly for operating our business. As of the Latest Practicable Date, some of our leased properties either (i) have yet to complete registration and filing procedures or (ii) the lessor of which failed to provide the property ownership certificate or sublease consents from the property owners. See "Business — Properties — Leased Properties." Any dispute or claim in relation to these properties could affect our leasehold interests or subject us to fines. If our right to use these properties is challenged, we would need to seek alternative properties on short notice and incur relocation costs, and there is no guarantee that we would be able to find suitable alternative properties on reasonable commercial terms, or at all.

Some of our owned properties have defects in ownership, which could expose us to legal and operational risks.

As of the Latest Practicable Date, in Chinese Mainland, we had obtained the property ownership certificates for 14 of these properties, while the remaining 10 properties, with an aggregate gross floor area of approximately 2,148 sq.m. (accounting for less than 2.0% of our total owned properties), did not have building ownership certificates. These uncertified properties are primarily used for substations, compressed air stations, storage rooms, warehouses, gatehouses, security rooms and waste disposal rooms. See "Business — Properties — Owned Properties." These deficiencies may result in regulatory non-compliance and expose us to potential administrative penalties, fines, or restrictions on the use of such properties. In addition, the absence of proper ownership documentation could lead to disputes over property rights, which may adversely affect our operations. We may not be able to ultimately obtain these title certificates, and our ownership and use of such properties may be affected.

We may experience increases in employee salaries and benefits, shortage of labor or deterioration in labor relations, as well as potential non-compliance with labor-related laws and regulations in the PRC, all of which could adversely affect our business, financial condition and operating results.

Our relationship with employees is key to our sustainable growth. There can be no assurance that we will not encounter any major labor problems in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing labor costs. In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our manufacturing costs. Additionally, regulatory changes or enhanced employee benefits mandated by law could further increase these costs.

Pursuant to the PRC laws and regulations, we are required to participate in the employee social insurance and housing provident fund program, under which we are required to contribute for each of our employees based on the employee's actual salary level of the previous year, and be subject to a minimum and maximum level as from time to time prescribed by local authorities. During the Track Record Period, we did not make full contributions of social insurance and housing provident fund for certain employees that were not based on their actual salary levels and failed to make such housing provident fund contributions for certain employees. The total shortfall of the social insurance and housing provident funds is RMB5.2 million, RMB5.4 million, RMB8.7 million and RMB8.7 million, respectively, in 2023, 2024, 2025 and in the three months ended March 31, 2026. Pursuant to PRC laws and regulations, in the event of under-contribution to social insurance, we may be required to pay the outstanding amount within a prescribed period and be subject to a daily overdue charge of 0.05% of the delayed payment amount. Failure to comply within the prescribed timeline may also lead to fines ranging from one to three times the overdue amount. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Similarly, if there is any failure to pay the full amount of housing provident fund as required, the competent housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is still not made within such time limit, the authorities may seek enforcement through the PRC courts.

In addition, during the Track Record Period, we engaged third-party agencies to manage social insurance and housing provident fund contributions for certain employees. However, PRC regulations stipulate that employers must directly make these contributions from their own accounts rather than through third-party intermediaries. This could lead to additional payments for any outstanding contributions, late payment penalties, or enforcement actions by governmental authorities. As of the Latest Practicable Date, we had terminated the arrangement of engaging third-party agencies to manage such contributions. We cannot assure you that we will not be subject to any order to rectify this in the future, nor can we assure you that there are no, or will not be any, relevant employee complaints against us. Any such order may adversely affect our business, financial condition and operating results.

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

We may, from time to time, receive negative publicity about us, our business partners and the solutions we provide. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. Any such negative perception and publicity, with or without merit, could tarnish our reputation, reduce the value of our brand and have a negative impact on our ability to attract and retain customers. In addition, if other companies offering industrial internet applications or operating in similar industries receive a high degree of negative media coverage or citation concerning their products, services, customers and business practices, the perception of our reputation as a trustworthy solution provider may also be harmed. However, we cannot preclude negative media coverage of a similar nature from being made, nor can we assure you that we will be able to defuse such negative coverage to the satisfaction of our investors, customers and business partners or prevent related misconceptions and other damages caused by such negative coverage. Preventing and mitigating the impact of such negative media coverage could also incur significant resources and management attention.

We are subject to various risks relating to third-party payments.

During the Track Record Period, we accepted payments made on behalf of certain customers through the accounts of third-party payors. See "Business — Sales, Marketing and Pricing — Our Sales — Key Terms of Sales Contracts — Third-Party Payment Arrangements." We were subject to various risks relating to such Third-Party Payment Arrangements, such as (i) possible claims from

third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors and (ii) potential money-laundering risks, as we have limited knowledge about the source of the funds utilized by the third-party payors and their identities. In the event of any claims from third-party payors or their liquidators, or legal proceedings, including civil, criminal or regulatory actions, instituted or brought against us to demand return of the relevant payment or for violation of, or non-compliance with, laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims, legal proceedings or regulatory actions, and we may be forced to comply with the court ruling or order and return the payment for the products that we sold and services that we provided.

We are subject to credit risk related to defaults of customers, and any significant default on our receivables could materially and adversely affect our liquidity, financial condition and results of operations.

We are exposed to credit risk related to defaults of our various customers. As of December 31, 2023, 2024 and 2025 and March 31, 2026, our trade and bills receivables were RMB1,698.1 million, RMB1,649.2 million, RMB2,217.2 million and RMB2,140.5 million, respectively. Our trade and bills receivables turnover days were 122, 119, 110 and 133 in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. See "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Current Assets/(Liabilities) — Trade and Bills Receivables." We may not be able to collect all such trade receivables due to a variety of factors that are outside of our control. If the relationship between us and any of our customers is terminated or deteriorates, or if any of our customers experience financial difficulties in settling the trade receivables, our corresponding trade receivables might be adversely affected in terms of recoverability. Our trade receivables balance may continue to grow alongside our business expansion, which may increase our risks for uncollectible receivables. If we are unable to collect our trade receivables from our customers, our business, financial condition and results of operations may be materially and adversely affected.

We recorded a significant amount of goodwill and other intangible assets, and our operating results may vary significantly due to the impairment of goodwill and other intangible assets.

As of March 31, 2026, we had goodwill of RMB517.9 million and other intangible assets of RMB50.2 million recorded in our consolidated financial statements. Under IFRS, we are required to annually (or more frequently) test our recorded goodwill to assess the carrying values of other intangible assets when impairment indicators exist which involves a significant degree of management judgments as well as estimates in determining the key assumptions. As a result of such tests, we could be required to book impairment charges in our statement of profit or loss if the carrying amount of an asset or a cash-generating unit is in excess of its recoverable amount. The amount of any potential impairment is not predictable. Factors that could trigger an impairment of such assets include the underperformance of our business relative to projected future operating results, negative industry or economic trends, including changes in market rates or weighted average cost of capital or applicable tax rates. Any potential future impairment, if required, could have a material adverse effect on our business, financial condition and results of operations.

We experienced net operating cash outflow for the three months ended March 31, 2025.

Due to the nature of our business, we may incur upfront operating expenditures and working capital outflows before we receive the corresponding cash inflows from customers. Historically, we recorded net cash used in operating activities of RMB80.1 million for the three months ended March 31, 2025. Our future liquidity, the payment of trade payables and other payables, and the repayment of any potential debt obligations as and when they become due, will primarily depend on our ability to maintain adequate cash inflows. We cannot assure you that we will be able to match the timing and amounts of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. As a result, we cannot assure you that we will not experience negative net operating cash flows in the future. Negative operating cash flow requires us to utilize cash reserve or obtain

sufficient external financing to finance our business operations, and meet our financing needs and obligations. If we are unable to do so, we may be in default of our payment obligations and our daily business activities may be impacted. Thus, our business, financial condition and results of operations may be materially adversely affected.

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

We intend to continue to make investments in the long-term operating and development of our business and may require additional funds. In particular, we may seek additional funds to develop new products and enhance our platform and existing products, expand our operations, including our sales and marketing efforts and our presence outside of China, improve our infrastructure or acquire complementary businesses, technologies, services, products and other assets. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to holders of our ordinary shares and the ADSs. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop product enhancements and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected.

Discontinuation of any government grants could result in additional compliance obligations and costs.

Government agencies may decide to reduce, eliminate or cancel our tax preferences at any time. Therefore, we cannot assure you of the continued availability of such tax preferences as we currently enjoy. The discontinuation, reduction or delay of the preferential tax treatment could adversely affect our financial condition and results of operations. We also receive government grants, primarily in the form of non-recurring financial assistance from the local government in China. Our government grants recognized under other income and gains amounted to RMB97.6 million, RMB79.7 million, RMB82.6 million, RMB8.3 million and RMB12.6 million in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Other Income and Gains." As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In some cases, we are required to satisfy certain conditions or contractual obligations before receiving government grants. However, there can be no assurance that we will be able to fully satisfy these conditions or perform such obligations, and it is possible that governmental authorities may discontinue such grants, or require us to repay part or all of the government grants we previously received. Any reduction, cancellation or repayment resulting from our failure to perform such obligations could adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operations may be materially and adversely affected by *force majeure* events, natural disasters or other issues beyond our control.

Natural disasters and other force majeure events beyond our control, including earthquakes, floods, epidemics and other public health or public security incidents, may disrupt economic activity, infrastructure and daily life in affected areas. Any such events could disrupt our operations, including closures of offices or facilities, delays in production schedules, disruptions to transportation or communications, and shortages or price increases of raw materials due to supplier interruptions. In addition, pandemics or other public health incidents may require remedial

measures such as temporary shutdowns of our facilities, which could adversely affect our operations. Any future occurrences of such natural disasters or force majeure events may materially and adversely affect our business operations, financial condition, results of operations and prospects.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in global or regional political and economic policies could have an adverse effect on our business, financial condition and results of operations.

Our business, financial condition and results of operations are subject to the economic, political, social and legal environments of the countries and regions in which we operate. Any adverse developments in these areas could materially and adversely affect our operations and prospects. Governments around the world have implemented, and may continue to implement, various policies and regulatory measures to promote economic growth, manage industrial development and guide resource allocation. In addition, regional economic downturns or shifts in government priorities, such as reduced support for intelligent manufacturing initiatives, could lead to slower adoption of our solutions. These factors may adversely affect our revenue growth, profitability and ability to maintain a competitive position in the global market.

Our imports and exported products may be adversely affected by international trade barriers.

We have been, and may continue to be, adversely affected by trade barriers, such as tariffs and countervailing duties imposed on imports from jurisdictions in which we manufacture our products or otherwise source merchandise, parts and components. Furthermore, international market conditions and the international regulatory environment have historically been affected by competition among countries and geopolitical frictions. Changes to trade policies, treaties and tariffs of the jurisdictions in which we operate, or the perception that these changes could occur, could adversely affect the financial and economic conditions of the jurisdictions in which we operate, and subsequently our financial condition and results of operations. Non-tariff trade barriers, such as potential restrictions on transfer of technology or intellectual property rights, may adversely affect the technology know-how we may rely on for the development of, and the innovation in our products. The tariffs described above, together with any further tariffs that the U.S. administration may impose on Chinese goods, or any similar additional tariffs imposed by other jurisdictions in which we operate, may further adversely affect our results of operations. Further, any other barriers to trade or protectionist measures imposed on goods that include our products exported to our key overseas markets could materially adversely affect our exports to those regions and, in turn, our results of operations and financial condition.

We are subject to economic sanctions and export control laws that could expose us to liability and impair our ability to compete in overseas markets.

Our global operations subject us to various sanctions and export control regulations that may be applicable to us. We have exported our products to several countries and regions. The U.S. and other jurisdictions have implemented trade measures, such as tariffs, economic sanctions and export restrictions, which directly or indirectly affect companies operating in certain jurisdictions. These measures, together with potential retaliatory actions, could disrupt established trade relationships and supply chains. We cannot predict how trade policies will be interpreted or enforced by the U.S. or other major economies, nor can we assure you that future changes in international trade relationships will not adversely affect our operations. We may face challenges such as: (i) restrictions on technology exports or component sourcing, which could limit our ability to procure critical materials or deliver products; (ii) heightened compliance obligations, requiring additional resources to monitor and adhere to evolving sanctions and export control regimes; and (iii) indirect impacts from geopolitical tensions, including reputational risks and potential limitations on financing or partnerships in certain jurisdictions.

During the Track Record Period, we sold intelligent controllers for home appliances to one related-party customer within Haier Group in Russia and one third-party customer in Belarus (the "**Russia and Belarus Sales**"), which in aggregate accounted for approximately 2.3%, 3.4%, 1.0% and 0.4% of our total revenue in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. These products were shipped from the PRC, settled in Renminbi, designed using PTC Creo computer-aided design (CAD) software, and incorporated certain U.S.-origin items and items procured from the United States, all of which were classified as EAR99. See "Business — Impact of U.S. Sanction and Export Control" for a detailed discussion of our sanction and export control exposures. As advised by our International Sanctions Counsel: (i) we are not a Sanctioned Target and are not located, incorporated, organized or resident in a Sanctioned Country, nor do we qualify as a Sanctioned Trader; (ii) none of the items involved in the Russia and Belarus Sales were identified on the Common High Priority List; (iii) no customer involved in the Russia and Belarus Sales was identified as a sanctioned person; (iv) the Russia and Belarus Sales did not violate applicable sanctions measures nor involve activities that would constitute secondary sanctionable conduct under applicable U.S. sanctions laws; and (v) the sanctions risks to our Company under current international sanctions regimes are not significant. Based on the foregoing, our Directors are of the view that (i) our activities during the Track Record Period would not constitute Primary Sanctioned Activity or Secondary Sanctionable Activity under U.S. sanctions and (ii) the Russia and Belarus Sales did not have a material impact on our results of operations or financial condition during the Track Record Period.

Such sanction or export control laws and regulations are likely subject to frequent changes, and their interpretations and enforcements involve substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are outside of our control. Therefore, such restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, may be burdensome or costly for our international business and may materially and adversely affect us, our business partners and our key suppliers' and customers' abilities to obtain technologies, systems, devices or components that may be critical to our solution offerings and business operations, and may affect our sales to certain foreign markets.

Our business is subject to extensive governmental regulations and approvals.

In order to operate our businesses and in response to our expanded international markets, we are required to obtain and comply with various permits, licenses, certificates, consents and other approvals from relevant administrative authorities. Each permit, license, certificate, consent and approval is dependent on the satisfaction of certain conditions and failure to obtain governmental approvals could have an adverse effect on our operations. We are also subject to inspections, examinations, inquiries and audits by governmental authorities as part of the process of maintaining or renewing our permits, licenses or certificates. There can be no assurance that we will be able to fulfil the pre-conditions necessary to obtain the required governmental approvals or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to our operations. There may be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other payments.

A significant portion of our revenue and expenses is denominated in Renminbi, which is not freely convertible into foreign currencies. The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. Under current PRC laws and regulations, payments under the current account, such as profit distributions and operating expenses, may be made in foreign currencies without prior approval from the State Administration of Foreign Exchange ("**SAFE**"), subject to certain procedural requirements. In contrast, capital account transactions, including the repayment of loan principal and returns on direct investments, remain subject to approval or registration with SAFE. There can be no assurance that we will be able to obtain such approval in a timely manner, or at all. Any restrictions on the conversion or remittance of Renminbi,

or changes in policies relating to dividend payments in foreign currencies, may adversely affect our foreign exchange transactions and our ability to pay dividends in foreign currencies, and could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks relating to fluctuations in foreign exchange rates.

We are exposed to foreign exchange risk primarily through sales and purchases that are denominated in a currency other than the functional currency. In 2023, 2024 and the three months ended March 31, 2025, we incurred a foreign exchange gain of RMB6.7 million, RMB1.0 million and RMB0.6 million, respectively. In 2025 and the three months ended March 31, 2026, we incurred a net foreign exchange loss of RMB2.2 million and RMB2.4 million, respectively. In addition, we are also subject to currency conversion risks arising from overseas sales and purchases. The fluctuations in the exchange rates among Renminbi, the U.S. dollar and other foreign currencies could affect our financial performance and results of operations. There may be limited instruments we can use to reduce our exposure to exchange rate fluctuation, and the instrument we use to reduce our foreign exchange risk exposure may not be effective. Also, the cost of such foreign exchange rate hedging instruments may fluctuate significantly over time and may outweigh the potential benefit from the reduced currency volatility. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. However, there is no assurance if or when these further reforms will occur. Any volatility of the Renminbi exchange rate in the future may materially affect our businesses, financial condition and operating results and future prospects.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

Under the PRC Enterprise Income Tax Law, enterprises are generally subject to enterprise income tax at a rate of 25%, although we and certain of our subsidiaries benefited from preferential tax rates, such as a reduced rate of 15% applicable to High and New Technology Enterprises, during the Track Record Period. Changes in relevant tax laws, regulations or preferential policies, or increases in our effective tax rate, may increase our tax liabilities and adversely affect our business, financial condition and results of operations. In addition, we operate in multiple jurisdictions and are subject to various local tax regimes, and changes in overseas tax laws or policies may expose us to additional tax risks. We are also subject to reviews, audits and examinations by PRC and overseas tax authorities. The tax treatment of certain transactions, including our intra-group transactions, is subject to interpretation by the relevant tax authorities. There can be no assurance that such authorities will not challenge our historical tax positions or transaction arrangements, or that applicable tax regulations will not change in the future. Any unfavorable determination may require us to make retrospective tax adjustments, re-allocate income or incur additional tax liabilities, which may materially and adversely affect our business, financial condition and results of operations, and could also divert management time and resources.

You may experience difficulties in effecting service of legal process and enforcing judgments against us, our Directors, Supervisors and senior management.

We are incorporated in the PRC and the majority of our business and operations are located in the PRC. In addition, the majority of our Directors and senior management reside in the PRC. The assets of these Directors and senior management also may be located within the PRC. It may be difficult for investors to effect service of process upon those persons residing in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. 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 or even impossible. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the **[REDACTED]** of our H Shares on the Stock Exchange, the holders of H 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.

RISKS RELATING TO THE [REDACTED]

Rules and regulations on outbound investments may increase the compliance burden of foreign investors, negatively impacting our ability to raise capital.

The Department of Treasury of the United States released a final rule imposing restrictions on U.S. outbound investment in Chinese companies active in developing certain national securities technologies (the "**Final Rule**") on October 28, 2024, which took effect on January 2, 2025. It imposes additional due diligence responsibilities, record-keeping and notification requirements and restrictions on U.S. persons and their controlled foreign entities engaging in certain transactions with entities or persons associated with China that perform defined activities relating to semiconductors and microelectronics, quantum information technologies or artificial intelligence. Such entities and persons are collectively referred to as "covered foreign persons," and such transactions between a covered foreign person and a U.S. person, including the acquisition of the covered foreign person's equity interest in its initial public offering, are referred to as "covered transactions" in the Final Rule. Depending on the covered foreign person's specific activities relating to the aforementioned three sectors, U.S. persons subject to the Final Rule are either (i) prohibited from making a covered transaction, which is referred to as "prohibited transaction" in the Final Rule; or (ii) required to report a covered transaction, which is referred to as "notifiable transaction" in the Final Rule, unless an exception applies. The Final Rule may increase the compliance burden of U.S. investors, cause certain U.S. investors to adopt a more cautious approach in their investments and affect their sentiment towards us, negatively impacting our ability to raise capital. The Final Rule may also limit our ability to raise capital or contingent equity capital from U.S. investors given that relevant laws, regulations and policies continue to evolve, and we cannot rule out potential amendments to the Final Rule that make it even more restrictive or the introduction of similar regulations, such as the draft Comprehensive Outbound Investment National Security Act of 2024. If our ability to raise such capital is significantly and negatively affected, it could materially and adversely impact our business, financial condition and prospects.

There has been no prior public market for our H Shares, and their liquidity and market price may be volatile.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the **[REDACTED]**. The initial **[REDACTED]** for our H Shares to the public will be the result of negotiations between us and the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the market price of the H Shares following the **[REDACTED]**.

The price and trading volume of our H Shares may be volatile, which could materially and adversely affect the market price of our H Shares.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange

with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

The market price of our H Shares and our ability to raise equity capital in the future may be adversely affected by future sales of a substantial number of our H Shares or other securities relating to our H Shares, including sales by our Directors, executive officers or Controlling Shareholders, or by the issuance of new shares or securities. Any such sales or the perception that they may occur could negatively impact the market price of our H Shares. In addition, our Shareholders may experience dilution as a result of future issuances of shares or share-linked securities, including pursuant to our share option incentive schemes, and such securities may confer rights or privileges senior to those of the H Shares. Certain Shares held by our Controlling Shareholders are subject to lock-up arrangements following the **[REDACTED]**. We are not aware of any current intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up period. There is no assurance that they will not do so, and any such sales could adversely affect the market price of our H Shares. In addition, investors in the **[REDACTED]** are generally not subject to disposal restrictions and may dispose of the H Shares they hold shortly after the **[REDACTED]**, which could result in downward pressure on, or volatility in, the market price and trading volume of our H Shares.

The **[REDACTED]** of the H Shares is higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the H Shares in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value. In order to expand our business, we may consider **[REDACTED]** and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders' interests in our Company.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including, but not limited to, mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of Directors and other significant corporate actions. The interests of our Controlling Shareholders might differ from the interests of our other shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may, in turn, affect our results of operations.

Payment of dividends is subject to restrictions, including the requirement that we have sufficient distributable profits enabling us to make dividend distributions to our shareholders.

Under applicable PRC laws, we may only pay dividends to shareholders out of our distributable profits. Distributable profits are our after-tax profits as determined under generally accepted accounting principles as adopted by the PRC ("**PRC GAAP**"), less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. Furthermore, pursuant to the rules promulgated by the CSRC, we may not distribute gains from changes in the fair value of financial assets that are included in distributable profits as cash

dividends. However, we may not have sufficient or any distributable profits to enable us to make dividend distributions to our shareholders in the future, including for the periods in which our financial statements indicate that our operations have been unprofitable.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

The PRC has entered into tax treaties or similar arrangements with many jurisdictions. Subject to any applicable tax treaty or similar arrangement, dividends derived from PRC sources and paid by PRC resident enterprises to non-PRC resident enterprise H share holders with no establishment or place of business in the PRC, or whose income is not effectively connected with such establishment or place of business, are generally subject to PRC withholding enterprise income tax at a rate of 10%. Gains derived by such investors from the transfer of H shares may also be subject to PRC income tax at a rate of 10% (or a lower rate) if regarded as PRC-sourced income, unless otherwise provided under an applicable tax treaty or similar arrangement. As of the Latest Practicable Date, there were no specific rules governing the taxation of gains derived by non-PRC resident enterprise holders from the disposal of H shares. Under the PRC Individual Income Tax Law and its implementation rules, dividends and gains derived from PRC sources by non-PRC resident individual investors are generally subject to PRC withholding individual income tax, subject to any applicable tax treaty or preferential tax treatment. Dividends paid to non-PRC resident individual holders of H shares are generally subject to PRC withholding tax at a rate of 10% or 20%, depending on the applicable tax treaty arrangements. Gains derived by individuals from the transfer of listed shares may be exempt from individual income tax, and as of the Latest Practicable Date, relevant rules do not expressly require the collection of PRC individual income tax on gains derived by non-PRC resident individuals from the transfer of shares of PRC resident enterprises listed overseas. If PRC income tax is imposed on dividends paid on, or gains derived from the transfer of, our H shares, the value of your investment may be affected. In addition, shareholders resident in jurisdictions that have tax treaties or similar arrangements with the PRC may not qualify for the preferential tax treatment thereunder.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other 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 have not been independently verified and may not be reliable.

This document, particularly the section headed "Industry Overview," contains information and statistics relating to the industry in which we operate and other economic data. Such information and statistics have been derived from official government sources, which have not been independently verified by us, any of the Joint Sponsors, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of their respective directors and advisers, affiliates or any other persons or parties involved in the **[REDACTED]**, and no representation is

given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information.

You should read the entire document carefully and should not consider any particular statements in this document or in published media reports without carefully considering the risks and other information contained in this document.

Prior to the publication of this document, there has been coverage in the media 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 any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that requirement in Rule 8.12 may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Our principal business operations are primarily located, managed and conducted outside Hong Kong, and our Company's head office is situated in the PRC. Our executive Directors and senior management members ordinarily reside in the PRC and play important roles in our business operations, principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's business, therefore it is important for them to remain in close proximity to the Group's operations located in the PRC. We consider that it would be practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by relocation of our existing executive Directors or by appointment of additional executive Directors. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Hong Kong Listing Rules, provided that we implement the following arrangements:

(i) we have appointed Mr. Chen Lucheng (陳錄城) and Ms. Ye Jiahong (葉嘉紅) ("**Ms. Ye**") as the authorized representatives of our Company (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Hong Kong Listing Rules. The Authorized Representatives will serve as our Company's principal channel of communication with the Hong Kong Stock Exchange. They can be readily contactable by phone and email to deal promptly with enquiries from the Hong Kong Stock Exchange and will also be available to meet with the Hong Kong Stock Exchange to discuss any matters on short notice. The contact details of the Authorized Representatives have been provided to the Hong Kong Stock Exchange;

(ii) all the Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including office phone numbers, mobile phone numbers and email addresses (if any), to the Authorized Representatives and the Hong Kong Stock Exchange, so that each of the Authorized Representatives and the Hong Kong Stock Exchange would be able to contact all the Directors (including our independent non-executive Directors) promptly at all times if and when the Hong Kong Stock Exchange wishes to contact the Directors; and

(iii) we have appointed Maxa Capital Limited as its Compliance Adviser for the period commencing on the **[REDACTED]** and ending on the date on which we comply with Rule 13.46 of the Hong Kong Listing Rules in respect of our Company's financial results for the first full financial year commencing after the **[REDACTED]**, or until the agreement is terminated, whichever is earlier. The Compliance Adviser will act as our Company's additional and alternative channel of communication with the Hong Kong Stock Exchange, and its representatives will be readily available to answer enquiries from the Hong Kong Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Hong Kong Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rule 3.28 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

(ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and

(iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Hong Kong Listing Rules, in assessing "relevant experience", the Hong Kong Stock Exchange will consider the individual's:

(i) length of employment with the issuer and other issuers and the roles he played;

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

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

(iv) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, the waiver under Rule 3.28 of the Listing Rules will be granted for a fixed period of time but in any event not exceeding three years from the date of **[REDACTED]** and on the following conditions: (i) the relevant company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as joint company secretary throughout the waiver period; and (ii) the waiver can be revoked in the event of a material breach of the Listing Rules by our Company.

We have appointed Mr. Liu Ming (劉明) ("**Mr. Liu**") as one of the joint company secretaries. He currently also holds the position of secretary to the Board. See "Directors and Senior Management" in this document for further biographical details of Mr. Liu. Mr. Liu does not possess the qualifications set out in Rule 3.28 of the Hong Kong Listing Rules, however, we believe that it would be in the best interests of our Company and the corporate governance of the Group to have Mr. Liu as its joint company secretary who is familiar with the Group's internal operation and management and possesses professional knowledge and experience in handling corporate governance and compliance, legal affairs and public relationship related matters. We have also appointed Ms. Ye to act as the other joint company secretary to assist Mr. Liu in discharging the duties of a company secretary of our Company. Ms. Ye is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is therefore qualified under Rule 3.28 of the Hong Kong Listing Rules to act as a joint company secretary of our Company. See "Directors and Senior Management" for further biographical details of Ms. Ye.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Since Mr. Liu does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Hong Kong Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Hong Kong Listing Rules for a period of three years since the **[REDACTED]** (the "**Waiver Period**") on the following conditions:

(i) Mr. Liu will endeavor to attend relevant training courses to enhance his knowledge of the Listing Rules during the Waiver Period, and comply with the annual professional training requirement under Rule 3.29 of the Listing Rules;

(ii) Ms. Ye will work closely with Mr. Liu to jointly discharge the duties and responsibilities as the joint company secretaries and to assist Mr. Liu in acquiring the relevant experience as required under the Hong Kong Listing Rules during the Waiver Period;

(iii) Ms. Ye is suitably qualified to render assistance to Mr. Liu so as to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) during the Waiver Period; and

(iv) before the expiry of the Waiver Period, the qualifications and experience of Mr. Liu and the need for on-going assistance of Ms. Ye will be further evaluated by our Company. Our Company must demonstrate and seek the Hong Kong Stock Exchange's confirmation that Mr. Liu, having had the benefit of the assistance of Ms. Ye during the Waiver Period, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Hong Kong Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Hong Kong Listing Rules will not be necessary.

Such waiver will be revoked immediately if and when (i) Mr. Liu ceases to be assisted by a person with qualifications under Rules 3.28 and 8.17 of the Hong Kong Listing Rules, or (ii) if there are material breaches of the Hong Kong Listing Rules by us.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will, following the completion of the **[REDACTED]**, constitute partially-exempt and non-exempt continuing connected transactions of our Company under the Listing Rules. We have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement, circular and independent shareholders' approval requirements (as applicable) in respect of such continuing connected transactions under the Listing Rules. For further details, see the section headed "Connected Transactions".

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Chen Lucheng (陳錄城)	No. 2, Xuzhou Road Shinan District, Qingdao Shandong Province, PRC	Chinese
Mr. Chai Jiqiang (柴紀強)	Room 0402, Unit 2 Building 4, No. 162 Yanji Road Shinan District, Qingdao Shandong Province, PRC	Chinese
Non-Executive Directors		
Mr. Zhou Yunjie (周雲傑)	Room 401, Unit 1 Building 26 No. 67 Hong Kong East Road Laoshan District, Qingdao Shandong Province, PRC	Chinese
Mr. Zhan Bo (展波)	No. 77, Liaoyang East Road Jinjialing Subdistrict Laoshan District, Qingdao Shandong Province, PRC	Chinese
Mr. Liu Chao (劉超)	Room 207, Xinhuayuan Building 1 No. 23 Longhua Construction Road Longhua District, Shenzhen Guangdong Province, PRC	Chinese
Mr. Jia Qiuran (賈秋然)	Room 1004, Unit 1 Building 403, Baiziwan Dongli Chaoyang District, Beijing PRC	Chinese
Independent Non-Executive Directors		
Ms. Kong Yu (孔昱)	No. 9 Xingnan Road Nanshan District, Shenzhen Guangdong Province, PRC	Chinese
Mr. Feng Guohua (馮國華)	Room 1104, Building 4 No. 1199 Fuxing Middle Road Xuhui District, Shanghai PRC	Chinese
Mr. Gu Chunyuan (顧純元)	The Entrance Tower 2 Flat 11A 1 Lok Wo Sha Lane, Ma On Shan Hong Kong	Swedish

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

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	**China International Capital Corporation Hong Kong Securities Limited** 29/F One International Finance Centre 1 Harbour View Street Central Hong Kong **HSBC Corporate Finance (Hong Kong) Limited** 1 Queen's Road Central Hong Kong
[REDACTED]	**[REDACTED]**
[REDACTED]	**[REDACTED]**
Legal Advisers to the Company	*As to Hong Kong and U.S. laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong *As to PRC law:* **King&Wood** 18th Floor, East Tower, World Financial Center 1 Dongsanhuan Zhonglu Chaoyang District Beijing PRC *As to international sanctions laws:* **DLA Piper Singapore Pte. Ltd.** 80 Raffles Place, #48–01 UOB Plaza 1 Singapore 048624

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisers to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws:* **Slaughter and May** 47/F, Jardine House One Connaught Place Central Hong Kong *As to PRC law:* **Zhong Lun Law Firm** 22–24, 27–31/F, South Tower of CP Center 20 Jin He East Avenue Chaoyang District Beijing PRC
Auditor and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.** Room 2504 Wheelock Square 1717 West Nanjing Road Jing'an District Shanghai PRC
[REDACTED]	**[REDACTED]**

CORPORATE INFORMATION

Registered Office	Haier Industrial Park No. 1 Haier Road Laoshan District, Qingdao Shandong Province, PRC
Headquarters and Principal Place of Business in the PRC	Building D1 Qingdao International Innovation Park No. 1 Keyuanwei Road One Laoshan District, Qingdao Shandong Province, PRC
Place of Business in Hong Kong	31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Company's Website	**www.cosmoplat.hk** *(Information contained on this website does not form part of this document)*
Joint Company Secretaries	**Mr. Liu Ming (劉明)** Unit 3 Building 2, No. 882–3 Tong'an Road Laoshan District, Qingdao Shandong Province, PRC **Ms. Ye Jiahong (葉嘉紅)** *(Associate, HKACG)* 31/F., Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Authorized Representatives	**Mr. Chen Lucheng (陳錄城)** No. 2, Xuzhou Road Shinan District, Qingdao Shandong Province, PRC **Ms. Ye Jiahong (葉嘉紅)** 31/F., Tower Two, Times Square 1 Matheson Street, Causeway Bay Hong Kong
Strategy and Investment Committee	Mr. Chen Lucheng (陳錄城) *(Chairperson)* Mr. Chai Jiqiang (柴紀強) Mr. Zhou Yunjie (周雲傑) Mr. Zhan Bo (展波) Mr. Liu Chao (劉超) Mr. Jia Qiuran (賈秋然) Ms. Kong Yu (孔昱) Mr. Feng Guohua (馮國華) Mr. Gu Chunyuan (顧純元)
Audit Committee	Ms. Kong Yu (孔昱) *(Chairperson)* Mr. Zhan Bo (展波) Mr. Gu Chunyuan (顧純元)

CORPORATE INFORMATION

Nomination Committee	Mr. Feng Guohua (馮國華) *(Chairperson)* Mr. Chen Lucheng (陳錄城) Ms. Kong Yu (孔昱)
Remuneration and Appraisal Committee	Mr. Gu Chunyuan (顧純元) *(Chairperson)* Mr. Chen Lucheng (陳錄城) Mr. Feng Guohua (馮國華)
ESG Committee	Mr. Feng Guohua (馮國華) *(Chairperson)* Mr. Chai Jiqiang (柴紀強) Mr. Gu Chunyuan (顧純元)
Compliance Adviser	**Maxa Capital Limited** Unit 2602, 26/F, Golden Centre 188 Des Voeux Road Central Hong Kong
[REDACTED]	**[REDACTED]**
Principal Banks	**China Construction Bank, Qingdao Haier Road Branch** Haier Hainayun Building Laoshan District, Qingdao Shandong Province, PRC **China Merchants Bank, Qingdao Branch** China Merchants Bank Wealth Building No. 65 Haier Road Laoshan District, Qingdao Shandong Province, PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the Frost & Sullivan Report, a market research report prepared by Frost & Sullivan, an independent global consulting firm that was commissioned by our Company, and from various official government publications and available resources from public market research. Our Company engaged Frost & Sullivan to prepare the Frost & Sullivan Report in connection with the ***[REDACTED]****. The information from official government sources has not been independently verified by us, the Joint Sponsors, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, the* ***[REDACTED]****, any of their respective directors and advisers, or any other persons or parties involved in the* ***[REDACTED]****, and no representation is given as to its accuracy. The Directors of our Company and the Joint Sponsors have taken reasonable care in selecting and identifying the named information sources, compiling, extracting and reproducing the information and there is no reason to believe that any material fact has been omitted that would render such information false or misleading in any material respect. For a discussion of risks related to the Group's industry, see "Risk Factors — Risks Relating to Our Business and the Industry" in this document.*

OVERVIEW OF INDUSTRIAL DIGITALIZATION AND INTELLIGENCE

The Development of Industrial Intelligence Transformation

The industrial intelligence transformation has transitioned from exploration to large-scale application. Guided by policies such as the Implementation Guidelines for the AI plus Manufacturing Special Initiative《「人工智能＋製造」專項行動實施意見》(the "**Guidelines**") jointly issued by eight ministries including the Ministry of Industry and Information Technology (MIIT), the Cyberspace Administration of China (CAC) and the National Development and Reform Commission (NDRC) in October 2025, the Action Plan for Promoting the High-quality Development of industrial internet platforms (2026–2028)《推動工業互聯網平台高質量發展行動方案(2026–2028年)》(the "**Platform Development Plan**") released by MIIT in January 2026, and the Action Plan for Integrating and Empowering Industrial Internet and Artificial Intelligence《工業互聯網和人工智能融合賦能行動方案》(the "**Integration Action Plan**") issued by MIIT in January 2026, the synergistic effects of new infrastructure, including AI, IoT, 5G and cloud computing, are accelerating the implementation of industrial intelligence transformation.

Industrial data intelligence solutions optimize resource scheduling and enable intelligent analysis of complex processes. Edge intelligent controllers support real-time sensing and high-frequency control, accelerating IoT adoption across industrial sub-sectors. Industrial intelligence is applied in production scheduling optimization, equipment operation and maintenance enhancement, flexible customized production, and ESG management with reduced energy consumption. Combined with IoT-enabled real-time connectivity, cross-device interoperability, and data-driven decision-making, these capabilities reduce costs, improve efficiency, and drive industrial transformation and upgrading.

The evolution of the industrial sector progresses through three distinct stages: (i) industrial automation: Deploys control systems and automated equipment to realize automatic operation of repetitive processes, reduce manual intervention, and improve production stability and process standardization; (ii) industrial digitalization: Connects equipment and collects data via the industrial internet to digitize full-process production elements and workflows, driving data-empowered business model innovation; and (iii) industrial intelligence: Leverages technologies such as AI, IoT, 5G and cloud computing to mine data value, build a closed-loop intelligent manufacturing system covering perception, analysis, decision-making, execution and feedback, and transform production into an innovation-driven, intelligence-powered ecosystem.

The Pain Points in Industrial Development

1) **Difficulties in Collaboration among Different Industrial Systems:** Industrial intelligence transformation is a comprehensive upgrade across equipment, production lines, enterprises, and groups. Establishing a closed loop covering perception, analysis, decision-making, execution, and feedback requires integration and coordination of all relevant systems. Currently, core systems such as automated production and information management often lack effective collaboration. 2) **Insufficient Intelligence in Traditional Factories:** Existing network architectures in traditional factories struggle to support stable, high-concurrency access for a large number of devices. The diversity of equipment and the mix of legacy and modern devices exacerbate the difficulties in large scale connectivity and data acquisition. These gaps constrain real-time sensing, data analysis, and cross-device collaborative control, hindering the improvement of industrial intelligence. 3) **Insufficient Adaptability of Large Models to Industrial Scenarios:** The research, development and application of vertical large models in the industrial sector remain relatively underdeveloped. Industrial data is fragmented and heterogeneous, and data from different production scenarios is isolated, making it difficult to form standardized, high-quality training datasets. It is necessary to develop industrial vertical large models to meet the digital intelligence transformation requirements of various industrial segments. 4) **Low Efficiency in Data Value Conversion:** Unified standards for data collection and interaction are lack in all production stages. Incompatibility between different brands of industrial software requires complex protocol conversion for data collection and circulation, which impedes unified supervision and in-depth analysis of cross-scenario industrial data and impairs the accuracy and efficiency of industrial intelligent decision-making. 5) **High Requirements for Reducing Carbon Emission and Energy Consumption:** Global "dual-carbon" (carbon peaking and carbon neutrality) policies create stringent emission reduction requirements. Rising electricity prices and carbon trading costs increase operational pressure on industrial production. Consequently, refined carbon management via digital and intelligent platforms is an urgent requirement for enterprises and industrial parks to reduce energy consumption.

OVERVIEW OF INDUSTRIAL INTELLIGENCE SOLUTIONS MARKET

Industrial intelligence solutions are comprehensive, end-to-end offerings designed to facilitate the intelligent transformation of industries. Leveraging data-driven intelligence, they enable intelligent perception, data analysis, autonomous decision-making, and precise execution in manufacturing processes. This helps enhance operational efficiency, optimize resource allocation, and reduce production costs. Industrial intelligence solutions mainly consist of two core categories: edge intelligent controllers and industrial data intelligence solutions, which work synergistically to realize the cloud-edge-device integrated intelligent upgrading of industrial scenarios.

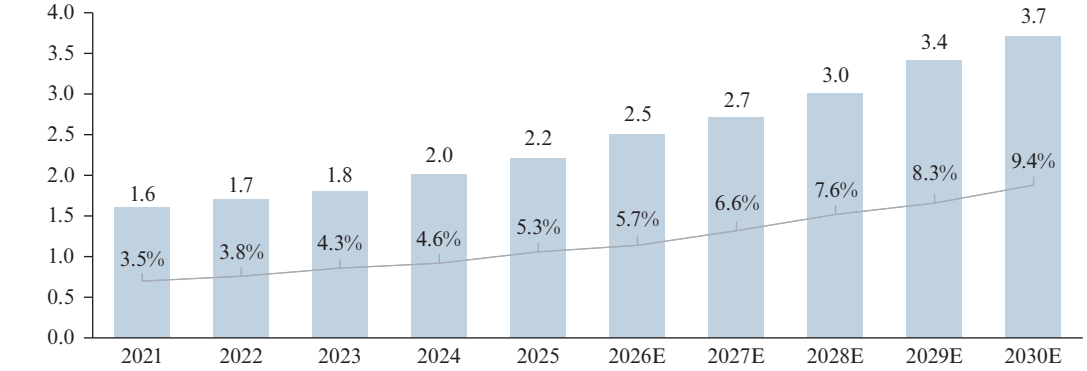
Market Size of Industrial Intelligence Solutions

In 2025, the market size of China's industrial intelligence solutions reached RMB2.2 trillion, with a compound annual growth rate (CAGR) of 9.2% from 2021 to 2025. Against the backdrop of continuous national policies promoting the implementation of the "AI+ Industrial Internet" initiative, new-generation information technologies such as AI, 5G, and the Internet of Things are accelerating their deep integration with industrial scenarios. This drives the evolution of industrial intelligence solutions from basic connectivity to comprehensive digital intelligence applications. It is projected that by 2030, the market size of China's industrial intelligence solutions will reach RMB3.7 trillion, with a CAGR of 10.8% from 2026 to 2030.

In 2025, China accounted for approximately 36.8% of the global industrial intelligence solutions market. The global competitive landscape is divided into platform-based and standalone solutions: standalone providers are led by global industrial digitalization giants including SAP, Siemens, and Rockwell Automation, which focus on specialized standalone offerings (such as ERP, MES or automation hardware) rather than comprehensive platform-based solutions, while the Company competes primarily with other platform-based players in the Chinese market.

Market Size of Industrial Intelligence Solutions in China, by Revenue, 2021–2030E

CAGR	2021–2025	2026E–2030E
Market Size of Industrial Intelligence Solutions	9.2%	10.8%
Penetration Rate of Platform-based Industrial Data Intelligence Solutions[1]		



Source: *Alliance of Industrial Internet, China Academy of Information and Communications Technology (CAICT), Frost & Sullivan Report*

Note:

(1) Refers to the proportion of the scale of Platform-based industrial data intelligence solutions to the overall scale of the industrial intelligence solutions market.

Introduction of Industrial Data Intelligence Solutions

Industrial intelligence solutions consist of two core categories: Edge Intelligent Controllers and Industrial Data Intelligence Solutions. Edge intelligent controllers serve as the edge-side execution hub, enabling real-time data collection, edge computing and intelligent control for industrial equipment, and laying the foundation for end-to-end industrial data connectivity and intelligent transformation. Industrial Data Intelligence Solutions, as the core data engine, integrate, model and analyze full-process industrial data, and apply AI technologies to deliver intelligent decisions for production optimization, quality prediction, energy efficiency management and more. Based on industrial intelligence, these solutions are divided into Platform-based and standalone solutions based on deployment approach.

Industrial internet platforms, as the key carrier of industrial intelligence, connect various industrial devices and systems, aggregate and deeply analyze production and operation data, and realize intelligent scheduling and efficient allocation of industrial resources. Driven by AI technology advancement, AI-powered industrial internet platforms further integrate large models as the core, endowing platforms with natural language interaction, deep learning reasoning and other AI capabilities to accelerate industrial intelligence progress.

- **Platform-based Solutions.** Built on industrial internet platforms, leverage device connectivity, data governance and model reuse to help enterprises, parks and industry clients build dedicated, scalable digital intelligence platforms for cross-system data integration and unified governance.

- **Standalone Solutions.** Focused on specific industrial scenarios or individual processes, these solutions lack platform coordination, resulting in disconnected data from other systems. They offer localized functions, cover limited industrial scenarios and lack cross-system or cross-industry collaboration capabilities.

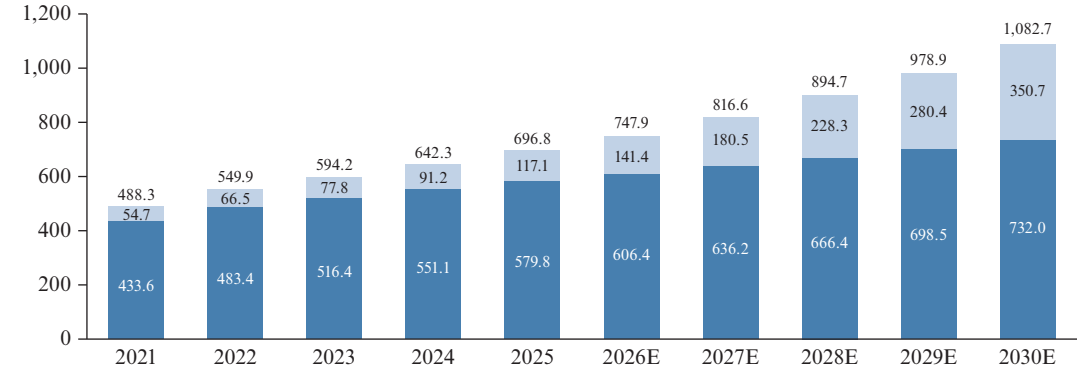
Market Size of Industrial Data Intelligence Solutions in China

Driven by China's industrial digital transformation, rising industrial internet platform penetration and growing demand for data-driven intelligent operations, the industrial data intelligence solutions market expanded from RMB488.3 billion in 2021 to RMB696.8 billion in 2025, with a 9.3% CAGR, including a 21.0% CAGR for the platform-based segment and a 7.5% CAGR for the standalone solutions. The market is expected to grow from RMB747.9 billion in 2026 to RMB1,082.7 billion in 2030, while the platform-based and standalone solutions are projected to see a 25.5% and 4.8% CAGR respectively over the period.

Market Size of Industrial Data Intelligence Solutions in China, by Revenue, 2021–2030E

CAGR	2021–2025	2026E–2030E
Platform-based Industrial Data Intelligence Solutions	21.0%	25.5%
Standalone Industrial Data Intelligence Solutions	7.5%	4.8%
Total	**9.3%**	**9.5%**

Unit: RMB Billion



Source: Annual Reports, National Bureau of Statistics of China, Alliance of Industrial Internet, Expert Interview, MIIT, Frost & Sullivan

Core Capabilities Required by Industrial Internet Platforms

1) **Data Collection Capability:** Industrial data has significant structural differences and low standardization across production systems. A unified collection and integration mechanism adapts to multiple devices and systems, establishes standardized interaction protocols, breaks data silos, improves fusion efficiency, and builds high-quality industrial datasets. 2) **Model Development Capability:** General-purpose LLMs face cost, adaptability and reliability challenges in industrial scenarios. A tailored vertical model system with interoperable interfaces and optimized LLM-vertical model collaboration forms reusable standardized components, expanding scenario coverage and enabling rapid industry-specific application deployment. 3) **AI Application Capability:** AI accelerates platform deployment through a full data system covering perception, analysis and decision-making. Edge AI enables localized real-time decision-making to boost processing efficiency, while industrial multimodal large models integrate multi-source data for comprehensive complex scenario analysis, expanding platform application boundaries. 4) **Execution and Implementation Empowerment Capability:** The platform needs deep industrial scenario insight and on-site execution capabilities, supporting direct equipment control and configurable workflow templates. By participating in end-to-end implementation of lighthouse factories and key industry benchmark projects, it validates technical practicality and reliability, improving market expansion efficiency.

Value Proposition of Industrial Internet Platforms

1) **Unified Data Governance and Breaking Information Isolation:** Industrial internet platforms connect heterogeneous industrial data through a unified architecture and standardized models, realizing standardized data processing, breaking "data isolation" for end-to-end governance. Integrated AI enhances data processing capabilities, enabling automated cleaning and efficient handling of massive data to improve the platform's data governance and intelligent decision-making. 2) **Building Industrial Vertical Models to Provide Real-time Decision Support:** Industrial internet platforms integrate massive diverse data to form full-lifecycle high-quality datasets, then build industrial knowledge bases and deploy scenario-specific vertical models via AI algorithms. These models provide real-time, high-quality decision support for industrial links like equipment maintenance and production scheduling, achieving industrial cost reduction and efficiency improvement. 3) **Reducing Energy Consumption and Accelerating Industrial Low-Carbon Transition:** Industrial internet platforms collect full-process energy consumption data to generate monitoring and carbon accounting reports, helping enterprises identify high-energy-consumption links and cut costs. AI-driven digital and intelligent energy control, plus energy consumption prediction and optimization, reduces energy use and carbon emissions, promoting industrial low-carbon transition.

Trends of the Industrial Intelligence Solutions Market

1) **Accelerated Elimination of Industry Data Isolation:** Data isolation has long restricted the value of manufacturing data; enterprises now focus on breaking data barriers to build a unified high-quality data asset system for full-value-chain intelligent decision-making. Industrial internet platforms, with their unified architecture, standardized models and data capabilities, accelerate industry-wide data integration, while AI further enhances their data ingestion and analytics abilities. 2) **Platform-based Approach Improves Delivery Capabilities:** Traditional customized delivery models can no longer meet the needs of rapid iteration and large-scale replication, making platform-based, modular and configurable delivery a key trend. These platforms lower implementation barriers, shorten delivery cycles for SMEs, and support flexible expansion and cross-scenario reuse for large enterprises. 3) **Broader End-to-end Application of AI in Industrial Scenarios:** AI applications in industry are evolving from isolated tools to end-to-end integration across R&D, production and supply chains. Industrial internet platforms provide a supporting environment with unified data, model management and service orchestration, integrating various AI capabilities to foster scenario-specific industrial agents and drive accelerated AI adoption. 4) **Broader Applications of Enterprise-level AI:** AI is shifting from isolated scenarios to enterprise-wide large-scale deployment, with enterprises seeking deep integration with business workflows. Platforms support enterprises in quickly building AI applications via unified frameworks, pre-built model libraries and automated tools, and future enterprise-level AI deepening will rely more on platform technology and management systems.

OVERVIEW OF EDGE INTELLIGENT CONTROLLERS MARKET

Industrial digitalization, intelligence solutions and IoT solutions mutually empower each other. IoT solutions realize on-site data collection and perception, and industrial internet platforms mine data value, which in turn promotes the intelligent upgrading of IoT solutions.

IoT solutions are core to industrial intelligence transformation, connecting physical devices and digital systems to break information isolation. IoT solutions enable standardized data flow, and drive data-driven management, helping enterprises improve efficiency and achieve green development.

There are two core hardware forms for this solution: Edge Intelligent Controllers, deployed at industrial or product scenarios, integrate data collection, edge computing and control capabilities to complete local real-time decision-making; IoT Gateways, acting as interconnection hubs for protocol conversion and data forwarding, ensure efficient data transmission. The two work synergistically to support industrial intelligence scenarios.

Definition of Edge Intelligent Controllers

The edge intelligent controller is an intelligent control device deployed at the edge, close to data sources, in industrial production or product application scenarios. It integrates data collection, transmission and edge computing capabilities. It can real-time collect and process on-site data, such as equipment and product status and environmental parameters, and perform reliable control. It serves as the data foundation for full-process industrial intelligence and product intelligence scenarios.

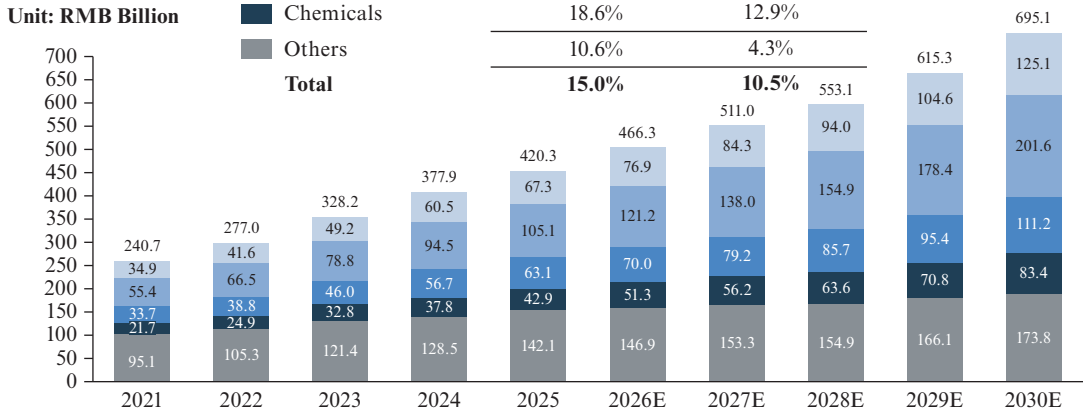
It is a core hardware support for industrial intelligence transformation. It can fundamentally resolve equipment information isolation. It provides robust data sources for upper-layer data analysis and intelligent decision-making. Through real-time edge control and flexible adaptation, it helps companies accelerate product interaction, improve production efficiency, optimize energy consumption management and ensure safe, stable production. Thus, it can offer technical support for the upgrading of industrial automation and intelligence. It also enables autonomous device response via edge computing, reduce reliance on cloud computing and significantly enhance response speed. This provides essential hardware support for the stable operation and experience enhancement of product intelligence scenarios.

Market Size of Edge Intelligent Controllers in China

Driven by industrial and consumer device upgrades, the replacement of traditional controllers with edge intelligent controllers, and the penetration of smart connectivity across sectors, the market size expanded from RMB240.7 billion in 2021 to RMB420.3 billion in 2025, with a CAGR of 15.0% from 2021 to 2025. Supported by deep integration of industrial AIoT and edge computing technologies, and stricter requirements for precision control, the market size is expected to grow from RMB466.3 billion in 2026 to RMB695.1 billion in 2030, with a CAGR of 10.5% from 2026 to 2030.

Market Size of Edge Intelligent Controllers in China, by Revenue, 2021–2030E

	CAGR	
	2021–2025	**2026E–2030E**
Home Appliance	17.8%	12.9%
Machinery	17.4%	13.6%
Electronic	17.0%	12.3%
Chemicals	18.6%	12.9%
Others	10.6%	4.3%
Total	**15.0%**	**10.5%**



Source: Annual Reports, Expert Interview, Frost & Sullivan

Competitive Landscape of Edge Intelligent Controllers in China's Home Appliance Sector

Edge intelligent controllers serve a wide range of downstream industries. Each sector has unique technical requirements, application scenarios and customer groups, forming independent markets with high entry barriers and limited cross-sector competition.

In 2025, the five players in the edge intelligent controllers in China's home appliance sector held a combined market share of 13.6%, with the Company ranking first by revenue and accounting for 4.3% of the market; in the Chinese edge intelligent controllers market, the total number of players stands at approximately 450.

The following table presents the revenue-based ranking of participants in this market in 2025.

Ranking[5][6]	Companies	Revenue in Billion, 2025	Market Share, 2025
1	The Company	2.9	4.3%
2	Company C[1]	2.7	4.1%
3	Company D[2]	1.7	2.5%
4	Company G[3]	1.1	1.7%
5	Company H[4]	0.7	1.0%

Source: Annual Reports, Expert Interview, Frost & Sullivan

Notes:

(1) Company C: Founded in 2000 and headquartered in China, Company C focuses on the R&D, production and sales of intelligent controllers. It covers home appliances, automotive electronics, digital smart energy and other fields. It is listed on the Shenzhen Stock Exchange.

(2) Company D: Established in 1996 and based in China, Company D engages in the R&D, production and sales of intelligent control system solutions. It is listed on the Shenzhen Stock Exchange.

(3) Company G: Founded in 1998 and headquartered in China, Company E focuses on the R&D, production and sales of intelligent controllers and system solutions. It covers home appliances and other fields. It is listed on the Shenzhen Stock Exchange.

(4) Company H: Established in 2001 and based in China, Company F engages in the R&D, production and sales of intelligent control hardware and system solutions. It covers home appliances, new energy, and other fields. It is listed on the Shenzhen Stock Exchange.

(5) The revenue data of Company C, D, G and H is based on estimation calculated by unit sales and other available public information, cross-checked with industry participants and experts on best effort, thus may be different from the audited data from the above players.

(6) Available public information includes financial reports of listed companies and publicly available industry reports, etc.

Drivers of Edge Intelligent Controllers Market in Home Appliance Sector

1) **Urgent Need to Digitize and Retrofit Legacy Equipment:** Traditional industrial and home appliance equipment suffers from information silos and limited data capabilities. Edge intelligent controllers enable intelligent transformation, realize real-time data collection and processing, and support enterprises' end-to-end digital management. 2) **Industrial Vertical Large Models Rely on Data Quality:** The application of AI and home appliance vertical large models depends on massive high-quality field data. Edge intelligent controllers conduct local data standardization and preprocessing, improving model training efficiency and supporting product intelligence upgrades. 3) **Expansion of Downstream Application Scenarios Drives New Demand:** Edge intelligent controllers are increasingly applied in smart functions such as precise temperature and humidity regulation and cross-device data linkage within home appliances. Meanwhile, mature control logic and technical architectures proven in home appliances can be rapidly extended to industrial sectors including machinery and equipment, further driving market growth while serving as key infrastructure connecting product intelligence and industrial digitalization.

Trends of Edge Intelligent Controllers Market in Home Appliance Sector

1) **Gradual Standardization of Communication Protocols:** Fragmented communication protocols across home appliances restrict cross-brand interconnection. Edge intelligent controllers, with strong protocol compatibility and built-in algorithms, enable data standardization and conversion. It can improve interconnection efficiency and stable data interaction. 2) **Synergy between 5G Communication Technology and Edge Computing:** 5G's low latency and high bandwidth integrate with edge computing. This accelerates computing power sinking to the edge. In home appliances, this combination supports local lightweight AI inference, reduces cloud dependence, raises response speed and stability, and facilitates full-scenario applications. 3) **Integration of Edge Intelligent Controllers and Platforms:** Edge intelligent controllers upload standardized home appliance operation data to enterprise management platforms. Platforms optimize algorithms using accumulated user and equipment data, forming a virtuous cycle. This accelerates product iteration and digital transformation of the home appliance industry. 4) **Intelligent Upgrading of Edge Intelligent Controllers:** Driven by AI integration, edge intelligent controllers evolve from basic control to intelligent processing with embedded AI algorithms. With cloud training and edge inference, they gain environmental and user perception capabilities, becoming core adaptive hardware for home appliance intelligence upgrading.

Entry Barriers of Edge Intelligent Controllers Market in the Home Appliance Sector

1) **Technical Barriers:** R&D of edge intelligent controllers requires interdisciplinary integration and long-term scenario verification. In the home appliance sector, it needs in-depth integration with product characteristics and enterprise platforms; new entrants lack scenario-specific technical accumulation and professional teams, making it hard to launch high-reliability products. 2) **Industry Know-how Barriers:** The home appliance sector has diverse product types and distinct control requirements, demanding manufacturers' deep understanding of customer processes and accumulated scenario optimization parameters. New entrants lack relevant technical reserves and protocol adaptation experience, failing to meet stability and accuracy requirements. 3) **Supply Chain Barriers:** Mass production of edge intelligent controllers relies on stable upstream supply chains and strong production capabilities. Home appliance customers are mostly large enterprises with fluctuating orders, requiring suppliers to have rapid response and cost competitiveness. New entrants cannot easily build mature, efficient and cost-competitive supply chain systems.

OVERVIEW OF PLATFORM-BASED INDUSTRIAL DATA INTELLIGENCE SOLUTIONS MARKET

Definition of Platform-based Industrial Data Intelligence Solutions

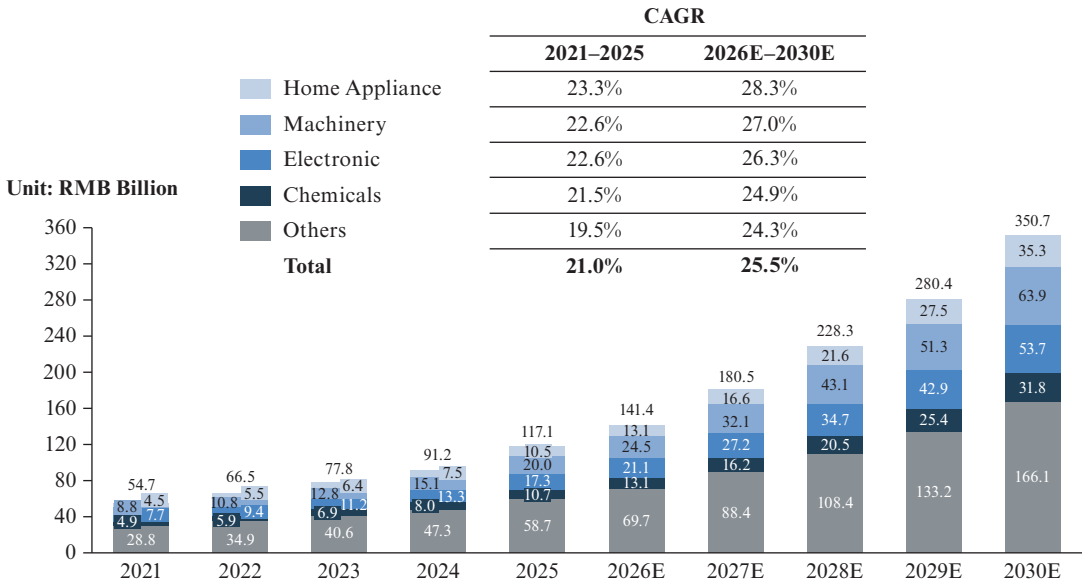
Platform-based industrial data intelligence solutions are centered on industrial internet platforms as their core technological foundation. By integrating, modeling, and analyzing full-process data, these solutions apply AI technologies to form intelligent decisions for production optimization, quality prediction, energy efficiency management, and more. The solutions primarily cater to enterprises, parks, and industry clients across various industrial sectors, providing digital intelligence services such as platform construction and operation, enterprise digital management, intelligent manufacturing, and industrial energy management. The specific offerings include platform construction and operation, enterprise digital management, park and city management, intelligent manufacturing, energy management, as well as supplementary personalized services including industrial data security and in-house AI application skill training to address customized needs throughout the industrial intelligence transformation process.

INDUSTRY OVERVIEW

Market Size of Platform-based Industrial Data Intelligence Solutions

Driven by the accelerated pace of traditional industrial intelligence transformation, the maturation and implementation of industrial big data analytics technologies, and the continuously rising demand for data value mining in industrial scenarios, China's Platform-based industrial data intelligence solutions market is experiencing rapid expansion. The market size grew from RMB54.7 billion in 2021 to RMB117.1 billion in 2025, representing a CAGR of 21.0% from 2021 to 2025. It is projected to increase from RMB141.4 billion in 2026 to RMB350.7 billion in 2030, with a CAGR of 25.5% from 2026 to 2030.

Market Size of Platform-based Industrial Data Intelligence Solutions in China, by Revenue, 2021–2030E



	CAGR	
	2021–2025	2026E–2030E
Home Appliance	23.3%	28.3%
Machinery	22.6%	27.0%
Electronic	22.6%	26.3%
Chemicals	21.5%	24.9%
Others	19.5%	24.3%
Total	**21.0%**	**25.5%**

Sources: Annual reports, expert interviews, Alliance of Industrial Internet, Frost & Sullivan reports

Competitive Landscape of Platform-based Industrial Data Intelligence Solutions Market

According to official statistics from the Ministry of Industry and Information Technology MIIT, there are more than 340 industrial internet platform enterprises in China with mature product systems and certain industry influence. As of 2025, a total of 49 enterprises have been accredited by MIIT through official dynamic evaluation as Cross-Industry and Cross-Domain ("**Double-Cross**") industrial internet platform enterprises, which are leading players with comprehensive industry strength and the core competitors of the Group. In 2025, the top five players in the Platform-based Industrial Data Intelligence Solutions Market held a combined market share of 4.9%, with the Company ranking first by revenue and accounting for 1.7% of the market.

Ranking[5][6]	Companies	Revenue in Billion, 2025	Market Share, 2025
1	The Company	1.9	1.7%
2	Company A[1]	1.4	1.2%
3	Company B[2]	1.1	0.9%
4	Company E[3]	0.8	0.6%
5	Company F[4]	0.6	0.5%

Sources: Annual Reports, Expert Interview, Frost & Sullivan Report

Notes:

(1) Company A: Focused on the "Internet + Intelligent Manufacturing" development orientation, the Company provides productive services covering the entire industrial chain and all elements. Founded in 2015 with headquarters in China.

(2) Company B: Provides digital and intelligent solutions, with a focus on industrial internet platforms, big data, AI, and cloud computing for manufacturing. Founded in 1994 with headquarters in China, it is listed on the Shanghai Stock Exchange.

(3) Company E: Engages in R&D and provision of industrial internet platforms, big data and intelligent solutions. It covers industry, telecommunications and other fields. Founded in 1997 with headquarters in China, it is listed on the Shenzhen Stock Exchange.

(4) Company F: Engaged in the provision of industrial internet platforms and full-scenario intelligent solutions for smart factories. Founded in 2001 with headquarters in China.

(5) The revenue data of Company A, B, E, and F is based on estimation calculated by unit sales and other available public information, cross-checked with industry participants and experts on best effort, thus may be different from the audited data from the above players.

(6) Available public information includes financial reports of listed companies and publicly available industry reports, etc.

Drivers of Platform-Based Industrial Data Intelligence Solutions Market

1) **Policy Support Accelerates Industrial Intelligence Implementation:** Global strategies including Industry 4.0, smart manufacturing and dual-carbon goals, plus China's 2025 targeted industrial policies, have turned platform-based industrial data intelligence solutions from optional upgrades into mandatory enterprise needs, accelerating their full industrial adoption. 2) **Industrial Large Models Advancements Expand Application Boundaries:** Technological breakthroughs of industrial large models in data processing and scenario adaptation break the limits of traditional single-link data analysis, enable cross-scenario intelligent decision-making, boost industrial procurement demand, and drive continuous market expansion. 3) **Growing SME Digital Intelligence Demand Drives Market Growth:** SMEs have low digital penetration due to limited in-house capabilities and professional teams, while platform-based solutions lower transformation thresholds via modular deployment and low-code operations, matching SMEs' needs and becoming a core market growth driver. 4) **Tightened Energy Efficiency and ESG Compliance Boosts Solution Demand:** China's stricter regulation on energy consumption, emission and ESG disclosure for high-emission industries makes traditional methods unable to meet compliance requirements, and platform-based solutions enable full-process data collection and optimization to help enterprises meet sustainability goals. 5) **Lighthouse Factories Accelerate Industrial Digital Intelligence Maturity:** As industrial digitalization benchmarks, lighthouse factories in large enterprises have achieved full-value-chain data integration via LLM technology, and their cross-industry technology replication is driving overall industrial upgrading and digital intelligence maturity.

TRENDS OF PLATFORM-BASED INDUSTRIAL DATA INTELLIGENCE SOLUTIONS MARKET

1) **Accelerated Application of Industrial Vertical Models in Industrial Scenarios:** Industrial vertical large models keep enhancing their adaptability in equipment recognition, process understanding and task handling, with multi-industry scenario data accumulation continuously improving their data analysis and application capabilities, and scenario-based implementation driving their in-depth scenario-specific development and industrial data value exploration. 2) **Leading Enterprises Drive SMEs' Intelligent Transformation Under Policy Support:** In January 2026, China's MIIT issued the Platform Development Plan, which explicitly calls for cultivating leading industrial internet platform enterprises, supporting their large-scale solution deployment in key industries, and urging them to open up core platform capabilities to drive SMEs' intelligent transformation and accelerate full industrial ecosystem collaboration. 3) **"Platform + Ecosystem" Model Enhances Industrial Flexible Manufacturing:** The deep integration of platform capabilities and ecosystem systems promotes industrial chain resource collaboration and capability complementarity

between upstream and downstream enterprises, improves cross-link resource scheduling efficiency, and steadily strengthens industrial flexible manufacturing capabilities to meet the needs of multi-variety and small-batch production.

Entry Barriers of Platform-Based Industrial Data Intelligence Solutions Market

1) **Platform Development Barrier:** Building a qualified industrial platform requires comprehensive capabilities including deep industrial scenario insight, end-to-end data system construction, continuous data and process knowledge accumulation, and AI application capabilities. New entrants need to invest substantial resources in long-term R&D, and the long cycle of technology and data accumulation forms a high market entry barrier. 2) **Cross-industry Application Experience Barrier:** Industrial scenarios have strong industry-specific characteristics with huge differences in production processes, equipment and management models across sectors. Solution providers need to accumulate industry knowledge through long-term project practice, and new entrants lacking industry experience can hardly accurately grasp industry needs and deliver effective solutions. 3) **Platform-based Solution Integration and Delivery Experience Barrier:** Industrial intelligence transformation projects have high requirements for providers' delivery capabilities, technical stability and project experience. Customers prefer providers with mature cases and stable delivery capabilities, and new entrants without large-scale benchmark project experience struggle to build customer trust in a short time. 4) **Customer Adoption and Validation Cycle Barrier:** The implementation of industrial data intelligence solutions requires multi-stage integration, debugging and comprehensive customer validation, which often takes a long time. New entrants without mature implementation experience and cases have to invest more time and resources, facing higher time costs and difficulty in rapid market penetration.

SOURCE OF INFORMATION

This section contains information extracted from the Frost & Sullivan report prepared by Frost & Sullivan independently, which is commissioned by us in connection with the **[REDACTED]**. We expect to pay Frost & Sullivan a total fee of RMB500,000 for the Frost & Sullivan report and our use of the report. Based on their best knowledge, our Directors believe that there has been no adverse change in the market information since the date of the research report that may qualify, contradict or impact the information disclosed. Frost & Sullivan is a consulting company that provides industry consulting services, commercial due diligence and strategic consulting services for a variety of industries. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the Frost & Sullivan report. We have extracted certain information from the Frost & Sullivan report in this section, as well as in the sections headed "Summary," "Risk Factors," "Business," "Financial Information" and elsewhere in this document to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

REGULATORY OVERVIEW

We are subject to a variety of laws, rules and regulations in the PRC, Thailand and New Zealand across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC, Thailand and New Zealand and the specific law and regulation of the U.S. tariff and export controls.

LAWS AND REGULATIONS IN THE PRC

Laws and Regulations on Foreign Investment

In accordance with the Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), companies are generally divided into two types, namely limited liability companies and companies limited by shares. The Company is an enterprise legal person with independent legal person property and enjoys the rights to legal person property. The Company Law also applies to foreign-invested limited liability companies and companies limited by shares.

The Foreign Investment Law of the People's Republic of China (the "**Foreign Investment Law**") establishes the fundamental framework for foreign investment access, promotion, protection, and administration, implementing a pre-establishment national treatment plus negative list management system. To further clarify and elaborate on the Foreign Investment Law and protect the legitimate rights and interests of foreign investors, the State Council promulgated the Implementation Regulations of the Foreign Investment Law of the People's Republic of China (the "**Implementation Regulations**") on 26 December 2019, which took effect on 1 January 2020.

The Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (the "**2024 Negative List**") specifies the prohibited and restricted investment sectors. For sectors outside the 2024 Negative List, administration shall be conducted in accordance with the principle of equal treatment between domestic and foreign investment.

Certain operations of COSMO Qingdao involve internet information services, which fall within the scope of value-added telecommunications services under the PRC regulatory regime. Pursuant to the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Version), foreign investment in value-added telecommunications services (other than those specifically exempted) is subject to a foreign ownership cap of 50%. Accordingly, foreign shareholding in COSMO Qingdao is subject to the applicable foreign ownership restrictions under the 2024 Negative List. Based on our Company's proposed issuance and **[REDACTED]** plan and assuming the **[REDACTED]** is exercised in full, the **[REDACTED]** will not result in the aggregate foreign ownership interest of our Company's PRC incorporated subsidiaries, on a look-through basis, exceeding 50%, and therefore will not contravene the applicable foreign ownership restrictions under the 2024 Negative List.

Laws and Regulations on Value-added Telecommunication Services and Internet Content Services

Value-Added Telecommunication Services

According to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "**Telecommunications Regulations**"), telecommunications services are divided into basic telecommunications services and value-added telecommunications services. According to the Telecommunications Regulations, value-added telecommunications business operators must first obtain a Value-added Telecommunication Business Operation License issued by the MIIT of the PRC (the "**MIIT**") or the provincial competent authorities. The Administrative Measures for Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》) provides more specific provisions on the types of licenses required to operate value-added telecommunications businesses, the qualifications and procedures for obtaining the relevant licenses and the supervision of the licenses.

The Catalog of Telecommunications Services (《電信業務分類目錄》), issued as an appendix to the Telecommunications Regulations, classifies value-added telecommunications services into Category I and Category II value-added telecommunications services. Category I includes Internet Data Center services, Content Delivery Network services, Domestic Internet Virtual Private Network services and Internet Access services, while Category II includes Online Data and Transaction Processing services, Domestic Multi-party Communication services, Store-and-Forward services, Call Center services, Information services and Code and Protocol Conversion services. According to the Catalog of Telecommunications Services, Online Data and Transaction Processing services use various data and transaction/affairs processing application platforms connected to public telecommunications networks or the Internet to provide services such as transaction processing, electronic data interchange and network/electronic equipment data processing services to users. Information services use information collection, development and processing, as well as the construction of information platforms, to provide voice information services (audiotex services) or online information and data retrieval and other information services directly to end-users through public telecommunications networks (such as fixed networks, mobile networks or the Internet).

According to the Administrative Regulations on Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) and the 2024 Negative List, for value-added telecommunications business areas opened according to China's WTO commitments, the foreign investment ratio in value-added telecommunications business enterprises (excluding e-commerce, domestic multi-party communication services, store-and-forward and call center businesses) may not exceed 50%, and any domestic enterprise engaged in basic telecommunications business must be controlled by the Chinese party. According to the Announcement of the MIIT on Lifting Foreign Shareholding Restrictions in Online Data Processing and Transaction Processing Business (E-commerce for Operating Purposes) (《工業和信息化部關於放開在線數據處理與交易處理業務(經營類電子商務)外資股比限制的通告》), the foreign shareholding ratio in Online Data Processing and Transaction Processing business (e-commerce for operating purposes) can be up to 100%.

Internet Information Services

According to the Catalog of Telecommunications Services, Information services are Category II value-added telecommunications services. According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), "Internet information services" refer to service activities that provide information to Internet users through the Internet and are classified as "for-profit Internet information services" and "non-commercial Internet information services." For-profit Internet information service providers must obtain an Internet Information Service Value-added Telecommunication Business Operating License (the "**ICP License**") from the relevant government department before operating any for-profit Internet information service. If a provider provides Internet information only on a non-commercial basis, it does not need to obtain an ICP License. According to the Administrative Measures for Telecommunications Business Operating Licenses, the ICP License is valid for five years and can be renewed within 90 days before its expiry. In addition, the provision of for-profit Internet information services through mobile Internet applications is regulated by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》). Mobile Internet application information service providers must comply with the provisions of these regulations, including obtaining qualifications required by laws and regulations and ensuring information security.

Laws and Regulations on Cybersecurity, Data Security and Personal Information Protection

Laws and Regulations on Cybersecurity and Data Security

The National Security Law of the PRC (《中華人民共和國國家安全法》) stipulates that the state will establish systems and mechanisms for national security review and supervision, conduct national security reviews of foreign investment, specific items and key technologies, network information

technology products and services, construction projects involving national security matters, and other major matters and activities that affect or may affect national security, to effectively prevent and defuse national security risks.

The Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**") applies to the construction, operation, maintenance and use of networks within China, as well as the supervision and administration of cybersecurity. According to the Cybersecurity Law, the state implements a cybersecurity multi-level protection system. Network operators meet the relevant security requirements of this system, ensure the network is free from interference, damage, or unauthorized access, and prevent network data from being leaked, stolen or tampered with.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") stipulates that any organization or individual collecting data must adopt lawful and proper means and may not steal or otherwise obtain data illegally. The Data Security Law specifies basic data security management systems, including the establishment of a classified and graded data protection system, a data security risk assessment mechanism, a data security emergency response mechanism and a data security review system.

The Measures for Cybersecurity Review stipulate that critical information infrastructure operators procuring network products and services must pre-assess the potential national security risks after the products and services are put into use. If national security is or may be affected, they must declare a cybersecurity review to the Cybersecurity Review Office. Network platform operators mastering personal information of more than 1 million users must declare a cybersecurity review to the Cybersecurity Review Office before listing abroad.

According to the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》), data processors providing data abroad that meet any of the following conditions must declare outbound security assessment to the national cyberspace administration authority through the provincial-level cyberspace administration authority where the data processor is located: (i) critical information infrastructure operators providing personal information or important data abroad; (ii) data processors other than critical information infrastructure operators providing important data abroad, or providing personal information (excluding sensitive personal information) of more than 1 million individuals or sensitive personal information of more than 10,000 individuals abroad (cumulatively) since January 1 of the current year.

According to the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》), the Regulations apply to network data processing activities and their security supervision and administration conducted within China. The Regulations stipulate that no individual or organization may use network data to engage in illegal activities, or engage in illegal network data processing activities such as stealing or otherwise illegally obtaining network data, or illegally selling or providing network data to others.

Laws and Regulations on Personal Information Protection

According to the provisions of the Civil Code of the PRC (《中華人民共和國民法典》), the personal information of natural persons is protected by law. Any organization or individual that needs to obtain personal information of others must do so in accordance with the law and ensure information security, and may not illegally collect, use, process or transmit others' personal information, nor illegally buy, sell, provide or disclose others' personal information.

According to 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 processing of personal information must adhere to the principles of lawfulness, legitimacy, necessity and good faith, and personal information may not be processed through misleading, fraud, coercion or other such means. No organization or individual may illegally collect, use, process or transmit others' personal information, nor illegally buy, sell, provide or disclose others' personal information, nor engage in personal information processing activities that endanger national security or public interests.

Laws And Regulations On Algorithm Governance

The Administrative Provisions on Internet Information Service Algorithm-Based Recommendation (《互聯網信息服務算法推薦管理規定》), implement classification and hierarchical management for algorithm-based recommendation service providers based on various criteria. The provisions also require the algorithmic recommendation service providers to establish and improve the management systems and technical measures for algorithm mechanisms and to provide users with options that will not target their personal profiles or convenient options to close algorithmic recommendation services.

On November 25, 2022, The CAC, the Ministry of Industry and Information Technology, and the Ministry of Public Security jointly promulgated 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》) (the "**Deep Synthesis Provisions**"), which took effect on January 10, 2023.

The Deep Synthesis Provisions clearly stipulates that the use of deep synthesis technology to provide Internet information services within the territory of the People's Republic of China is subject to these regulations. The general provisions of deep synthesis services are specified, emphasizing that deep synthesis services must not be used for activities prohibited by laws and administrative regulations. The Deep Synthesis Provisions requires deep synthesis service providers to implement the main responsibility for information security, establish sound management systems and technical security measures, formulate public management rules and platform conventions, authenticate the real identity information of users, strengthen deep synthesis content management, establish sound rumor-refuting mechanisms and complaint and reporting mechanisms.

The Provisional 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 Measures**") specifies the overall requirements for providing and using generative artificial intelligence services, propose specific measures to promote the development of generative artificial intelligence technology, clarify requirements for training data processing activities and data annotation, establish norms for generative artificial intelligence services, and require generative artificial intelligence service providers to take effective measures to prevent minors from over-relying on or becoming addicted to generative artificial intelligence services. The AIGC Measures also requires the identification of generated content such as images and videos in accordance with the Deep Synthesis Provisions, and timely disposal of illegal content. In addition, the AIGC Measures establish systems for safety assessment, algorithm registration, and complaint reporting, and clarify legal responsibilities.

In addition to 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》), our Group is also subject to the Administrative Provisions on Deep Synthesis of Internet-based Information Services (《互聯網信息服務深度合成管理規定》), which were promulgated by the Cyberspace Administration of China in November 2022 and became effective in January 2023. These provisions distinguish between deep synthesis service providers and technical support providers, and impose compliance requirements including content identification and algorithm filing obligations under specified circumstances. Pursuant to Article 21 of the Interim Measures for the Administration of Generative Artificial Intelligence Services and Article 22 of the Administrative Provisions on Deep Synthesis of Internet-based Information Services, failure to fulfil applicable filing or compliance obligations may result in regulatory actions by the competent authorities, including warnings, public criticism, orders for rectification within a prescribed period or, in serious cases, suspension of relevant services. Our Group has implemented internal control measures and procedures to address regulatory requirements relating to generative AI and deep synthesis technologies and to ensure compliance with applicable AI-related laws and regulations. In particular, with respect to system establishment, our Group has established an algorithm security policy framework comprising, among others, the Algorithm Security Self-assessment Policy, the Algorithm Security Monitoring Policy and the Algorithm Security Incident Emergency Response Policy. Our Group has also set up an algorithm security management system led by its algorithm security compliance committee. Through these policies and mechanisms,

our Group has put in place safety control requirements covering the full lifecycle of algorithm research and development, training, deployment, operation and iteration, and has specified the operational protocols for key aspects such as data compliance, model security, content review and emergency response. With respect to training data annotation, our Group has formulated the rules of data annotation and conducts both security-based and functionality-based annotation of data. Furthermore, our Group provides trainings to data annotation personnel and seeks to prevent employees who have not undergone or passed the required assessment from participating in data annotation work. With respect to content governance, our Group has adopted measures including keyword matching, text classification and identification, and manual review regarding the input and output content of its intelligent search engine services, with a view to filtering sensitive or non-compliant information and preventing the generation and dissemination of illegal or harmful information. With respect to content labelling, our Group plans to add an explicit content labelling notice on the interface of its intelligent search engine services indicating that the relevant content is generated by COSMOMind may be inaccurate, and advising users to exercise caution when relying on such content. Our Group also plans to add implicit identifiers to the output content to enable traceability. With respect to the protection of users' rights and interests, our Group has made available the COSMOMind Service Agreement and the COSMOMind User Privacy Policy on the service interface, which explain to users the specific features of our Group's services and its collection and processing of personal information. Our Group has also completed the algorithm filing and large model filing procedures required for its business operations. COSMO Qingdao previously provided services such as industrial knowledge intelligent search and precision-generated solutions to Internet users through an intelligent interactive engine on its official website. As of the Latest Practicable Date, COSMO Qingdao has completed the algorithm filing for its intelligent interactive engine services as a service provider and obtained the relevant filing number. Based on the guidance published by the Cyberspace Administration of China, our Group completed the filing of its underlying generative AI model used in its solutions as a generative artificial intelligence service provider, with the competent authority being the Shandong Provincial Cyberspace Administration. In addition, as our Group provides AI-enabled solutions to enterprise customers and may be regarded as a technical support provider under the Administrative Provisions on Deep Synthesis of Internet-based Information Services, our Group has also completed the required algorithm filing with the Cyberspace Administration of China in its capacity as a technical support provider. Based on the above, our PRC Legal Adviser is of the view that as of the Latest Practicable Date, our Group has complied with the applicable PRC laws and regulations relating to generative artificial intelligence and deep synthesis technologies in all material respects. Based on the facts and analysis mentioned above and the due diligence conducted by the Joint Sponsors detailed below, nothing has come to the Joint Sponsors' attention in the course of conducting the due diligence work detailed below that would reasonably cause them to cast doubt on the view of our Company's PRC Legal Adviser as disclosed in the foregoing. Such due diligence work included but were not limited to (i) reviewing our PRC Legal Adviser's legal opinion which stated that our Group has complied with the applicable PRC laws and regulations relating to generative artificial intelligence and deep synthesis technologies in all material respects during the Track Record Period and up to the Latest Practicable Date, and that our Group has completed the abovementioned filings with the relevant Cyberspace Administration in the PRC; (ii) discussing with the Joint Sponsors' PRC legal adviser who concurs with the view and analysis of our PRC Legal Advisor as disclosed above; and (iii) performing due diligence with our PRC Legal Adviser.

Laws and Regulations on Intellectual Property

Trademarks: According to the Trademark Law of the PRC (《中華人民共和國商標法》) and the Implementing Regulations for the Trademark Law of the PRC (《中華人民共和國商標法實施條例》), trademarks approved and registered by the Trademark Office are registered trademarks, and include commodity trademarks, service marks and collective trademarks, and certification marks. Trademark registrants enjoy the exclusive right to use the trademark, which is protected by law.

The term of validity of a registered trademark is 10 years from the date of approval of the registration. The term of validity of each renewal of registration is 10 years. If the renewal procedures are not completed upon expiration, the registered trademark will be cancelled.

Patents: According to the Patent Law of the PRC (《中華人民共和國專利法》) and the Implementing Regulations for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) patents are classified into three categories, namely invention patents, design patents and utility model patents. The duration of patent rights for an invention, a utility model and a design will be 20 years, 10 years and 15 years, respectively, from the date of application. Exploiting a patent without the authorization of the patent holder constitutes the infringement of patent rights, and the infringer will be liable for compensation to the patent holder and may be subject to fines or criminal liability.

Copyright: According to the Copyright Law of the PRC (《中華人民共和國著作權法》) and the Implementing Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) works of PRC citizens, legal persons or unincorporated organizations enjoy copyright pursuant to law, whether published or not. The aforementioned works refer to intellectual achievements that are original and can be expressed in a certain form in the fields of literature, art and science.

Domain Names: According to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》), promulgated by the MIIT and effective from November 1, 2017. Domain name registration services generally follow the "first apply, first register" principle. When applying for domain name registration, the applicant shall must a domain name registration agreement with the registrar and provide them with authentic, accurate and complete registration information. After the completion of the registration procedures, the applicant becomes the holder of the relevant domain name.

Laws and Regulations on Real Property

Land Use Rights and House Ownership: According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) state-owned land may be granted or allocated to construction units for use according to law.

According to the Civil Code of the PRC (《中華人民共和國民法典》), the creation, alteration, transfer or extinction of real property rights will become effective upon registration in accordance with law, and will otherwise have no effects whatsoever. The certificate of real property ownership is the evidence that the right holder is entitled to ownership of such real property rights.

Construction Land Planning Permit: According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), where state-owned land use rights are obtained by grant or allocation for utilization, a construction land planning permit must be obtained. If the construction unit obtains land use approval without obtaining the construction land planning permit, the relevant approval documents will be revoked by the local people's government at or above the county level; if the land is occupied, it will be returned promptly; if losses are caused to the parties, compensation will be made according to law.

Construction Engineering Planning Permit: According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), for any construction project of buildings, structures, roads, pipelines and other engineering works within the planning areas of cities and towns, the relevant construction unit or individual must apply for a construction engineering planning permit with the competent urban and rural planning department of the people's government of the city or county, or the people's government of the relevant town designated by the people's government of the relevant province, autonomous region or municipality.

Construction Permit: According to the Construction Law of the PRC (《中華人民共和國建築法》), before a construction project begins, the construction unit must, in accordance with the relevant state provisions, apply for a construction permit with the competent construction department of the people's government at or above the county level where the project is located,

except for small-scale projects below the limit determined by the competent construction department of the State Council. Construction projects that have a work commencement report approved pursuant to the authority and procedures stipulated by the State Council are not required to apply for a construction permit.

Acceptance of Construction Projects: According to the Administrative Regulations on Construction Quality (《建設工程質量管理條例》) and the Administrative Measures for the Acceptance Inspection and Filing of Building and Municipal Infrastructure Works (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》), a construction project may be delivered for use only after it has passed an acceptance inspection. The construction unit must within 15 days from the date of passing the acceptance inspection, file with the competent construction administrative department of the local people's government at or above the county level where the project is located. If the construction unit delivers the project for use without organizing the acceptance inspection or delivers the project for use despite failing the acceptance inspection, it will be ordered to make corrections and fined not less than 2% but not more than 4% of the contract price of the project; if losses are caused, it will bear compensation liability according to law. If the construction unit fails to file the acceptance inspection within 15 days from the date on which the construction project passes the acceptance inspection, the filing authority will order it to make corrections within a specified time frame and impose a fine of not less than RMB200,000 but not more than RMB500,000.

Leased Properties: According to the Civil Code of the PRC (《中華人民共和國民法典》), the owner of real or movable property has the right to possess, use, benefit from and dispose of such real or movable property according to law. A lessee may, with the consent of the lessor, sublease the leased property to a third party, and the lease contract between the lessee and the lessor will remain valid. If the lessee subleases without the consent of the lessor, the lessor may rescind the contract. Furthermore, if the ownership of the leased property changes during the term of possession by the lessee according to the lease contract, the validity of the lease contract is not affected. If a third party asserts rights, thereby preventing the lessee from using or benefiting from the leased property, the lessee may request a reduction in rent or non-payment of rent. According to the Civil Code of the PRC (《中華人民共和國民法典》), if the relevant parties fail to go through the lease contract registration and filing procedures in accordance with the provisions of laws and administrative regulations, the validity of the contract is not affected. According to the Administrative Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》), within 30 days after the conclusion of a house lease contract, the parties to the house lease must go through the house lease registration and filing procedures with the competent construction (real estate) department of the people's government of the municipality, city or county where the leased house is located. Where the foregoing provisions are contravened, the competent construction (real estate) department of the people's government of the municipality, city or county will order corrections within a specified time frame; if a unit, as a party to the house lease, fails to make corrections by the deadline, it will be fined not less than RMB1,000 but not more than RMB10,000.

Laws and Regulations Concerning Work Safety

According to the Work Safety Law of the People's Republic of China, production and business entities must comply with this Law and other laws and regulations concerning work safety, strengthen work safety management, establish and improve the work safety responsibility system for all personnel and work safety rules and regulations, increase investment and support for work safety funds, materials, technology, and personnel, improve work safety conditions, strengthen the standardization and information technology of work safety, establish a dual prevention mechanism for hierarchical control of safety risks and investigation and treatment of hidden dangers, improve the risk prevention and resolution mechanism, enhance work safety standards, and ensure work safety. Production and business entities that do not meet work safety conditions shall not engage in production or business activities.

According to the Measures for the Supervision and Administration of the "Three Simultaneous" Safety Facilities for Construction Projects, safety facilities for construction projects must be designed, constructed, and put into use simultaneously with the main projects.

Laws and Regulations Concerning Fire Safety

According to the Fire Protection Law of the People's Republic of China, the fire protection design and construction of construction projects must comply with the national fire protection technical standards for engineering construction.Upon completion of a construction project for which fire protection design is required pursuant to the national fire protection technical standards for engineering construction, a system of fire protection design review and fire protection acceptance shall be implemented for such project.Upon completion of a construction project for which fire protection acceptance is required to be applied for in accordance with the provisions of the Ministry of Housing and Urban-Rural Development, the construction entity shall apply to the competent department of housing and urban-rural development for fire protection acceptance.For other construction projects beyond those specified in the preceding paragraph, the construction entity shall file a record with the competent department of housing and urban-rural development after acceptance, and the competent department of housing and urban-rural development shall conduct random inspections.Construction projects subject to fire protection acceptance in accordance with the law shall be prohibited from being put into use if they fail to undergo fire protection acceptance or fail the fire protection acceptance. Other construction projects that fail random inspections conducted in accordance with the law shall cease to be used.

According to the Provisional Regulations on the Administration of Fire Protection Design Review and Acceptance for Construction Projects, the fire protection design review and acceptance system applies only to special construction projects, while a filing and random inspection system is implemented for other projects.

According to the Measures for the Administration of Fire Safety for Leased Factory Buildings and Warehouses (Trial), lessors, lessees, and property service enterprises of leased factory buildings and warehouses shall fulfill their respective fire safety responsibilities and strengthen fire safety management. In addition, leased factory buildings and warehouses shall meet fire safety requirements, and the use nature and function of factory buildings and warehouses shall not be altered in violation of regulations.

Laws and Regulations on Environmental Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**") promulgated by the SCNPC and effective from January 1, 2015, establishes a legal framework for protecting and improving the environment, preventing and controlling pollution and other public hazards, safeguarding public health, promoting ecological progress, and achieving sustainable economic and social development. According to the Environmental Protection Law, enterprises, institutions and other producers and business operators must prevent and reduce environmental pollution and ecological damage, and bear liability according to law for the damage caused.

According to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) and the Regulations on the Environmental Protection Management of Construction Projects (《建設項目環境保護管理條例》), the state implements classified management for the environmental protection of construction projects according to the degree of impact on the environment, as follows: (i) for construction projects that may cause significant impact on the environment, an environmental impact report must be prepared with a comprehensive and detailed appraisal on the pollution caused by the construction project and its impact on environment; (ii) for construction projects that may cause minor impact on the environment, an environmental impact statement must be prepared with an analysis or special appraisal on the pollution caused by the

construction project and its impact on the environment; (iii) for construction projects with minimal environmental impact that do not require an environmental impact assessment, an environmental impact registration form must be completed.

Laws and Regulations on Import and Export

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), the competent department of foreign trade under the State Council is in charge of the nation's foreign trade work. As of December 30, 2022, the filing and registration of foreign trade operators has been canceled. The state permits the free import and export of goods and technologies, except as otherwise provided by laws and administrative regulations.

According to the Administrative Regulations of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), customs declaration entities refer to consignees or consignors of imported or exported goods customs declaration enterprises or that have filed for record with the Customs Department in accordance with such provisions. Consignors or consignees of imported or exported goods or customs declaration entities applying for record-filing must obtain market entity qualifications; consignors or consignees of imported or exported goods applying for record-filing must also obtain foreign trade operator filings. The record-filing of a customs declaration entity remains valid indefinitely. Temporary record-filing is valid for one year and renewal may be applied for upon expiry.

According to the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》), consignors or consignees of imported or exported goods applying for filing must obtain market entity qualifications and do not need to obtain foreign trade operator filings.

Laws and Regulations on Employment and Social Welfare

Labor Law and Labor Contracts: According to the Labor Law of the PRC (《中華人民共和國勞動法》) and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), employers must establish and improve rules and regulations according to the law to ensure that laborers enjoy labor rights and perform labor obligations. A written labor contract will be concluded when the employer and the laborers establish the employment relationship. Where the employer fails to conclude a written labor contract for the employment of an employee or if the remuneration stipulated between the employer and the employee is not clear, the labor remuneration of a new employee will be executed pursuant to the standard stipulated in the collective contract; where there is no collective contract or where there is no such provision in the collective contract, the principle of equal pay for equal work will apply.

Social Insurance: According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), the PRC will establish social insurance systems including basic endowment insurance, basic medical insurance, employment injury insurance, unemployment insurance, maternity insurance to protect the rights of citizens to obtain material assistance from the State and the society pursuant to the law in the circumstances of old age, illness, work-related injury, unemployment and childbirth. Employers must complete social insurance registration with the social insurance agency for its employee within the required time, and declare and pay social insurance premiums on time and in full amount. Payment may not be deferred, reduced or exempted except due to force majeure or other statutory cause. Employers who failed to pay social insurance premiums on time or in full amount will be ordered by the collection agency to pay or make up the deficit of premiums within a stipulated period, and will be subject to a late payment fine computed from the date of default at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities will impose a fine ranging from one to three times the outstanding amount.

Housing Provident Fund: According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), the employer must register the contribution to the housing provident fund with the housing provident fund management center and go through the formalities of opening housing provident fund accounts for its employees. The employer must pay and deposit housing provident fund contributions on schedule and in full, and may not make overdue contributions or underpay the housing provident fund.

Where, in violation of the provisions of the Regulations on the Administration of Housing Provident Fund, an employer fails to register housing provident fund contributions or fails to complete the process of opening housing provident fund accounts for its employees, the housing provident fund management center will order it to complete the process within a prescribed time frame; where it has failed to do so by the deadline, a fine of not less than RMB10,000 but not more than RMB50,000 will be imposed. Where the employer fails to deposit the housing provident fund contributions within the specified time frame or underpays, it will be ordered by the housing provident fund management center to deposit the fund within a specified time frame; if it fails to deposit the fund by the deadline, the housing provident fund management center may apply to the people's court for enforcement.

Laws and Regulations on Foreign Exchange

According to the Foreign Exchange Control Regulations of the PRC (《中華人民共和國外匯管理條例》) and the Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange (《結匯、售匯及付匯管理規定》), after financial institutions engaging in conversion and sale of foreign currencies carry out a reasonable examination of the veracity of the transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments pursuant to the provisions of the foreign exchange control department of the State Council, the RMB is freely convertible for payment of current account items, such as trade- and service-related foreign exchange transactions and dividend payments. However, it is not freely convertible for capital account items, such as direct investment, loans or investments in securities outside China, unless prior approval from the State Administration of Foreign Exchange ("**SAFE**") or its branches is obtained.

According to the Decision on Matters Concerning Cancellation and Adjustment to a Batch of Items subject to Administrative Approval (《關於取消和調整一批行政審批項目等事項的決定》), the State Council has decided to cancel the approval requirement for the remittance and settlement of the proceeds raised from the overseas listing of overseas-listed foreign shares.

According to the Notice on Issues Relating to Foreign Exchange Control Pertaining to Overseas Listing (《關於境外上市外匯管理有關問題的通知》), a domestic company must, within 15 business days from completion of its overseas listing issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation. The funds obtained by a domestic company through an overseas listing can be transferred to a domestic account or deposited overseas. The use of funds must be consistent with the relevant contents set out in the document document or disclosure documents such as the corporate bonds offering documentation, shareholders' circular and the resolution of the shareholders' general meeting or the board of directors.

According to the Notice on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), the administrative approvals for foreign exchange registration under domestic direct investment and overseas direct investment have been cancelled and the banks will review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment, and the SAFE and its branches will implement indirect supervision over foreign exchange registration of direct investment via the banks.

According to the Notice on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Account Items (《關於改革和規範資本項目結匯管理政策的通知》), domestic institutions may settle their foreign exchange receipts under the capital account (including

foreign exchange capital, foreign debts and repatriated funds raised through overseas listing) entitled to discretionary settlement according to relevant policies with banks as actually needed for business operation. The proportion of discretionary settlement of foreign exchange capital income for domestic companies is temporarily set at 100%. The SAFE may adjust the above proportion in due course based on international balance of payments.

According to the Notice on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》), enterprises satisfying the prescribed requirements are allowed to use receipts under capital accounts such as capital funds, external debts and overseas listings for domestic payment without providing banks with authenticity certification materials on a transaction-by-transaction basis in advance, under the premise that funds are used in a truthful and compliant manner and comply with the existing provisions on the administration of use of receipts under capital accounts. Banks must, under the principle of prudential business development, manage and control the relevant business risks, and conduct ex post random inspection of the facilitation of receipts and payments under capital accounts according to the relevant requirements.

Laws and Regulations on Dividend Distribution

According to the Foreign Investment Law and the Implementation Regulations for the Foreign Investment Law, foreign investors may, in accordance with the law, freely remit into or out of the PRC, in RMB or any other foreign currency, their capital contributions, profits, capital gains, income from asset disposal, intellectual property royalties, lawfully acquired compensation, indemnity or liquidation income and so on within the territory of the PRC. Organizations and individuals may not illegally restrict the currency type and amount as well as the frequency of inward, outward remittance, among others.

According to the Company Law, when distributing each year's profits after taxation, the company must set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached 50% or more of the company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits must first be used to make good the losses before any allocation is set aside for the statutory common reserve fund.

Laws and Regulations on Taxation

Enterprise Income Tax: Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》) (the "**EIT Law**") and the Regulations on the Implementation of the EIT Law (《中華人民共和國企業所得税法實施條例》) (the "**EIT Law Implementation Regulations**"), promulgated by the State Council and effective from January 20, 2025, the enterprise income tax will be at the rate of 25%. The enterprise income tax for high-tech enterprises supported by the State will be at a reduced tax rate of 15%.

Value-Added Tax: According to the Interim Value-Added Tax Regulations of the PRC (《中華人民共和國增值税暫行條例》, the "**Interim Value-Added Tax Regulations**") and the Implementation Rules for the Interim Value-Added Tax Regulations of the PRC (《中華人民共和國增值税暫行條例實施細則》) (the "**Implementation Rules for the Interim Value-Added Tax Regulations**"), entities and individuals who sell goods or labor services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of Value-Added Tax, and must pay the Value-Added Tax. According to the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to Value-Added Tax Rates (《財政部、國家税務總局關於調整增值税税率的通知》), the tax rates of 17% and 11% applicable to any taxpayer's Value-Added Tax taxable sale or import of goods will be adjusted to 16% and 10%, respectively. According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、税務總局、海關總署關於深化增值税改革有關政策的公告》), the tax rate of 16% applicable to the Value-Added Tax taxable sale or import of goods by a

general Value-Added Tax taxpayer will be adjusted to 13%; and the tax rate of 10% applicable thereto will be adjusted to 9%. On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值税法》), effective from January 1, 2026, which replaces the Interim Value-Added Tax Regulations.

Laws and Regulations on Securities and Overseas Listing

Securities Laws and Regulations: According to the Securities Law of the PRC (《中華人民共和國證券法》), domestic enterprises issuing securities overseas or listing their securities overseas, either directly or indirectly, must comply with the relevant provisions of the State Council. The specific measures for the subscription for and trading in stocks of domestic companies in foreign currencies will be stipulated by the State Council.

Overseas Listing: On February 17, 2023, the China Securities Regulatory Commission ("**CSRC**") promulgated the Trial Administrative Measures of the 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》) and five ancillary interpretive guidelines (collectively, the "**Overseas Listing Trial Measures**"), which came into effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, overseas offering and listing by domestic companies must comply strictly with relevant national security laws, administrative regulations and rules concerning foreign investment, cybersecurity and data security, and must duly fulfill their obligations to protect national security. If the intended overseas offering and listing necessitates a national security review, relevant security review procedures must be completed according to law before the application for such offering and listing is submitted to any overseas parties such as securities regulatory agencies and trading venues. Initial public offerings or listings in overseas markets must be filed with the CSRC within three working days after the relevant application is submitted overseas.

On February 24, 2023, the CSRC, Ministry of Finance, National Administration of State Secrets Protection and State 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》) (the "**Archives Rules**"), which came into effect on March 31, 2023. According to the Archives Rules, to provide or publicly disclose to the relevant securities companies, securities service agencies, overseas regulatory authorities and other entities and individuals, or to provide or publicly disclose, through its overseas listing entities, any document or material involving State secrets or work secrets of State agencies, a domestic enterprise must apply to the competent department with examination and approval authority for approval in accordance with the law, and file the same with the secrecy administration at the same level for the record. To provide or publicly disclose to the relevant securities companies, securities service agencies, overseas regulatory authorities and other entities and individuals, or to provide or publicly disclose, through its overseas listing subjects, other documents and materials the disclosure of which will cause adverse impact on the national security or public interests, a domestic enterprise must adhere strictly to the corresponding procedures pursuant to the relevant provisions.

LAWS AND REGULATIONS IN THAILAND

The corporate establishment, governance and ongoing compliance obligations of the Thai Subsidiaries are primarily governed by the Civil and Commercial Code of Thailand, as amended, which regulates the formation, shareholding structure, directors' duties, corporate governance and financial reporting obligations of private limited companies. In addition, given that both Thai Subsidiaries are wholly foreign-owned, they are classified as "foreigners" under the Foreign Business Act, B.E. 2542 (1999) (the "**FBA**"). While manufacturing activities (including intelligent controllers and loT hardware modules manufacturing) are not restricted under the FBA, certain ancillary service activities may fall within List Three of the FBA and may require further assessment.

The Thai Subsidiaries' entitlement to investment incentives, including tax exemptions, import duty exemptions and foreign ownership privileges, is governed by the Investment Promotion Act, B.E. 2520 (1977), as amended (the "**IPA**"), and the conditions set out in the relevant BOI promotional certificates. Compliance with both general and project-specific conditions under the BOI promotion is essential to maintain such privileges.

As the operations involve industrial manufacturing, the Thai Subsidiaries are also subject to the Factory Act, B.E. 2535 (1992), as amended, and related ministerial regulations, which regulate factory licensing, operational conditions and regulatory supervision by the Department of Industrial Works.

In relation to employment and workforce management, the Thai Subsidiaries are subject to the Labour Protection Act, the Social Security Act, the Workmen's Compensation Act, and the Occupational Safety, Health and Environment Act, which govern employee welfare, social security contributions, workplace safety and employer obligations. The employment of foreign personnel is further regulated by the Royal Ordinance Concerning the Management of Employment of Foreign Workers.

Given the nature of our Group's manufacturing and export-oriented business, the Thai Subsidiaries are also subject to the Customs Act and the Trade Controls of Weapons of Mass Destruction Related Items Act, which regulate import/export procedures and control of sensitive goods.

The Thai Subsidiaries' operations further involve the handling of personal data (including employee data), and are therefore subject to the Personal Data Protection Act, B.E. 2562 (2019) (the "**PDPA**").

In addition, our Group is subject to the Trade Competition Act in relation to anti-competitive conduct, the Revenue Code in relation to corporate income tax, value added tax, withholding tax and transfer pricing requirements, and the Thailand-China Double Taxation Agreement in respect of cross-border tax matters.

Finally, land ownership and usage are governed by the Land Code, and cross-border fund flows and foreign exchange transactions are regulated under the Exchange Control Act and the relevant regulations issued by the Bank of Thailand.

LAWS AND REGULATIONS IN NEW ZEALAND

Corporate and Financial Reporting: The incorporation, corporate governance and ongoing statutory compliance of New Zealand companies are principally governed by the Companies Act 1993 and, where a company has adopted one, the constitution of that company. A company may have a constitution but does not have to. If a company has a constitution, the company, the board, directors and shareholders have the rights, powers, duties and obligations set out in the Companies Act 1993 except to the extent they are negated or modified, in accordance with the Companies Act 1993, by the constitution. The constitution has no effect to the extent it is inconsistent with the Companies Act 1993 and it is binding as between the company and each shareholder, and among the shareholders, in accordance with its terms. Directors must not act, or agree to the company acting, in a manner that contravenes the Companies Act 1993 or the company's constitution. In general terms, the Companies Act 1993 also establishes (among other things) requirements relating to maintaining statutory registers and corporate records, required filings and notifications with the Registrar of Companies, directors' duties, and procedural and substantive requirements for certain corporate actions.

Employment and Workplace Relations: Employment relationships in New Zealand are principally governed by the Employment Relations Act 2000. In general terms, it establishes the legal framework for employment relationships, including obligations of good faith between employers, employees, and unions, requirements for individual employment agreements, union

rights, obligations relating to restructuring, dismissal, and consultation processes, and a framework for resolving employment disputes. New Zealand employment law typically requires employer decisions affecting employees to be tested both for substantive justification and for fair process. The statutory regime also places strong emphasis on early resolution of employment relationship problems, with mediation playing a central role before formal proceedings in the Employment Relations Authority or Employment Court.

Health and Safety: Workplace health and safety in New Zealand is principally governed by the Health and Safety at Work Act 2015 and related regulations. In general terms, these require a person conducting a business to ensure, so far as is reasonably practicable, the health and safety of workers and other persons who may be affected by the work. The regulations include requirements relating to general risk management and worker engagement and participation, and include specific requirements relating to hazardous substances where they are present. The regime is built around proactive identification and management of work risks, rather than only responding after an incident has occurred. It also places distinct duties on officers to exercise due diligence, and gives particular importance to worker engagement and participation in health and safety matters.

Hazardous Substances and Environmental Regulation: The use, storage, and manufacture of hazardous substances in New Zealand is principally regulated by the Hazardous Substances and New Organisms Act 1996 and associated controls. Environmental effects of activities at a site, including discharges and other environmental impacts, are regulated through the Resource Management Act 1991, including regional and district plan rules and any site specific resource consents that apply.

Privacy: The collection, use, storage, and disclosure of personal information in New Zealand is principally regulated by the Privacy Act 2020. In general terms, the Privacy Act 2020 imposes obligations in relation to how personal information is handled, and includes mandatory reporting requirements for notifiable privacy breaches in certain circumstances.

Competition and Consumer Rights: Competition law in New Zealand is principally governed by the Commerce Act 1986, which prohibits certain anti competitive conduct including cartel conduct. The Fair Trading Act 1986 prohibits misleading or deceptive conduct in trade and regulates certain unfair practices. The Consumer Guarantees Act 1993 imposes statutory guarantees and consumer remedies for goods and services sold to consumers.

Trade, Customs, Export Controls and Sanctions: Imports and exports to and from New Zealand are regulated by the Customs and Excise Act 2018, which provides for import and export entry requirements, record keeping, and enforcement. Export of certain strategic goods may be prohibited unless the required permission is obtained under the Customs Export Prohibition (Strategic Goods) Order 2021. New Zealand sanctions measures relevant to counterparties, goods, services, and destinations may apply under the Russia Sanctions Act 2022 and regulations made under it.

Intellectual Property: Intellectual property in New Zealand is principally governed by the Patents Act 2013, the Trade Marks Act 2002, the Designs Act 1953, and the Copyright Act 1994. Patents, trade marks, and registered designs are obtained through registration under the relevant statute and are recorded on registers maintained by the Intellectual Property Office of New Zealand. Copyright arises under the Copyright Act 1994 on the creation of a qualifying work and does not require registration.

Tax: New Zealand tax obligations are principally governed by the Income Tax Act 2007 and the Tax Administration Act 1994, which together provide for (among other things) the assessment and payment of income tax, tax filing and record keeping obligations, and the administration and enforcement of tax obligations. Goods and services tax is imposed under the Goods and Services Tax Act 1985. Employer obligations relating to KiwiSaver are addressed under the KiwiSaver Act 2006.

REGULATORY OVERVIEW

U.S. ECONOMIC SANCTIONS AND EXPORT CONTROLS

Certain of our business activities may be subject to U.S. economic sanctions administered by the Office of Foreign Assets Control ("**OFAC**") and U.S. export control laws administered by the Bureau of Industry and Security ("**BIS**"), to the extent that such activities involve a U.S. nexus, including dealings with U.S. persons, U.S.-origin goods, software or technology, or transactions settled through the U.S. financial system.

OFAC administers sanctions programms that generally prohibit U.S. persons from engaging in transactions with designated persons or sanctioned jurisdictions, including persons listed on the Specially Designated Nationals and Blocked Persons ("**SDN**") List. In addition, under OFAC's "50% Rule", any entity that is owned, directly or indirectly, individually or in the aggregate, 50% or more by one or more SDNs is itself treated as an SDN, even if such entity is not expressly named on the SDN List, and dealings with such entity by U.S. persons are generally prohibited.

Separately, U.S. export control laws and the Export Administration Regulations ("**EAR**") regulate the export, re-export and transfer of certain goods, software and technology. BIS maintains the Entity List, which imposes additional licensing requirements on exports and transfers of items subject to the EAR to designated entities, with licence applications often subject to a presumption of denial. In September 2025, BIS published the BIS Affiliates Rule, which extended certain export licensing requirements to non-listed foreign affiliates owned or controlled by entities designated on the Entity List or the Military End User List. While the implementation of the BIS Affiliates Rule has been temporarily suspended, it may be reinstated in the future and could further expand the scope of export control restrictions. Failure to comply with applicable U.S. sanctions and export control laws may result in significant civil or criminal penalties. We have implemented internal compliance procedures to monitor and manage potential sanctions and export control risks in connection with our business operations.

As advised by our International Sanctions Counsel, our export sales and procurement activities may involve U.S.-nexus elements (such as U.S.-origin inputs and international payment flows) and therefore require ongoing monitoring of sanctions and export control developments. Our International Sanctions Counsel further advised that, our final products are generally not subject to the EAR, and our Russia and Belarus sales during the Track Record Period did not infringe U.S. sanctions or U.S. export controls. Nevertheless, changes in applicable sanctions, export controls, tariff policies or customer/supplier status may affect our procurement, export arrangements, downstream demand and supply chain stability. We manage these risks through trade compliance policies, restricted party screening and escalation procedures, and by monitoring developments in relevant jurisdictions.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history traces back to April 2017 when we were established as a limited liability company in the PRC under the name of Haier Industrial Holdings Co., Ltd. (海爾工業控股有限公司) as a member of Haier Group. Through years of development, we have become a provider of industrial intelligence products and solutions in China.

From April 2020 to June 2025, we completed several rounds of Pre-**[REDACTED]** Investments. See "— Pre-**[REDACTED]** Investments" in this section for details. In December 2022, our Company was converted into a joint stock limited company and renamed COSMOPlat IoT Technology Co., Ltd. (卡奧斯物聯科技股份有限公司).

BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group's key business development milestones:

Year	Milestone
2017	We were established as a limited liability company in the PRC under the name of Haier Industrial Holdings Co., Ltd. (海爾工業控股有限公司).
	We commenced our data intelligence solution businesses.
	We participated in the establishment of the Institute of Electrical and Electronics Engineers international standard for mass customization.
	We officially launched the COSMOPlat Industrial Internet Platform to the global audience at the Hannover Messe in Germany.
2018	We commenced our IoT products businesses.
	We built Chinese enterprise's first lighthouse factory.
	COSMOPlat Intelligent IoT Technology Co., Ltd. (卡奧斯創智物聯科技有限公司), Qingdao Dingxin Electronics Technology Co., Ltd. (青島鼎新電子科技有限公司), COSMOPlat Intelligent IoT Technology (Chongqing) Co., Ltd. (卡奧斯創智物聯科技(重慶)有限公司) and COSMOPlat Huazhi IoT Technology (Qingdao) Co., Ltd. (卡奧斯化智物聯科技(青島)有限公司) became members of our Group through equity injection by HSH.
2019	We participated in the establishment of the ISO international standard for mass customization.
	We were selected as one of the Top Ten Cross-Industry and Cross-Domain Industrial Internet Platforms by the Ministry of Industry and Information Technology of China.
	COSMOPlat Energy, Shandong COSMOPlat Smart Carbon Technology Co., Ltd. (山東卡奧斯智碳科技有限公司) and COSMOPlat Energy Technology (Chongqing) Co., Ltd. (卡奧斯能源科技(重慶)有限公司) became members of our Group through equity injection by Haier Corp, and COSMOPlat Intelligent IoT (Foshan) Co., Ltd. (卡奧斯創智物聯(佛山)有限公司) became a member of our Group through equity injection by HEG and Hefei Washing Machine.

Year	Milestone
2022	We were selected by the Ministry of Science and Technology as the National AI Open Innovation Platform for Industrial Brain.
	The IEC PAS 63441 functional architecture for industrial internet systems for industrial automation applications led by us was officially launched.
2023	We officially launched the "BaaS Industrial Brain" to the global audience at the Hannover Messe in Germany.
	The IEEE 2672–2023 *Guide for General Requirements of Mass Customization* and ISO/PAS 24644–1 Mass Customization Value Chain Management — Part 1: Framework, which we led the development of, were officially released.
2024	Our project "Key Technologies and Applications of an Industrial Internet Platform for Mass-Customization" received the Special Prize for Science and Technology from Shandong Province, as the only winner in our industry and the first in Qingdao.
	Our project "End-to-End Digital and Intelligent Solutions for the Manufacturing Industry Based on an Industrial Internet Platform" won the National First Prize in the "Data Elements × Industrial Manufacturing" track.
	The 2.10 version of our COSMOPlat Industrial Internet Platform has received the industry's first and only top-level certification, the Five-Star Intelligent Level.
	The IEEE international standard for the enterprise data asset evaluation model led by us has been officially approved as a project.
2025	We maintain the top ranking on the list of "cross-industry and cross-domain industrial internet platforms" for seven consecutive years.
	We led the formulation of the world's first IEEE international standard for Intelligent Interaction Engine.
	We were included in the "Digital and Intelligent Empowerment Development Map for Central and State-Owned Enterprises" published by the China Academy of Information and Communications Technology.
	We launched the 2025 edition of the COSMO-Sphere enterprise-level industrial internet platform.
	Our "Agile and Flexible Intelligent Manufacturing Technology for Mass-Customization" was selected as one of the Top Ten Scientific and Technological Advances in China's Intelligent Manufacturing for 2025.
	We were named a "Leader" in the *IDC MarketScape: China Industrial Foundation Models and Agent Solutions 2025 Vendor Assessment*.
2026	We empowered the creation of 20 Lighthouse Factories, including China's first sustainable lighthouse factory.

OUR MAJOR SUBSIDIARIES

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

Name of subsidiary	Date and place of incorporation	Equity interest attributable to our Group	Principal business activities
COSMOPlat Intelligent IoT Technology Co., Ltd.	June 24, 1999*(note)*; PRC	100%	Sales and manufacturing of IoT products
COSMOPlat Intelligent IoT (Foshan) Co., Ltd.	February 24, 2006*(note)*; PRC	100%	Sales and manufacturing of IoT products
COSMOPlat Digital Technology (Qingdao) Co., Ltd. (卡奧斯數字科技(青島)有限公司)	February 9, 2018; PRC	100%	Provision of data intelligence solutions
COSMOPlat Energy	May 20, 1993*(note)*; PRC	100%	Provision of data intelligence solutions
Qingdao Lingzhi Electronics Technology Co., Ltd. (青島領智電子科技有限公司)	December 12, 2018; PRC	100%	Sales and manufacturing of IoT products
Qingdao Dingxin Electronics Technology Co., Ltd.	May 24, 2006*(note)*; PRC	100%	Sales and manufacturing of IoT products
COSMOPlat Intelligent IoT Technology (Chongqing) Co., Ltd.	March 20, 2006*(note)*; PRC	100%	Sales and manufacturing of IoT products
Hefei Lingzhi Intelligent IoT Technology Co., Ltd. (合肥領智物聯科技有限公司)	September 27, 2017; PRC	100%	Sales and manufacturing of IoT products
Shandong COSMOPlat Smart Carbon Technology Co., Ltd.	August 24, 1999*(note)*; PRC	100%	Provision of data intelligence solutions
COSMOPlat Energy Technology (Chongqing) Co., Ltd.	March 20, 2006*(note)*; PRC	100%	Provision of data intelligence solutions
COSMOPlat Huazhi IoT Technology (Qingdao) Co., Ltd.	April 19, 2017*(note)*; PRC	100%	Provision of data intelligence solutions
Facteon Intelligent Technology (Qingdao) Co., Ltd. (斐科騰智能科技(青島)有限公司)	September 12, 2018; PRC	100%	Provision of data intelligence solutions
Zhejiang Chixiao Intelligent Detection Technology Co., Ltd. (浙江赤霄智能檢測技術有限公司)	May 8, 2018; PRC	85%	Provision of data intelligence solutions
Shanghai Discovery	May 30, 2011; PRC	67%	Provision of data intelligence solutions
Anhui Smart Carbon Energy Co., Ltd. (安徽智碳能源有限公司)	November 28, 2022; PRC	51%	Provision of data intelligence solutions
Histar Technology (Thailand) Co., Ltd. (泰國海仕達科技有限公司)	May 17, 2021; Thailand	100%	Sales and manufacturing of IoT products

Note: Such subsidiaries were incorporated prior to the incorporation of our Company and became our subsidiaries through equity injection by members of Haier Group.

OUR MAJOR SHAREHOLDING CHANGES

(1) Establishment of our Company and Early Capital Increases

On April 19, 2017, our Company was established as a limited liability company under the laws of the PRC under the name of Haier Industrial Holdings Co., Ltd. (海爾工業控股有限公司). Upon incorporation, our initial registered capital was RMB50,000,000, which was wholly owned by HSH.

After several rounds of capital increases through cash contributions or equity injections by Haier Corp and its subsidiaries as well as our employee shareholding platforms as of December 2, 2019, our registered capital was increased to RMB1,163,379,351, with our shareholding structure as follows:

Shareholders	Registered capital subscribed for (RMB)	Percentage of equity interest held in our Company (%)
HSH[(1)]	897,454,000	77.14
Hefei Washing Machine[(1)]	82,651,636	7.10
Haier Corp	74,434,124	6.40
Qingdao Haichuangbo[(2)]	67,827,236	5.83
HEG[(1)]	27,550,545	2.37
Kesimeng I[(3)]	13,461,810	1.16
Total:	**1,163,379,351**	**100**

Notes:

(1) As of the Latest Practicable Date, Hefei Washing Machine was directly and indirectly owned as to approximately 99.32% by Smart Home Appliances, a wholly owned subsidiary of HSH. HEG is a wholly owned subsidiary of HSH.

(2) Qingdao Haichuangbo is a private investment fund managed by Qingdao Haizhi Huiying Equity Investment Management Co., Ltd. (青島海智匯贏股權投資管理有限公司) ("**Qingdao Haizhi Huiying**"), a limited liability company owned as to approximately 51% by Mr. Zhang Ruimin (張瑞敏), founder of Haier Group.

(3) Kesimeng I is an employee shareholding platform of our Company controlled by Mr. Chen Lucheng (陳錄城), our executive Director. See "Our Employee Shareholding Platforms" in this section for details.

(2) Series A Financing

On April 26, 2020, our registered capital increased from RMB1,163,379,351 to RMB1,338,809,570 with the additional registered capital of RMB175,430,219 subscribed by the relevant subscribers at an aggregate consideration of RMB950,000,000 ("**Series A Financing**"). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

No.	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
1	China Structural Reform Fund Co., Ltd. (中國國有企業結構調整基金股份有限公司) ("**CSR Fund**")	55,399,017	300,000,000
2	Wuxi Chengding Smart City Venture Equity Investment Partnership (Limited Partnership) (無錫誠鼎智慧城市創業股權投資合夥企業(有限合夥)) ("**Wuxi Chengding**")	36,932,678	200,000,000
3	Shenzhen Investment Holding Donghai Small, Medium and Micro Venture Capital Enterprise (Limited Partnership) (深圳市投控東海中小微創業投資企業(有限合夥)) ("**IH Donghai**")	18,466,339	100,000,000
4	Chizhou Zhong'an Zhaoshang Equity Investment Partnership (Limited Partnership) (池州中安招商股權投資合夥企業(有限合夥)) ("**Chizhou Zhong'an**")	14,773,071	80,000,000
5	Qingdao Guoxin Zhaoshang Mass Entrepreneurship Investment Master Fund Partnership (Limited Partnership) (青島國信招商大眾創業投資母基金合夥企業(有限合夥)) ("**Guoxin Zhaoshang**")	12,926,437	70,000,000
6	Qingdao Tongchuang Zhiheng Equity Investment Partnership (Limited Partnership) (青島同創致恒股權投資合夥企業(有限合夥)) ("**Tongchuang Zhiheng**")	18,466,339	100,000,000

No.	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
7. . .	Qingdao SAIF Haohai Venture Capital Center (Limited Partnership) (青島賽富皓海創業投資中心(有限合夥)) ("**Qingdao SAIF**")	5,078,243	27,500,000
8. . .	Nanjing SAIF Equity Investment Fund (Limited Partnership) (南京賽富股權投資基金(有限合夥)) ("**Nanjing SAIF**")	4,154,926	22,500,000
9. . .	Shandong Jifu Jingu New Momentum Equity Investment Fund Partnership (Limited Partnership) (山東吉富金穀新動能股權投資基金合夥企業(有限合夥)) ("**Jifu Jingu**")	9,233,169	50,000,000
	Total:	**175,430,219**	**950,000,000**

For further details, please see "— Pre-**[REDACTED]** Investments" below.

(3) Series A+ Financing

On July 31, 2020, our registered capital increased from RMB1,338,809,570 to RMB1,375,742,248 with the additional registered capital of RMB36,932,678 subscribed by Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) ("**Guokai Zhizao**") at a consideration of RMB200,000,000 ("**Series A+ Financing**").

For further details, please see "— Pre-**[REDACTED]** Investments" below.

(4) Equity Transfer between HSH and COSMO Digital Technology

On July 29, 2020, HSH entered into a share transfer agreement with COSMO Digital Technology (a wholly owned subsidiary of Haier Corp then known as Qingdao Haier Ecological Investment Co., Ltd. (青島海爾生態投資有限公司)), pursuant to which HSH agreed to transfer registered capital of RMB749,733,359 in our Company (representing approximately 54.50% equity interest in our Company) to COSMO Digital Technology at the consideration of RMB4,060,000,000. The consideration was determined after arm's length negotiation between the parties with reference to the valuation from an independent valuer of our then total equity interests as well as the Series A + Financing which took place after the record date of the aforementioned valuation.

The consideration was fully settled in cash and the transfer was completed on September 29, 2020. Immediately following the completion of the transfer, COSMO Digital Technology became a shareholder of our Company with approximately 54.50% equity interest, while HSH's equity interest decreased from approximately 65.23% to approximately 10.73%.

(5) Series B Financing

On October 12, 2021, our registered capital increased from RMB1,375,742,248 to RMB1,483,508,719 with the additional registered capital of RMB107,766,471 subscribed by the relevant subscribers at an aggregate consideration of RMB1,175,000,000 ("**Series B Financing**"). The respective subscription amounts and consideration paid by the relevant subscribers were as follows:

No.	Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
1.	Guoshou (Shenzhen) Technology Innovation Private Equity Investment Fund Partnership (Limited Partnership) (國壽(深圳)科技創新私募股權投資基金合夥企業(有限合夥)) ("**Guoshou Shenzhen**")	18,343,230	200,000,000
2.	Haichuang Zhilian	18,343,230	200,000,000

No.	Subscribers	Registered capital subscribed for *(RMB)*	Consideration *(RMB)*
3.	Tongdu Haiao (Xiamen) Venture Capital Partnership (Limited Partnership) (同渡海奧(廈門)創業投資合夥企業(有限合夥)) ("**Tongdu Haiao**")	4,585,807	50,000,000
4.	Qingdao Chuxin Haiping Equity Investment Fund Partnership (Limited Partnership) (青島初芯海屏股權投資基金合夥企業(有限合夥)) ("**Qingdao Chuxin**")	3,668,646	40,000,000
5.	Qingdao Qingyue Boheng Equity Investment Management Partnership (Limited Partnership) (青島青樾博恒股權投資管理企業(有限合夥)) ("**Qingdao Qingyue**")	10,088,776	110,000,000
6.	Zhuji Shengbang Equity Investment Partnership (Limited Partnership) (諸暨盛邦股權投資合夥企業(有限合夥)) ("**Zhuji Shengbang**")	7,337,292	80,000,000
7.	Zhongcai Jinbao (Quzhou) Equity Investment Fund Partnership (Limited Partnership) (中財金保(衢州)股權投資基金合夥企業(有限合夥)) ("**Zhongcai Jinbao**")	6,420,130	70,000,000
8.	Jiangyin Guotiao Hongtai Private Equity Investment Partnership (Limited Partnership) (江陰國調洪泰私募股權投資合夥企業(有限合夥))) (formerly known as Xizang Guotiao Hongtai Private Equity Investment Partnership (Limited Partnership) (西藏國調洪泰私募股權投資合夥企業(有限合夥))) ("**Jiangyin Guotiao**")	4,585,807	50,000,000
9.	Jiaxing Guohe Mumao Equity Investment Partnership (Limited Partnership) (嘉興國和睦懋股權投資合夥企業(有限合夥)) ("**Jiaxing Guohe**")	4,585,807	50,000,000
10. . . .	Shandong New Growth Drivers Fund Management Co., Ltd. (山東省新動能基金管理有限公司)[(1)] ("**New Growth Drivers Fund**")	4,585,807	50,000,000
11. . . .	Qingdao Henghuitai Industrial Development Fund Co., Ltd. (青島恒匯泰產業發展基金有限公司) ("**Qingdao Henghuitai**")	4,585,807	50,000,000
12. . . .	Qingdao Huilong Huaze Investment Co., Ltd. (青島匯隆華澤投資有限公司) ("**Huilong Huaze**")	4,585,807	50,000,000
13. . . .	Jiaxing Jiangyu Equity Investment Partnership (Limited Partnership) (嘉興江裕股權投資合夥企業(有限合夥)) (formerly known as Qingdao Boerjin No. 9 Private Equity Fund Partnership (Limited Partnership) (青島勃爾金九號私募基金合夥企業(有限合夥))) ("**Jiaxing Jiangyu**")	3,210,065	35,000,000
14. . . .	Qingdao Ganghang Industrial Development Fund Partnership (Limited Partnership) (青島港航產業發展基金合夥企業(有限合夥)) ("**Qingdao Ganghang**")	2,751,484	30,000,000
15. . . .	Qingdao Tongchuang Yingxing Heyi Equity Investment Partnership (Limited Partnership) (青島同創贏行合壹股權投資合夥企業(有限合夥)) ("**Tongchuang Yingxing**")	2,751,484	30,000,000
16. . . .	Jinan ChanYan Zhongxiang Venture Capital Partnership (Limited Partnership) (濟南產研中翔創業投資合夥企業(有限合夥)) ("**Jinan ChanYan**")	1,834,323	20,000,000
17. . . .	Fuzhou Economic and Technological Development Zone Xingrui Hesheng Equity Investment Partnership (Limited Partnership) (福州經濟技術開發區興睿和盛股權投資合夥企業(有限合夥)) ("**Xingrui Hesheng**")	1,834,323	20,000,000
18. . . .	IH Donghai	1,834,323	20,000,000
19. . . .	Shandong Huachen Caijin New Growth Driver Venture Capital Partnership (Limited Partnership) (山東華宸財金新動能創業投資合夥企業(有限合夥))*note* ("**Shandong Huachen**")	1,834,323	20,000,000
	Total:	**107,766,471**	**1,175,000,000**

Note: As of the Latest Practicable Date, New Growth Drivers Fund was a limited partner of Shandong Huachen, holding approximately 22.22% partnership interests.

For further details, please see "— Pre-**[REDACTED]** Investments" below.

(6) Series B+ Financing

On January 19, 2022, our registered capital increased from RMB1,483,508,719 to RMB1,500,017,626 with the additional registered capital of RMB16,508,907, among which Anhui SAIF Haika Private Equity Venture Capital Fund (Limited Partnership) (安徽賽富海卡私募創業投資基金(有限合夥)) ("**Anhui SAIF**"), Nanjing SAIF and Qingdao SAIF subscribed for the increased registered capital of RMB15,591,746, RMB687,871 and RMB229,290, at consideration of B170,000,000, RMB7,500,000 and RMB2,500,000, respectively ("**Series B+ Financing**").

For further details, please see "— Pre-**[REDACTED]** Investments" below.

(7) Series B++ Financing

On February 25, 2022, our registered capital increased from RMB1,500,017,626 to RMB1,504,603,433 with the additional registered capital of RMB4,585,807 subscribed by Deyang Energy Conservation and Emission Reduction Industry Development Investment Fund Partnership (Limited Partnership) (德陽市節能減排產業發展投資基金合夥企業(有限合夥)) ("**Deyang Energy**") at a consideration of RMB50,000,000 ("**Series B++ Financing**").

For further details, please see "— Pre-**[REDACTED]** Investments" below.

(8) Conversion into Joint Stock Limited Company

On October 28, 2022, our then Shareholders passed resolutions approving, among other things, (i) the conversion of our Company from a limited liability company into a joint stock limited company with its corporate name changed to COSMO IoT Technology Co., Ltd. (卡奧斯物聯科技股份有限公司), and (ii) the conversion of our audited net assets value in an amount of RMB6,418,768,920.43 as of July 31, 2022 into 1,504,603,433 Shares with a nominal value of RMB1.00 each, which were issued to the then Shareholders in proportion to their respective equity interests in our Company before the conversion, with the remaining balance of RMB4,914,165,487.43 credited as our capital reserves. The conversion was completed on December 30, 2022.

(9) Shareholding Changes after the Conversion

(a) Capital Increase by Employee Shareholding Platforms

Pursuant to our shareholders' resolutions dated November 18, 2023, our registered capital was increased from RMB1,504,603,433 to RMB1,526,631,611, and Kesimeng II and Shanghai Wukun, our employee shareholding platforms, agreed to subscribe for 15,046,334 Shares (representing approximately 0.99% equity interest in our Company upon completion of capital increase) and 6,981,844 Shares (representing approximately 0.46% equity interest in our Company upon completion of capital increase) at a consideration of RMB36,953,796 and RMB17,147,409, respectively. The capital increase was completed on December 27, 2023.

(b) Share Transfers in June 2025 and January 2026

Pursuant to the share transfer agreements dated June 27, 2025, (i) each of Chizhou Zhong'an and Tongchuang Yingxing agreed to transfer 2,492,956 Shares and 1,907,696 Shares to Jiaxing Jianghong Equity Investment Partnership (Limited Partnership) (嘉興江泓股權投資合夥企業(有限合夥)) ("**Jiaxing Jianghong**") at a consideration of RMB17,712,001.91 and RMB24,780,493.15, respectively; and (ii) each of Qingdao SAIF, Xingrui Hesheng and Jinan ChanYan agreed to transfer 5,307,533 Shares, 1,834,323 Shares and 1,834,323 Shares to Shandong Province New Industrial

Development Equity Fund Partnership (Limited Partnership) (山東省新型工業化發展股權基金合夥企業(有限合夥)) ("**Shandong New Industrial Fund**"), at a consideration of RMB39,012,534.25, RMB23,827,397.26 and RMB23,827,397.26, respectively (the "**Share Transfers in June 2025**").

For further details, please see "— Pre-**[REDACTED]** Investments" below.

Pursuant to the share redemption agreements dated June 27, 2025 and June 30, 2025 between Haier Corp and certain Pre-**[REDACTED]** Investors, each of Anhui SAIF, Jiaxing Jiangyu, Chizhou Zhong'an, Guoshou Shenzhen, Guoxin Zhaoshang, Qingdao Qingyue, Tongchuang Yingxing and IH Donghai agreed to transfer 15,591,746 Shares, 599,172 Shares, 12,280,115 Shares, 18,343,230 Shares, 12,926,437 Shares, 10,088,776 Shares, 843,788 Shares and 1,834,323 Shares to Haier Corp, at a consideration of RMB199,412,328.77, RMB7,783,097.57, RMB87,247,998.09, RMB238,273,972.60, RMB91,840,000.00, RMB131,050,684.93, RMB10,960,602.74 and RMB23,827,397.26, respectively.

The relevant considerations were determined based on the investment amount of the relevant Pre-**[REDACTED]** Investors and a fixed annual return rate arrived after arm's length negotiation between the parties with reference to the redemption provision set out in the relevant share subscription agreements. The considerations were fully settled by August 8, 2025. The transfers of our Shares were completed on June 30, 2025.

Pursuant to the share redemption agreement dated January 27, 2026 between Haier Corp and Guokai Zhizao, Guokai Zhizao agreed to transfer 18,466,339 Shares to Haier Corp at a consideration of RMB132,761,643.84. The consideration was determined based on the investment amount of Guokai Zhizao and a fixed annual return rate arrived after arm's length negotiation between the parties with reference to the redemption provision set out in the relevant share subscription agreement. The consideration has been fully settled and the transfer was completed on January 27, 2026.

OUR EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of the relevant persons (primarily comprise our employees) and to incentivize them to further promote our development, Kesimeng I, Kesimeng II and Shanghai Wukun, were established in the PRC as our employee incentive platforms.

(a) Kesimeng I

Kesimeng I is a limited partnership established in the PRC on September 23, 2019 and managed by its general partner, Qingdao Haikemeng Management Consulting Co., Ltd. (青島海科盟管理諮詢有限公司) ("**Qingdao Haikemeng**"), a limited liability established in the PRC company which is owned as to 100% by Mr. Chen Lucheng, an executive Director. The limited partners of Kesimeng I are Shanghai Wuxuan Enterprise Management Partnership (Limited Partnership) (上海物暄企業管理合夥企業(有限合夥)) ("**Shanghai Wuxuan**"), Shanghai Wuxing Enterprise Management Partnership (Limited Partnership) (上海物星企業管理合夥企業(有限合夥)) ("**Shanghai Wuxing**") and Shanghai Wuqi Enterprise Management Partnership (Limited Partnership) (上海物祈企業管理合夥企業(有限合夥)) ("**Shanghai Wuqi**"), holding approximately 49.29%, 26.67% and 24.01% partnership interest in Kesimeng I, respectively.

The general partner of Shanghai Wuxuan is Qingdao Haichuang Smart Home Enterprise Management Consulting Co., Ltd. (青島海創智家企業管理諮詢有限公司) ("**Haichuang SH**"), which is in turn held as to 90% by Mr. Chen Lucheng, our executive Director, and 10% by one of our employees. The limited partners of Shanghai Wuxuan are 40 employees of our Company, including Mr. Chen Lucheng, Mr. Feng Xingzhi (馮興智) (a member of our senior management) and 38 employees who are not Directors or senior management of our Company. Save for Mr. Chen Lucheng who holds approximately 34.54% partnership interests, none of the other limited partners holds 30% or more of the partnership interests in Shanghai Wuxuan.

The general partner of Shanghai Wuxing is Qingdao Haikemeng. The limited partners of Shanghai Wuxing are 43 employees of our Company, including Mr. Chai Jiqiang (柴紀强) (an executive Director), Mr. Liu Ming (劉明) (a member of our senior management) and 41 employees who are not Directors or senior management of our Company. None of the limited partners holds 30% or more of the partnership interests in Shanghai Wuxing.

The general partner of Shanghai Wuqi is Qingdao Haikemeng. The limited partners of Shanghai Wuqi are 41 employees of our Company, including Ms. Xie Haiqin (謝海琴) and Ms. Xian Chunyan (咸春燕), two members of our senior management, and 39 employees who are not Directors or senior management of our Company. None of the limited partners holds 30% or more of the partnership interests in Shanghai Wuqi.

(b) Kesimeng II

Kesimeng II is a limited partnership established in the PRC on December 7, 2023 and managed by its general partner, Qingdao Haikemeng. The limited partners of Kesimeng II are Shanghai Wukui Enterprise Management Partnership (Limited Partnership) (上海物夔企業管理合夥企業(有限合夥)) ("**Shanghai Wukui**"), Shanghai Wuqu Enterprise Management Partnership (Limited Partnership) (上海物瞿企業管理合夥企業(有限合夥)) ("**Shanghai Wuqu**") and Shanghai Wupan Enterprise Management Partnership (Limited Partnership) (上海物磐企業管理合夥企業(有限合夥)) ("**Shanghai Wupan**"), holding approximately 36.12%, 34.42% and 29.42% partnership interest in Kesimeng II, respectively.

The general partner of Shanghai Wukui is Haichuang SH. The limited partners of Shanghai Wukui are 44 employees of our Company, including Mr. Chai Jiqiang, Ms. Xie Haiqin, Mr. Feng Xingzhi and 41 employees who are not Directors or senior management of our Company. None of the limited partners holds 30% or more of the partnership interests in Shanghai Wukui.

The general partner of Shanghai Wuqu is Qingdao Haikemeng. The limited partners of Shanghai Wuqu are 46 employees of our Company, including Ms. Xian Chunyan and 45 employees who are not Directors or senior management of our Company. None of the limited partners holds 30% or more of the partnership interests in Shanghai Wuqu.

The general partner of Shanghai Wupan is Qingdao Haikemeng. The limited partners of Shanghai Wupan are 26 employees of our Company, including Mr. Chai Jiqiang, Ms. Xian Chunyan and 24 employees who are not Directors or senior management of our Company. None of the limited partners holds 30% or more of the partnership interests in Shanghai Wupan.

(c) Shanghai Wukun

Shanghai Wukun is a limited partnership established in the PRC on November 15, 2023 and managed by its general partner, Qingdao Haikemeng. The limited partners of Shanghai Wukun are Mr. Chen Lucheng, Mr. Zhan Bo, and Mr. Chai Jiqiang, all of whom are our Directors.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

(1) Acquisition of Shanghai Discovery

Shanghai Discovery is a limited liability company established under the laws of the PRC on May 30, 2011, and is principally engaged in the provision of data intelligence solutions. With a view to further expanding our business operation, achieving business alliance and enhancing our core competence, we acquired the controlling interest in Shanghai Discovery in 2025 (the "**Discovery Acquisition**").

On August 13, 2025, COSMOPlat Energy, a direct wholly-owned subsidiary of our Company, entered into an investment agreement (the "**Investment Agreement**") with, among other, Wang Fengying (王峰瑛), Luo Xiangbo (羅祥波), Xiamen Dongling Fenghe Investment Partnership (Limited Partnership) (廈門東嶺豐和投資合夥企業(有限合夥)) ("**Dongling Fenghe**"), Fujian

Yingdeks Investment Partnership (Limited Partnership) (福建英德克斯投資合夥企業(有限合夥)) ("**Yingdeks**") and Fujian Shuquan Investment Partnership (Limited Partnership) (福建數券投資合夥企業(有限合夥)) ("**Shuquan Investment**") (collectively, the "**Transferors**"), each an Independent Third Party. Pursuant to the Investment Agreement, COSMOPlat Energy agreed to (1) subscribe for the increased registered capital of RMB12,084,281 of Shanghai Discovery, representing approximately 20.94% of its entire share capital upon completion of the investment, at a consideration of RMB204,259,585; and (2) acquire an aggregate of 26,580,937 shares of Shanghai Discovery, representing approximately 46.06% of its entire share capital upon completion of the investment, at a total consideration of RMB371,940,415, including as to (i) 1,193,750 shares held by Wang Fengying at a consideration of RMB28,146,959; (ii) 2,000,000 shares held by Luo Xiangbo at a consideration of RMB27,648,342; (iii) 12,151,355 shares held by Dongling Fenghe at a consideration of RMB160,819,056; (iv) 6,825,019 shares held by Yingdeks at a consideration of RMB94,350,226; and (v) 4,410,813 shares held by Shuquan Investment at a consideration of RMB60,975,832. The consideration for such share transfers shall be paid by three installments.

The consideration for the Discovery Acquisition was determined based on arm's length negotiation amongst COSMOPlat Energy and the relevant shareholders of Shanghai Discovery after taking into consideration of the timing of the investments, the status of the business operations and prospects of Shanghai Discovery and with reference to valuation metrics of comparable companies and comparable transactions.

As of the Latest Practicable Date, the consideration of the capital increase, together with the first two installments of consideration for the share transfers (being the first installment of RMB338,819,319 and the second installment of RMB13,121,096 representing approximately 91.09% and 3.53% of the consideration for the share transfers, respectively) had been settled with our internal resources. The third installment of consideration for the share transfers of RMB20,000,000, representing approximately 5.38% of the consideration for the share transfers, is expected to be settled within three months from the date of issuance of the audit report of Shanghai Discovery for the year 2025, subject to deduction and set-off from such amount where there is any breach of the Investment Agreement on the part of the then existing shareholders of Shanghai Discovery or as otherwise provided in the Investment Agreement.

Pursuant to the Investment Agreement, the guarantors (being the then shareholders and actual controllers of Shanghai Discovery) provided a guarantee to COSMOPlat Energy that for the years ending December 31, 2025, 2026 and 2027, (i) Shanghai Discovery's net profit attributable to shareholders of the parent company excluding non-recurring gains and losses should reach RMB105.0 million, RMB115.0 million and RMB125.0 million, respectively, and (ii) Shanghai Discovery's net operating cash flows should reach RMB40.0 million, RMB70.0 million and RMB110.0 million, respectively. The actual performance shall be determined based on the audited figures for the relevant years.

If Shanghai Discovery's actual performance triggers the compensation mechanism under the Investment Agreement, COSMOPlat Energy may, at its discretion, require the guarantors to compensate it by cash payment or transfer of additional equity interest in Shanghai Discovery, subject to an aggregate cap equal to the total investment amount of RMB576.2 million. In addition, where there are material underperformance such that either of the actual annual performance indicators of Shanghai Discovery falls below 50% of the relevant annual target as set out above or the aggregate three-year weighted achievement rate falls below 50%, or where there are material breach on the part of the guarantors as provided under the Investment Agreement, COSMOPlat Energy may also require the relevant parties to repurchase its equity interest in Shanghai Discovery at a consideration equal to the total investment amount paid by COSMOPlat Energy plus an annual simple interest at 6% accrued thereon, subject to set-off of any cash compensation previously paid under the performance compensation mechanism.

Further, the remaining shareholders of Shanghai Discovery were granted an option to dispose its 13% interest in Shanghai Discovery to the Group or as otherwise agreed with COSMOPlat Energy at an agreed valuation if Shanghai discovery meets certain performance, which is exerciseable by the end of 2028.

Pursuant to the Discovery Acquisition, Shanghai Discovery became a non-wholly owned subsidiary of our Company on August 14, 2025. As of the Latest Practicable Date, Shanghai Discovery was owned as to 67.00% by COSMOPlat Energy, 11.70% by Shanghai Discovery Investment Co., Ltd. (上海碳索投資有限公司), 10.44% by Dongling Fenghe, 7.24% by Yingdeks and 3.62% by Shuquan Investment.

The Discovery Acquisition is considered as a major acquisition for the purpose of Rule 4.05A of the Listing Rules, as the highest applicable percentage ratios in relation to the Discovery Acquisition exceeds 25% by reference to the most recent audited financial year of the Track Record Period. See "Appendix IB — Accountants' Report of Shanghai Discovery Group" and "Financial Information — Financial Information of Shanghai Discovery" for a discussion of the historical financial information of.

(2) Disposal of COSMO Moulds

On March 12, 2025, our Company, through its wholly owned subsidiary, Qingdao Haimo Zhiyun Technology Co., Ltd. (青島海模智雲科技有限公司), disposed the entire equity interest in COSMO Moulds to HSH at a consideration of approximately RMB77,749,770. The consideration was determined after on the arm's length negotiations between the parties taking into consideration the valuation of the net assets of COSMO Moulds as of February 28, 2025 from an independent valuer. The consideration for the disposal has been fully settled in cash.

COSMO Moulds is a limited liability company established in the PRC in 1992 which is principally engages in manufacturing and processing precision moulds. Such disposal was carried out to divest non-core business and to allow our Company to focus on our core business of industrial intelligence products and solutions, optimize our resource allocation, improve cash flow and enhance the efficiency of our capital expenditure. To the best knowledge of our Directors, and as advised by our Company's PRC legal adviser, COSMO Moulds was not subject to any material non-compliance incidents and there was no material claims, litigations, or legal proceedings against COSMO Moulds during the Track Record Period prior to such disposal.

As none of the applicable percentage ratios as defined under the Listing Rules in respect of the disposal of COSMO Moulds exceeds 25%, the disposal does not constitute a major transaction under Rule 4.05A of the Listing Rules.

The above acquisition and disposal have been properly and legally completed and settled, and all relevant approvals required from the relevant authorities have been obtained.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not conduct any other major acquisitions, disposals or mergers.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

The following table[(1)] summarizes the details of the Pre-**[REDACTED]** Investments through subscription of new Shares of our Company or share transfer among existing Shareholders made by the Pre-**[REDACTED]** Investors:

Pre-[REDACTED] Investments	Series A Financing	Series A+ Financing	Series B Financing	Series B+ Financing	Series B++ Financing
Date of Agreements	March 31, 2020	June 30, 2020	August 20, 2021	December 28, 2021	February 18, 2022
Date of settlement of consideration	April 20, 2020	July 14, 2020	October 15, 2021	January 14, 2022	January 12, 2022
Amount of registered capital	RMB175,430,219	RMB36,932,678	RMB107,766,471	RMB16,508,907	RMB4,585,807
Amount of consideration paid	RMB950,000,000	RMB200,000,000	RMB1,175,000,000	RMB180,000,000	RMB50,000,000
Approximate cost per Share paid	RMB5.42	RMB5.42	RMB10.90	RMB10.90	RMB10.90
Discount to the [REDACTED][(2)]	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%	**[REDACTED]**%
Implied post-money valuation[(3)]	RMB7,250 million	RMB7,450 million	RMB16,175 million	RMB16,355 million	RMB16,405 million
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds from the Pre-**[REDACTED]** Investments for (i) capital expenditure; (ii) research and development; and (iii) mergers and acquisitions and other business expansion purposes. As of the Latest Practicable Date, approximately 88% of the funds raised from the Pre-**[REDACTED]** Investments have been utilized.				
Basis of determination of the consideration	The consideration for each round of the Pre-**[REDACTED]** Investments were determined based on arm's length negotiations between the relevant parties after taking into consideration the timing of the investments and the status of our business and operations.				
Lock-up Period	Pursuant to the applicable PRC laws and regulations, within the 12 months following the **[REDACTED]**, no existing Shareholders (including the Pre-**[REDACTED]** Investors) may dispose of any of the Shares held by them.				
Strategic Benefits	Our Group could benefit from the business resources and potential business opportunities that may be provided by the Pre-**[REDACTED]** Investors from time to time. Some of Pre-**[REDACTED]** Investors are professional investment entities, and they brought us valuable industrial strengths, experience in market expansion and their insight on business strategies.				

Notes:

(1). The Share Transfers in June 2025 are not included in the above table as the consideration of the respective transfers in the aggregate amount of RMB129,159,823.83 was paid to Chizhou Zhong'an, Tongchuang Yingxing, Qingdao SAIF, Xingrui Hesheng, and Jinan ChanYan (instead of our Company) by the relevant Pre-**[REDACTED]** Investors, with the date on which full consideration was paid being June 30, 2025. The cost per Share of such equity transfers ranged from approximately RMB7.10 to RMB12.99. Based on the currency translation of HK$1 to RMB[0.90] and on the **[REDACTED]** of HK$**[REDACTED]** (being the mid-point of the indicative **[REDACTED]**), the discount to the **[REDACTED]** of such Share transfers ranges from approximately **[REDACTED]**% to **[REDACTED]**%. For details of the Share Transfers in June 2025, see "— Our Major Shareholding Changes — (9) Shareholding Changes after the Conversion" in this section.

(2). The discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]**.

(3). The implied post-money valuation is calculated on the basis of (a) cost per Share, and (b) the total number of Shares upon completion of the relevant round of the Pre-**[REDACTED]** Investments.

Special Rights of the Pre-[REDACTED] Investors

Pursuant to the shareholders' agreement among our Company and the Pre-**[REDACTED]** Investors and the redemption agreements among Haier Corp and the Pre-**[REDACTED]** Investors (as amended and supplemented from time to time), the Pre-**[REDACTED]** Investors had been granted certain special rights in relation to our Company. In anticipation of the proposed **[REDACTED]** and in order to comply with relevant requirements of the Listing Rules, on January 29, 2026, the Shareholders entered into a termination agreement, pursuant to which, among others, (i) the redemption rights granted to the Pre-**[REDACTED]** Investors against Haier Corp shall be irrevocably terminated on the day immediately preceding the submission of the first **[REDACTED]** by our Company to the Stock Exchange, and shall not be reinstated thereafter under any circumstances; and (ii) all the other special rights granted to the Pre-**[REDACTED]** Investors shall be terminated upon completion of the **[REDACTED]**. Our Company has not granted any divestment rights to the Pre-**[REDACTED]** Investors, and there is no guarantee provided by our Company or side agreement in respect of the redemption rights granted to the Pre-**[REDACTED]** Investors by

Haier Corp. As our Company is not a party to the redemption agreements, no liability regarding such rights has been recorded during the Track Record Period. See Note 47 to the Accountants' Report in Appendix IA to this document for details.

Joint Sponsors' Confirmation

On the basis that (i) the consideration for the last Pre-**[REDACTED]** Investment was irrevocably settled on a date, which is more than 120 clear days before the **[REDACTED]**, and (ii) the special rights granted to the Pre-**[REDACTED]** Investors have been terminated, the Joint Sponsors confirm that the Pre-**[REDACTED]** Investments are in compliance with the Chapter 4.2 of the Guide for New Listing Applicants.

Information about Pre-[REDACTED] Investors

Set out below is a description of our principal Pre-**[REDACTED]** Investors, each holding more than 1.00% of our total issued share capital immediately prior to the **[REDACTED]**. To the best knowledge of our Company and save as disclosed below, all of our Pre-**[REDACTED]** Investors and their ultimate beneficial owners are Independent Third Parties.

Qingdao Haichuangbo

Qingdao Haichuangbo is a limited partnership established under the laws of the PRC and principally engaged in equity investment.

As of the Latest Practicable Date, the general partner of Qingdao Haichuangbo was Qingdao Haizhi Huiying, holding approximately 0.50% partnership interest, which was in turn controlled by Mr. Zhang Ruimin (張瑞敏). None of the other shareholders held 30% or more of the equity interest in Qingdao Haizhi Huiying as of the Latest Practicable Date. As of the Latest Practicable Date, the limited partners of Qingdao Haichuangbo included (i) Qingdao Haichuangbo II Management Consulting Enterprise (Limited Partnership) (青島海創博貳管理諮詢企業(有限合夥)) ("**Qingdao Haichuangbo II**"), which held approximately 50.20% partnership interests herein, and (ii) four other entities, none of whom held 30% or more partnership interests in Qingdao Haichuangbo. As of the Latest Practicable Date, the general partner of Qingdao Haichuangbo II was Qingdao Haichuangbo Management Consulting Co., Ltd. (青島海創博管理諮詢有限公司), which was in turn controlled by Mr. Zhang Ruimin (張瑞敏). Qingdao Haichuangbo II had 33 limited partners and none of them held 30% or more of the partnership interests in Qingdao Haichuangbo II as of the Latest Practicable Date. Each of Qingdao Haichuangbo and Mr. Zhang Ruimin is an Independent Third Party, and the Shares held by Qingdao Haichuangbo will be counted towards the public float.

CSR Fund

CSR Fund is a joint stock limited company incorporated under the laws of the PRC on September 22, 2016.

As of the Latest Practicable Date, CSR Fund was funded by several state-owned enterprises and was ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). It is mainly engaged in business activities including non-public fund raising and equity investment.

Wuxi Chengding

Wuxi Chengding is a limited partnership established under the laws of the PRC and principally engaged in equity investment.

As of the Latest Practicable Date, the general partner of Wuxi Chengding was Shanghai Chengding Chuangfu Investment Management Co., Ltd. (上海誠鼎創富投資管理有限公司), holding approximately 1.09% partnership interests, which in turn was owned as to (i) 50.00% by Shanghai Hengzhi Jinkai Investment Partnership Enterprise (Limited Partnership) (上海恒智謹凱投資合夥企業(有限合夥)), which was ultimately controlled by Chen Zhihai (陳智海), and (ii) 50.00% by

Shanghai Chengtou Holding Co., Ltd. (上海城投控股股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600649). Wuxi Chengding had six limited partners and none of them held 30% or more of the partnership interests in Wuxi Chengding as of the Latest Practicable Date.

Guokai Zhizao

Guokai Zhizao is a limited partnership established under the laws of the PRC and principally engaged in equity investment.

As of the Latest Practicable Date, the general partner of Guokai Zhizao was Guokai Investment Fund Management Co., Ltd. (國開投資基金管理有限責任公司), holding approximately 0.20% partnership interest, which was ultimately controlled by Ministry of Finance of the People's Republic of China (中華人民共和國財政部). As of the Latest Practicable Date, the limited partner of Guokai Zhizao was National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司), which held approximately 99.80% partnership interests and was ultimately controlled by Ministry of Finance of the People's Republic of China. No shareholder held 30% or more of the equity interest in National Manufacturing Transformation and Upgrade Fund Co., Ltd as of the Latest Practicable Date.

IH Donghai

IH Donghai is a limited partnership established under the laws of the PRC and principally engaged in equity investment.

As of the Latest Practicable Date, the general partner of IH Donghai was Shenzhen TopoScend Capital Co., Ltd. (深圳市投控東海投資有限公司), holding approximately 0.81% partnership interest, which was ultimately controlled by State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government (深圳市人民政府國有資產監督管理委員會) ("**Shenzhen SASAC**"). None of the other shareholders held 30% or more of the equity interest in Shenzhen TopoScend Capital Co., Ltd as of the Latest Practicable Date. As of the Latest Practicable Date, the limited partners of IH Donghai included (i) Shenzhen Investment Control Bay Area Equity Investment Fund Partnership Enterprise (Limited Partnership) (深圳投控灣區股權投資基金合夥企業(有限合夥)) ("**Bay Area Equity Investment Fund**"), which held approximately 51.02% partnership interests herein, and (ii) three other entities, none of whom held 30% or more partnership interests in IH Donghai. As of the Latest Practicable Date, the general partner of Bay Area Equity Investment Fund was Shenzhen Investment Holdings Capital Co., Ltd. (深圳市投控資本有限公司), which was indirectly wholly-owned by Shenzhen SASAC. As of the Latest Practicable Date, the limited partner of Bay Area Equity Investment Fund was Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司), holding approximately 99.86% partnership interests, which was in turn wholly owned by Shenzhen SASAC.

Tongchuang Zhiheng

Tongchuang Zhiheng is a limited partnership established under the laws of the PRC and principally engaged in equity investment.

As of the Latest Practicable Date, the general partner of Tongchuang Zhiheng was Xinyu Tongchuang Selected Investment Management Co., Ltd. (新餘同創精選投資管理有限公司), holding approximately 0.93% partnership interest, which was ultimately controlled by Huang Li (黃荔) and Zheng Weihe (鄭偉鶴). Tongchuang Zhiheng had 16 limited partners and none of them held 30% or more of the partnership interests in Tongchuang Zhiheng as of the Latest Practicable Date.

Haichuang Zhilian

Haichuang Zhilian is a limited partnership established under the laws of the PRC and principally engaged in equity investment.

As of the Latest Practicable Date, the general partner of Haichuang Zhilian was Qingdao Haichuang, holding approximately 1.00% partnership interest, which was ultimately controlled by Haier Corp, one of our Controlling Shareholders. As of the Latest Practicable Date, the limited partners of Haichuang Zhilian included (i) Qingdao Haironghui, which held approximately 56.50% partnership interests herein and was controlled by Haier Corp, and (ii) four other entities, none of whom held 30% or more partnership interests in Haichuang Zhilian.

CAPITALIZATION OF OUR COMPANY

The table below sets out the capitalization of our Company as of the date of the Latest Practicable Date and upon the completion of the **[REDACTED]** and the conversion of **[REDACTED]** Shares into H Shares (assuming that the **[REDACTED]** is not exercised):

		As of the Latest Practicable Date		Immediately following the completion of the [REDACTED] and conversion of the [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised)					
No.	Name of Shareholder	Number of [REDACTED] Shares	Shareholding percentage in the [REDACTED] Shares	Number of [REDACTED] Shares	Shareholding percentage in the [REDACTED] Shares	Number of H Shares	Shareholding percentage in the H Shares	Number of total Shares	Shareholding percentage in the total issued share capital
1	COSMO Digital Technology	749,733,359	49.11%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2	Haier Corp	165,408,050	10.83%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
3	HSH	147,720,641	9.68%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	Hefei Washing Machine	82,651,636	5.41%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5	Qingdao Haichuangbo	67,827,236	4.44%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	CSR Fund	55,399,017	3.63%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
7	Wuxi Chengding	36,932,678	2.42%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	HEG	27,550,545	1.80%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	Guokai Zhizao	18,466,339	1.21%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10	IH Donghai	18,466,339	1.21%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11	Tongchuang Zhiheng	18,466,339	1.21%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12	Haichuang Zhilian	18,343,230	1.20%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13	Kesimeng II	15,046,334	0.99%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
14	Kesimeng I	13,461,810	0.88%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
15	Jifu Jingu	9,233,169	0.60%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
16	Shandong New Industrial Fund	8,976,179	0.59%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
17	Zhuji Shengbang	7,337,292	0.48%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
18	Shanghai Wukun	6,981,844	0.46%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
19	Zhongcai Jinbao	6,420,130	0.42%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
20	Nanjing SAIF	4,842,797	0.32%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
21	Huilong Huaze	4,585,807	0.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
22	New Growth Drivers Fund	4,585,807	0.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
23	Jiaxing Guohe	4,585,807	0.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
24	Deyang Energy	4,585,807	0.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
25	Qingdao Henghuitai	4,585,807	0.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
26	Jiangyin Guotiao	4,585,807	0.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
27	Tongdu Haiao	4,585,807	0.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
28	Jiaxing Jianghong	4,400,652	0.29%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
29	Qingdao Chuxin	3,668,646	0.24%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
30	Qingdao Ganghang	2,751,484	0.18%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
31	Jiaxing Jiangyu	2,610,893	0.17%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
32	Shandong Huachen	1,834,323	0.12%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
33	Other investors taking part in the [REDACTED]	—	—	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	Total	**1,526,631,611**	**100.00%**	[REDACTED]	**100.00%**	[REDACTED]	**100.00%**	[REDACTED]	**100.00%**

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PREVIOUS PLAN FOR A-SHARE LISTING AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

On September 24, 2024, we entered into a pre-listing tutoring engagement agreement with China International Capital Corporation Limited (中國國際金融股份有限公司) in relation to our previous plan to list on the Shanghai Stock Exchange Science and Technology Innovation Board (上海證券交易所科創板) ("**SSE Star Market**"), pursant to which China International Capital Corporation Limited agreed to act as the tutoring institution to provide guidance and preliminary compliance advice on the requirements of the CSRC and the Shanghai Stock Exchange. As part of the preparation for such preliminary listing plan, we filed a notice of pre-listing tutoring for A-share listing application (上市輔導備案申請) with the Qingdao Regulatory Bureau of CSRC (中國證券監督管理委員會青島監理局) on September 24, 2024 and have been making tutoring progress reports (輔導進展報告) periodically. As of the Latest Practicable Date, we have submitted seven tutoring progress reports (輔導進展報告) with the Qingdao Regulatory Bureau of CSRC (the "**A-share Listing Preparation**"). We haven't withdrawn the pre-listing tutoring filing. As of the Latest Practicable Date, we did not receive any comments or enquiry from the Qingdao Regulatory Bureau of CSRC in relation to the A-share Listing Preparation.

Having considered the recent regulatory developments relating to the A-share listing regime, which may give rise to uncertainty regarding the review timeline and could lead to additional commitment of management time and costs and resources, and having regard to our Company's overseas business development needs, including that an H-share listing may enhance our profile in the global market and strengthen our industry standing and competitiveness internationally, we have voluntarily decided to discontinue the previous A-share listing preparation and to pursue a **[REDACTED]** on the Stock Exchange. Our Company has not submitted any listing application for its A-share listing to the CSRC or any stock exchange in the PRC.

Our Directors confirm that there were no unresolved or potential disputes or material disagreements between our Company and relevant professional parties in respect of the A-share Listing Preparation. As we are just in the pre-listing tutoring stage and have not received any feedback or comments from the Qingdao Regulatory Bureau of CSRC in relation to the A-share Listing Preparation, our Directors are of the view that there are no unresolved or outstanding issues under the A-share Listing Preparation. Our Directors are also of the view that (i) there are no material matters in relation to the A-share Listing Preparation that will affect the suitability of our Company to be **[REDACTED]** on the Stock Exchange in any material respect, and (ii) there are no other matters in relation to the A-share Listing Preparation that ought to be brought to the attention of the potential investors and the Stock Exchange.

Based on the independent due diligence work performed, nothing has come to the attention of the Joint Sponsors in the course of conducting their due diligence that would reasonably cause them to cast doubt on our Directors' views that there are no unresolved or outstanding issues or other matters under the A-share Listing Preparation in any material respects. The Joint Sponsors are also not aware of any other matters that would cause them to disagree with the views of our Directors that there are no other matters in relation to the A-share Listing Preparation that ought to be brought to the attention of the potential investors and the Stock Exchange in any material respect.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

The **[REDACTED] [REDACTED]** Shares held by our Shareholders as of the Latest Practicable Date will not be considered as part of the public float as those are **[REDACTED]** Shares which will not be converted into H Shares and **[REDACTED]** on the Stock Exchange following the completion of the **[REDACTED]**.

Immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) and the conversion of **[REDACTED]** Shares into H Shares, **[REDACTED]** **[REDACTED]** Shares will be converted into H Shares and **[REDACTED]** on the Stock Exchange, out of which (i) the **[REDACTED]** H Shares held by Haichuang Zhilian, representing approximately **[REDACTED]**% of our total issued Shares upon the completion of the **[REDACTED]**, will not be counted towards the public float since such H Shares are held by our core connected person; and (ii) the remaining **[REDACTED]** H Shares will be counted towards the public float as such H Shares are not held or controlled by Shareholders who will constitute core connected persons of our Company, are accustomed to take instructions from core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of their Shares, and as their acquisition of Shares were not financed directly or indirectly by our core connected persons.

Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of **[REDACTED]** of our Company's H Shares is over HK$6 billion but does not exceed HK$30 billion, the minimum number of H Shares held by the public at the time of **[REDACTED]** as a percentage of our total issued Shares shall be the higher of: (i) the percentage that would result in the expected market value of H Shares held by the public to be HK$1.5 billion at the time of **[REDACTED]**; and (ii) 15%. Based on the **[REDACTED]** of HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]** per **[REDACTED]** (being the low-end, mid-point and the upper-end of the indicative **[REDACTED]**, respectively), the expected market capitalization of our Company's H Shares at the time of **[REDACTED]** would be approximately HK$**[REDACTED]**, HK$**[REDACTED]** and HK$**[REDACTED]**, respectively, which is over HK$6 billion but does not exceed HK$30 billion. The minimum prescribed public float percentage applicable to our Company is **[REDACTED]**%.

Immediately following completion of the **[REDACTED]**, assuming that (i) **[REDACTED]** H Shares are alloted and **[REDACTED]** in the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), (ii) **[REDACTED]** **[REDACTED]** Shares held by our existing Shareholders are converted into H Shares, and (iii) **[REDACTED]** Shares are issued and outstanding in the share capital of our Company, **[REDACTED]** H Shares, representing **[REDACTED]**% of the total number of issued Shares of our Company with a market value of HK$**[REDACTED]** based on the **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low-end of the indicative **[REDACTED]**), will be counted towards the public float, which is in compliance with Rule 19A.13A(1) of the Listing Rules.

Satisfaction of the Free Float Requirement

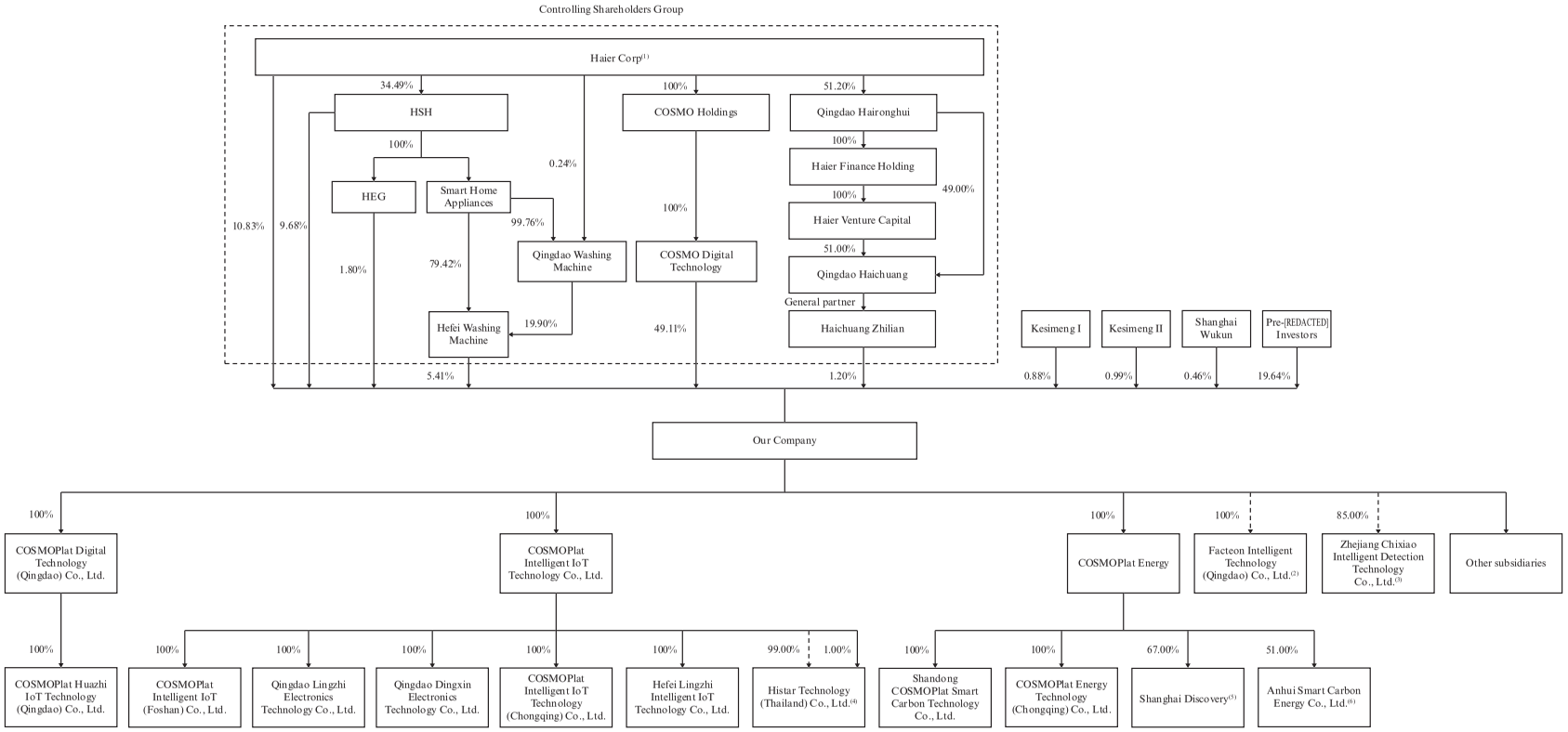
Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Pursuant to the applicable PRC law, within the 12 months following the **[REDACTED]**, all existing Shareholders (including the Pre-**[REDACTED]** Investors) cannot dispose of any of the Shares held by them. As such, H Shares held by the existing Shareholders as of the date of this document shall not be counted towards the free float of the H Shares of our Company at the time of **[REDACTED]**. Based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, the Company [will] satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

CORPORATE STRUCTURE

Shareholding and Corporate structure immediately before the [REDACTED]

The following chart sets forth the corporate structure of our Group immediately prior to the completion of the **[REDACTED]**:



Notes:

(1) According to the articles of association of Haier Corp, the nature of Haier Corp is an urban collectively-owned enterprise; according to a statement issued by Qingdao State-owned Assets Management Office and Qingdao Administration for Industry and Commerce in June 2002, the nature of Haier Corp is a collectively-owned enterprise. In accordance with the articles of association of Haier Corp and the Regulation of the People's Republic of China on Urban Collectively-Owned Enterprises (2016 Revision), Haier Corp is a socialist economic organisation, of which the property is collectively owned by the working masses, subject to joint work, with distribution according to work as the principal distribution method. In light of its enterprise nature, Haier Corp has no shareholders.

(2) As of the Latest Practicable Date, Facteon Intelligent Technology (Qingdao) Co., Ltd. was indirectly held by the Company as to 100%.

(3) As of the Latest Practicable Date, Zhejiang Chixiao Intelligent Detection Technology Co., Ltd. was indirectly held by the Company as to 85%, and the remaining 15.00% interests was held by Wang Junnan (王俊男), Wang Tun (王畽) and Hangzhou Chixiao Investment Management Partnership Enterprise (Limited Partnership) (杭州赤霄投資管理合夥企業(有限合夥)), each an Independent Third Party, as to approximately 10.00%, 4.70% and 0.30%, respectively.

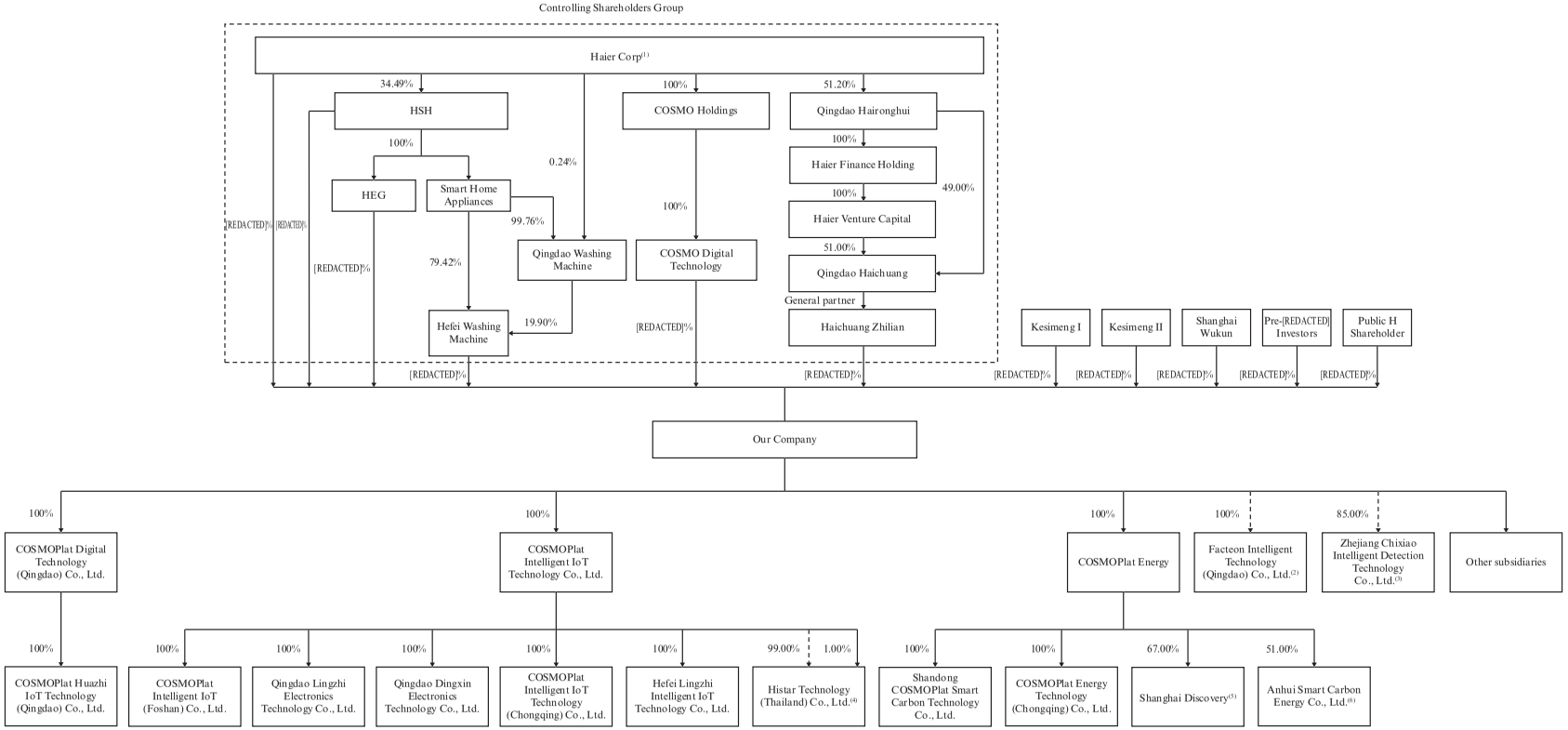
(4) As of the Latest Practicable Date, Histar Technology (Thailand) Co., Ltd. was indirectly held by COSMOPlat Intelligent IoT Technology Co., Ltd. as to 99% equity interest.

(5) As of the Latest Practicable Date, the remaining 33.00% interests in Shanghai Discovery were held by Shanghai Tansuo Investment Co., Ltd. (上海碳索投資有限公司), Xiamen Dongling Fenghe Investment Partnership (Limited Partnership) (廈門東嶺豐和投資合夥企業(有限合夥)), Fujian Yingdeks Investment Partnership (Limited Partnership) (福建英德克斯投資合夥企業(有限合夥)) and Fujian Shuquan Investment Partnership (Limited Partnership) (福建數券投資合夥企業(有限合夥)), each an Independent Third Party, as to approximately 11.70%, 10.44%, 7.24% and 3.62%, respectively.

(6) As of the Latest Practicable Date, the remaining 49.00% interests in Anhui Smart Carbon Energy Co., Ltd. were held by Anhui Wenergy Smart Energy Technology Co., Ltd. (安徽皖能智慧能源科技有限公司) and Anhui Wanfeng Changneng Investment Co., Ltd. (安徽皖豐長能投資有限責任公司), each an Independent Third Party, as to 39.00% and 10.00%, respectively.

Shareholding and Corporate structure immediately following the [REDACTED]

The following chart sets forth the corporate structure of our Group immediately following the completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised):



Notes:

See notes (1) to (6) to the chart in "— Shareholding and Corporate structure immediately before the **[REDACTED]**" above.

BUSINESS

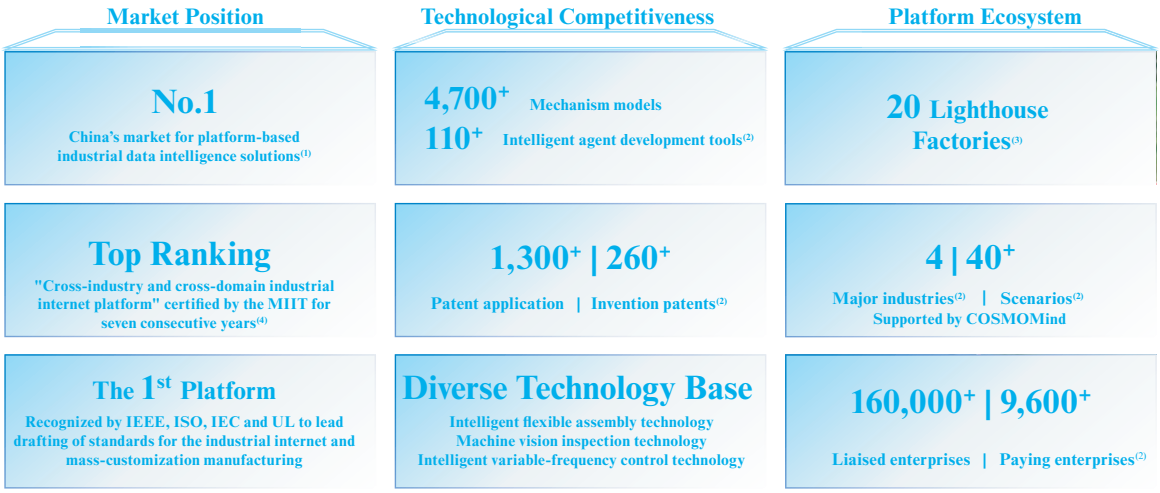
OVERVIEW

Who We Are

We are a provider of industrial intelligence products and solutions, comprising Internet of Things ("**IoT**") products (variable-frequency controllers and system controllers) and data intelligence solutions. Our products and solutions are dedicated to the intelligent transformation of our customers in various industrial sectors. Our IoT products are software-embedded controller hardware installed in customers' end devices. Our data intelligence solutions are delivered through platform-level software, application-level industrial software, intelligent agents, system integration services and, where required, third-party hardware equipment. According to Frost & Sullivan, we ranked first among platform-based industrial data intelligence solution providers in China by revenue in 2025, with a market share of 1.7%. We ranked first among edge intelligent controllers in China's home appliance industry by revenue in 2025, with a market share of 4.3%. We have independently developed the COSMOPlat Industrial Internet Platform ("**COSMOPlat**") powered by industrial large models and built a technology architecture that integrates industrial software, intelligent agents, industrial operating systems and industrial brains with IoT systems and edge computing devices. Leveraging our COSMOPlat and unified technology architecture, we offer IoT products and data intelligence solutions which combine local device processing with cloud-based support that enables data collection at the hardware level and decision-making support at the cloud layer. Our products and solutions have achieved commercialization at scale, with over 9,600 paying enterprises in various industry verticals such as home appliances, machinery equipment, electronics, automotive and energy and chemicals.

Our COSMOPlat is driven by industrial large models and rooted in our mass customization experience and Haier Group's 40-year manufacturing experience. It is one of the first platforms to be put on the list of "cross-industry and cross-domain industrial internet platforms" certified by the Ministry of Industry and Information Technology ("**MIIT**") and has maintained top ranking on the list for seven consecutive years. Centered on the value-driven transformation of industrial data, our COSMOPlat integrates technologies such as the IoT, big data, and artificial intelligence, decomposing the full manufacturing process into seven modules — demand interaction, research and development, marketing, procurement, production, logistics and services — and encapsulating the complex processes of industrial enterprises into replicable and scalable industrial software products and integrated edge-cloud solutions. In practical terms, COSMOPlat provides the foundations for industrial software systems, reusable components for industrial applications, data governance capabilities, model capabilities and intelligent-agent development tools that support our IoT products and data intelligence solutions. Leveraging the capabilities of COSMOPlat, we provide a portfolio of products and solutions and deliver an integrated product and service system. See "— Our Products and Solutions" in this section for details.

After years of development, we have achieved significant progress across various business areas as of the Latest Practicable Date:



Notes:

(1) Based on 2025 revenue with a market share of 1.7%, according to Frost & Sullivan.
(2) As of March 31, 2026.
(3) As of the Latest Practicable Date.
(4) From 2019 to 2025.

Our Market Opportunities

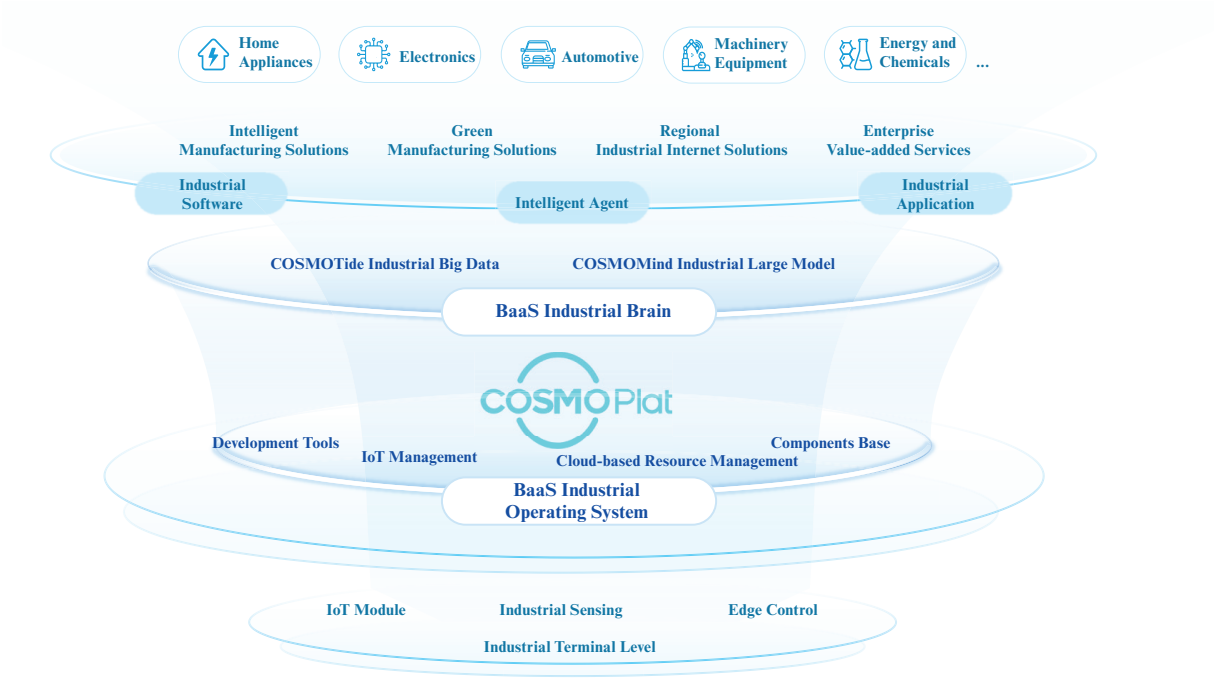
In the digital economy era, enterprises on both the demand and supply sides face strong and ongoing needs for intelligent upgrades. Enterprises increasingly seek to embed intelligence into products to better capture and respond to customer needs, enhance user experience and support full-lifecycle product management, while also upgrading manufacturing and operational processes to improve efficiency, flexibility and cost control. According to Frost & Sullivan, the market size of industrial intelligence solutions in China reached RMB2.2 trillion by 2025, representing a CAGR of 9.2% from 2021 to 2025, and is expected to reach RMB3.7 trillion by 2030, representing a CAGR of 10.8% from 2026 to 2030.

Despite strong demand, industrial enterprises continue to face challenges in intelligent transformation, including difficulty coordinating multiple industrial systems across research and development, production and logistics, fragmentation caused by siloed automation and information systems, and low data value conversion efficiency resulting from heterogeneous data structures, incompatible software systems and persistent data silos. In addition, the application of AI in industrial scenarios is constrained by the lack of industry-specific large models. Industrial data is highly fragmented and heterogeneous across enterprises, scenarios and verticals, making it difficult to form unified training datasets. As a result, general-purpose large models face limitations in meeting the specific needs of industrial production, highlighting the necessity for industry-adapted large models and intelligent agents. Within the AI-driven intelligent enterprise architecture, industrial internet platforms are increasingly becoming the foundation for processing multisource, heterogeneous industrial data and supporting the deployment of industrial intelligent agents, serving as the core engine for enterprise intelligence upgrades.

BUSINESS

Our COSMOPlat

Our COSMOPlat is built around a business best practice as a service ("**BaaS**") engine, which includes the BaaS Industrial Brain and the BaaS Industrial Operating System. Our COSMOPlat provides unified connectivity interfaces to underlying industrial terminals and offers standardized, user-friendly and open development and deployment interfaces to industrial software and intelligent agent applications. This allows the platform to deliver modular, ready-to-deploy enterprise-grade industrial internet platform solutions to enterprises, and provides fast, efficient and modular deployment capabilities for industrial intelligence products and solutions. Our COSMOPlat has accumulated years of industry expertise and know-how and has grown into a foundational platform driven by industrial large models. The following chart sets forth the architecture of our COSMOPlat industrial internet platform and various related business relationships.



We independently developed COSMOPlat and have progressively advanced its underlying technologies and functional modules over time. The development history of COSMOPlat is set out below:

- 2017 — The initial launch of COSMOPlat.
- 2019 — Upgraded COSMOPlat's capabilities in connectivity, knowledge accumulation, computational analytics, ecosystem integration and security, improving deployment and iteration efficiency.
- 2020 — Advanced COSMOPlat's data, simulation, customization and security capabilities and introduced the BaaS engine.
- 2022 — Enhanced COSMOPlat's data-processing, analytics and digital-twin functionalities.
- 2023 — Reinforced COSMOPlat's large-scale connectivity, industrial big-data processing and industrial large-model applications, and introduced the BaaS Industrial Brain.
- 2024 — Strengthened COSMOPlat's data capabilities and added functional modules relating to industrial large models and data-element infrastructure.
- 2025 — Upgraded COSMOPlat's data and intelligence capabilities, leveraging its COSMOMind Industrial Large Model to build a next-generation industrial brain.

BaaS Industrial Operating System is the core technology behind the COSMOPlat. It brings together essential functions such as industrial IoT connectivity, modern cloud infrastructure, and resource management. With these capabilities, the system enables comprehensive connectivity of industrial elements, allows shared use of common tools, and helps coordinate activities across production process. It also allows customers to flexibly mix and match system components, application components, and industrial applications. This flexibility satisfies enterprises' needs for intelligence customization, lowers the cost and effort required for intelligence transformation and provides reliable support for rolling out industrial internet solutions at scale.

BaaS Industrial Brain is built on BaaS Industrial Operating System. BaaS Industrial Brain uses data as production factor, integrating digital technology, intelligence technology and industrial knowledge, and provides users with industrial software, industrial intelligent agents and other products. The BaaS Industrial Brain consists of two core capability components: COSMOTide Industrial Big Data and COSMOMind Industrial Large Model.

COSMOTide is an AI-ready intelligence processing engine for industrial sectors. It has an architecture that consists of a data lakehouse, data middle platform and intelligent governance capabilities, providing full-lifecycle management capabilities for industrial data, including multisource heterogeneous data aggregation, multimodal data storage, industrial data governance and analysis, AI-based query, and AI dataset toolchains. It eliminates data silos and supports millisecond-level queries and full-element data governance. It has been adopted across home appliance, energy and chemicals, energy and carbon industry verticals, helping enterprises achieve data-driven decision-making and intelligence transformation.

COSMOMind is the first industrial large model in China built on an industrial internet platform. To address challenges in industry verticals such as insufficient data supply, high model-training costs and weak business-scenario alignment, and drawing on Haier Group's more than 40 years of manufacturing experience and the expert models and robust multimodal datasets accumulated on the COSMOMind Industrial Big Data, our independently developed COSMOMind offers advanced capabilities in areas such as industrial knowledge fusion and retrieval, achieving a retrieval accuracy rate of 93%. Following a "one industry, one model" strategy, we have developed industry-specific large models for enterprises in home appliances, energy and chemicals, energy and carbon industries, supporting intelligent applications across major industrial scenarios including research and development design, production manufacturing, operations services and dual-carbon management.

Our COSMOPlat provides the following functional features:

Full-domain connectivity: Through extensive protocol support and efficient data-access capabilities, the platform enables full connectivity across devices, applications and data, and providing a stable and efficient connectivity foundation for industrial internet applications.

Robust industrial data value-add: By integrating the full workflow from device IoT connectivity, data governance and algorithm modeling to application development, the platform helps enterprises achieve value-driven data transformation around key scenarios.

The integration of AI and industrial scenarios: Through the combination of industrial data and industry know-how, COSMOPlat enables the application of AI technologies in various industrial scenarios, helping customers optimize production processes, improve equipment maintenance, and accelerate research and development innovation.

Comprehensive security and reliability: Our COSMOPlat has established a comprehensive security operation management system, covering data security protection, code security protection, application security protection, access security protection, and network security protection.

Open and collaborative ecosystem: Our COSMOPlat has created an open source community in the field of industrial internet, providing developers and independent software vendors with technical exchange, code hosting, agent development tools, robust industrial data sets, knowledge bases, expert models and other resources.

Our Financial Performance

During the Track Record Period, we achieved strong operating results and financial performance. The number of paying enterprise customers increased from over 7,600 as of January 1, 2023 to over 9,600 as of March 31, 2026, representing an approximately 26% growth. Revenue from our data intelligence solutions increased by 68.2% from RMB1,149.4 million in 2024 to RMB1,933.4 million in 2025. Revenue from our data intelligence solutions increased by 41.4% from RMB273.2 million in the three months ended March 31, 2025 to RMB386.2 million in the three months ended March 31, 2026. Our loss for the year of RMB82.7 million in 2023 turned into a profit for the year of RMB65.1 million in 2024, and our profit for the year increased to RMB220.5 million in 2025. Our profitability continuously improved during the Track Record Period.

OUR COMPETITIVE STRENGTHS

Early-Mover Advantage and Differentiated Competitive Strengths in China's Industrial Digital Intelligence Market

Since 2017, we have developed and operated COSMOPlat, a cross-industry and cross-domain industrial internet platform, positioning us among the early participants in China's industrial digital intelligence solutions market. Leveraging our accumulated technical capabilities and extensive experience in industrial operations, we have progressively expanded our application scenarios from the home appliance industry to multiple key industrial sectors, including machinery and equipment, electronics, automotive, and energy and chemicals, forming a differentiated competitive positioning across industries. Since 2019, COSMOPlat has ranked first for seven consecutive years on the list of cross-industry and cross-domain industrial internet platforms released by the Ministry of Industry and Information Technology. According to Frost & Sullivan, ranked by revenue in 2025, we ranked first in China's platform-based industrial data intelligence solutions market, with a market share of 1.7%.

Built on COSMOPlat's data intelligence technology architecture, we focus on integrating artificial intelligence technologies into real-world manufacturing scenarios. We have independently developed COSMOMind, an industrial large model built on an industrial internet platform, which is designed for industrial scenario understanding, knowledge-based question answering and logical reasoning. Based on our capabilities in industrial foundation large models, we have further developed an industry-specific petrochemical large model covering the entire industry chain and value chain, as well as an energy-carbon large model derived from Lighthouse Factory practices. These models have been deployed across dozens of industrial scenarios through extensive customer projects, supporting customers' digital and intelligent transformation with validated use cases.

We actively participate in the formulation of industry standards. We have led or participated in the development of 17 international standards and 108 national and industry standards. We are the only platform approved by all four major international standardization organizations — IEEE, ISO, IEC and UL — to lead the formulation of international standards relating to industrial internet and mass customization. In addition, we are the first non-European Union enterprise invited by GAIA-X, the European cloud federation, to participate in the joint development of its platform.

Our track record and early-stage investments in industrial internet platforms, large-model technologies and industry standards have contributed to the recognition of our brand among customers. As a result, customers are able to assess our capabilities based on prior implementation experience and publicly recognized standards, reducing the need for extensive preliminary validation. This lowers customers' evaluation costs and shortens decision-making cycles. Furthermore, our industrial large-model capabilities, built upon extensive scenario-level

deployment and industry know-how, enable us to adapt pre-trained model capabilities to common industry needs more efficiently, reduce customization costs, and deliver modularized and standardized solutions, thereby shortening project implementation cycles.

A Business Model driven by AI Technology System

We have gradually developed an AI-driven flywheel that operates through four steps: data accumulation, model iteration, intelligent agent deployment and industrial value realization. Based on our deep understanding of massive amounts of know-hows, information and complex scenarios in the industrial field, we have built an integrated AI technology system that includes training and inference platform, large models, intelligent agent development and application platforms, which becomes more capable the more it is used, creating a durable competitive advantage.

Data accumulation: We enable customers to collect real-time, standardized data across all of their key processes. Using technologies such as blockchain and privacy computing, we ensure secure and compliant data sharing so that fragmented data can be converted into reusable, high-value data assets. Over time, we have built robust datasets through standardized data collection and governance for various industries, including home appliances, energy and chemicals, energy and carbon — covering equipment operations, quality inspection, energy management and other core scenarios, providing a strong foundation for training industry-specific AI models.

Model iteration: Our COSMOMind combines traditional mechanism models and AI algorithms with advanced AI techniques. We use methods such as small-sample learning and reinforcement learning to rapidly adapt the model to the unique industry needs while making adjustments or integration based on different industry scenarios. As COSMOMind is applied in more cross-industry and cross-scenarios, the combination of robust datasets, multimodal industrial algorithms and mechanism models makes the model increasingly accurate, efficient and scalable.

Implementation of agent applications: Based on our COSMOMind, we have embedded intelligent agents directly into real manufacturing workflows and built agents for more than 40 core scenarios across four major industries. The number of agents has reached 93 as of the Latest Practicable Date, and their functions have become more diverse. With low-code and no-code development tools and natural-language interaction, users can quickly understand and use these agents while also contributing to the improvement of these agents, allowing rapid implementation of intelligent agents.

Industrial Value Realization: We drive industrial value creation by deploying intelligent agents across real-world use cases, attracting customers from an expanding range of industries into our platform ecosystem and extending value across multiple business scenarios. Through applications such as process optimization, equipment management, and intelligent energy-carbon solutions, we participate deeply in customers' core activities spanning production and manufacturing, operations and maintenance, and energy management in order to enhance operational efficiency. Our intelligent agents enable intelligent control of industrial processes, shortening process-adjustment cycles, improving equipment O&M efficiency, and reducing energy consumption and related costs. By embedding AI throughout the full manufacturing process, we deliver end-to-end value enhancement for customers across industries.

Effective Customer Acquisition Ensures Rapid Growth in our Customer Base

We have built a large and rapidly expanding customer base. To meet the diverse needs of manufacturing enterprises, we explore intelligence transformation pathway based on industrial internet together with our customers, and have formed strategic partnerships with leading companies worldwide in various industries, specialized and innovative SMEs, and major industrial parks across various sectors. While advancing product standardization, we have also established a multi-tier service and customer-management system that covers enterprises, industrial parks, industries and

cities. This approach allows us to deepen our presence in key verticals while steadily expanding our SME customer base. As of March 31, 2026, we had served more than 9,600 paying enterprises, including 604 national-level specialized and innovative enterprises.

Benchmark customers are the core of our long-term service strategy, while benchmark cases are a crucial factor in business expansion within vertical industries. We have established a full lifecycle service system for our clients, gaining their recognition through the effectiveness of our solutions. By continuously serving domestic and overseas benchmark customers, we create a virtuous cycle of repeat purchases from cross-industry customers and form a customer service barrier. We had 20 Lighthouse Factories service cases, being the largest in amount and widest in industry coverage worldwide, according to Frost & Sullivan. We have also delivered 38 industrial intelligent agents for a major petrochemical group and built an enterprise-level industrial internet platform powered by large industrial models. Our proprietary solutions and technology architecture have allowed us to form close, long-term relationships with a growing number of enterprises seeking intelligent transformation.

More importantly, customer engagement has deepened over time. During the Track Record Period, our core customer base expanded significantly. The number of Key Account Customers (KA customers) with order value exceeding RMB4.0 million increased from 55 to 105 from 2023 to 2025, and the number of our customers who were national-level specialized and innovative enterprise increased from 92 to 604 over the same periods. Such growth reflects both our ability to meet the complex needs of enterprises and our continued success in expanding our base of customers.

Strong Backing from Haier Group's Industrial Ecosystem

With high industry entry barriers, industrial digitalization requires deep industry knowledge, and many core manufacturing processes are difficult for outsiders to access. With the strong support of Haier Group, we benefit from decades of expertise, extensive ecosystem resources, and a global manufacturing footprint. This enables us to cultivate unique advantages in driving intelligent transformation across the manufacturing sector.

Manufacturing Expertise: Haier Group's more than four decades of experience in manufacturing and mass-customization have created a strong foundation for developing our COSMOPlat and our platform-based solutions. Our data intelligence solutions and IoT have been validated in Haier Group's 14 Lighthouse Factories and dozens of intelligent factories worldwide. These real-world, complex use cases help us continuously refine our products, improve model performance, and convert industry know-how into standardized, and scalable solutions. This strengthens our ability to win and serve industrial customers from other industry verticals and provides a solid base for long-term growth.

Ecosystem Resources: As a globally recognized IoT ecosystem brand, Haier Group provides us strong reputation and market credibility. When engaging large manufacturing enterprises, Haier Group's proven achievements directly reinforce our technical capabilities and service quality, helping us build trust quickly and accelerate initial project entry.

Global Reach: Haier Group's global network provides us with a distinctive advantage in rapid overseas expansion and achieving efficient transformation from local solutions to global implementation. In Southeast Asia, Haier Group's industrial park has enabled us to establish intelligent controller research and development and manufacturing centers and rapidly enter the regional electronics supply chain. In North America, our experience serving Haier Group's overseas smart-home factories helped us successfully enter local industries such as smart home and connected devices. Haier Group's global ecosystem significantly shortens our overseas expansion cycle and directly supports the strong growth of our international revenue. As of March 31, 2026, our solutions had been deployed in more than 20 countries, serving more than 80 overseas enterprises, with overseas revenue accounting for approximately 12.7% of our total revenue during the Track Record Period. We have supported accelerated digital-intelligent upgrades for more than 100 factories globally, offering a replicable path for global industrial intelligence transformation.

Experienced Team Supported by a Strong Management Culture

Our leadership team combines deep industrial expertise with strong capabilities in intelligence innovation. Core management members have an average industry experience of more than 15 years, and many previously served in key roles across Haier Group's business units. This gives the team a strong understanding of the manufacturing sector's pain points and the practical pathways required for intelligence transformation. Their complementary strengths, which range from intelligent manufacturing and industrial software to hardware, platform operations and capital management, have enabled us to grow into a recognized provider of industrial digital-intelligence solutions across multiple industries.

We believe that management innovation is the foundation of technological innovation. We draw from Haier Group's well-established corporate culture and follow a people-centric management philosophy that encourages individual ownership and initiative where employees actively follow up and respond to customer needs. Our organizational vitality has also been recognized externally, including by the Harvard Business Review's 2022 High-Energy Team Award.

In the AI era, apart from information technology, success requires professionals who understand both digital technologies and industrial production. These multi-discipline talents must combine technical expertise with practical, front-line operational experience to ensure that technology and projects can be implemented effectively. We have a team of more than 1,100 research and development personnel and continue to attract top talent from multiple industries and disciplines. As a result, we have built a high-caliber, multi-disciplinary talent pool that forms a strong capability moat for our long-term development.

OUR DEVELOPMENT STRATEGIES

We will continue to focus on data and intelligence as our two primary strategic pillars, and develop an integrated system of products and solutions that brings together our platform, industrial software and devices. Through this system, we will help manufacturing enterprises achieve intelligent transformation and expand the ecosystem of platform users. To achieve this vision, we have formulated the following key strategies:

Upgrade Large-model Capabilities to Build a Powerful Engine for the Development of Industrial Intelligent Agents

We intend to continue strengthening our capabilities in platform technologies, big data, AI and large industrial models. This includes ongoing iteration of the COSMOMind and the COSMOTide, with a view to deepening the application of AI across the full range of industrial scenarios. Our future development of the COSMOMind aims to focus on advancing multimodal model technologies, enhancing the overall reliability of industrial AI, and exploring a more complete closed loop for scenario-based intelligent decision-making. The COSMOTide is expected to continue accumulating robust industrial know-hows, while also improving end-to-end dataset processing tools to increase the efficiency of dataset creation.

We also expect to accelerate the process of converting BaaS engine into products available for sale (a process often referred to as "productization"), with an emphasis on improving the standardized delivery capabilities of the COSMO-Sphere enterprise-level industrial internet platform to evolve it from a technical foundation for digitalization into a product that supports enterprise-level decision-making, thereby lowering the cost and complexity of intelligence transformation and strengthening our differentiated competitiveness.

Our COSMOPlat has been recognized as the next-generation national AI innovation platform by the Ministry of Science and Technology. We plan to continue exploring the integration of AI and manufacturing technologies, shaping COSMOPlat into a more open ecosystem, with potential areas of focus including digital twins, new industrial software, intelligent equipment, data assets and

field-level industrial operating systems. Through this approach, we aim to build a core technology system supported by the platform and driven by integrated hardware-software applications, allowing technological advances to be more closely aligned with industry needs.

We will continue to rapidly enhance and optimize our industry- and scenario-specific application products and solutions through strategic investments and corporate acquisitions, while leveraging these opportunities to tap into new vertical customer segments and further strengthen our competitive advantages and technological barriers. We will also actively pursue acquisition and investment opportunities in areas such as industrial intelligence software, AI-driven applications and edge-intelligent hardware, promoting the integration of advanced technologies with our existing businesses and continuously enriching our ecosystem.

We intend to utilize an aggregate of HK$**[REDACTED]** to upgrade large-model capabilities, of which HK$**[REDACTED]**, or **[REDACTED]**% of the total amount to be utilized for this purpose will be funded by the net **[REDACTED]** from the **[REDACTED]**.

We plan to use the funds primarily to upgrade our large-model capabilities and data toolchains, supported by the recruitment of additional research and development personnel and the procurement and upgrade of software, hardware and computing resources where necessary. We plan to implement such upgrade through two parallel tracks, namely COSMOMind for model capability enhancement and COSMOTide for data toolchain development, as follows:

(i) COSMOMind. We plan to upgrade COSMOMind in phases to enhance our multimodal model capabilities and industry large-model capabilities. In 2026, we plan to train multimodal models to read and parse industrial technical documents and develop code generation and automated testing tools. In 2027, we plan to develop three new industry large models for the electronics, new materials and automotive sectors, and enhance our capabilities to understand industrial drawings and equipment behavior to support process optimization. In 2028, we plan to further enhance the capabilities of multimodal large models to understand and analyze data across various industries, including by integrating industrial process knowledge with multimodal data and developing, training and deploying industry large models for more than 10 industries. From 2029 onwards, we plan to participate in the development of industry model standards, provide industrial foundation models covering different model sizes and data types, and publish application guidelines for companies across the manufacturing value chain.

(ii) COSMOTide. We plan to upgrade COSMOTide in phases to strengthen our data toolchain capabilities for multimodal data management, labeling and industrial dataset development. In 2026, we plan to establish initial data toolchain capabilities by developing and upgrading modules for data collection, processing, labeling and management. In 2027, we plan to build high-quality datasets for customers' internal use and model training by working with industry leaders on datasets for model training, optimization and scenario validation. In 2028, we plan to enhance our data toolchain into a complete industrial dataset development toolchain by developing AI tools to generate industrial data, expand training samples and check data quality. From 2029 onwards, we plan to improve data processing efficiency and launch an industrial dataset marketplace by upgrading capabilities for automatic classification and analysis of industrial data.

Develop Key Industrial Products and Solutions through Focusing on Scenarios with Large Demand

We intend to continue focusing on core manufacturing scenarios and further advance the productization of industrial knowledge. This includes strengthening our portfolio of industrial software, large industrial models and deeply integrated agent applications, enabling robust data accumulated over time to be transformed into higher-value insights. In industrial software, we plan to concentrate on refining the COSMO-iMOM integrated digital twin manufacturing platform to support real-time linkage between physical and digital production, connect previously fragmented

processes from research and development to execution, improve the accuracy of production simulation, and enhance collaboration across cloud, edge and device layers. These improvements are expected to further strengthen data-driven decision-making.

In intelligent agents, we plan to embed AI more deeply across the full product lifecycle, with a focus on four major categories: manufacturing operations, simulation and optimization, product data management and energy management. These agents are expected to help customers reduce research and development lead times, increase production efficiency and lower energy costs. We also expect to accelerate the development of the agent-building platform and the industrial model context protocol (MCP, a standard open protocol that lets AI models connect to external tools and data through a single interface) marketplace, expand revenue generated from agent usage, and build an advanced open-source agent development ecosystem.

On the basis of accelerating the iteration of our core products, we aim to further enhance our ability to deliver integrated, end-to-end industry solutions that combine software and hardware. Areas of emphasis include manufacturing operations, machine vision, green and low-carbon transformation and equipment management. We also intend to strengthen the data integration capabilities of our energy and carbon platforms, upgrade our full-chain "monitoring-diagnosis-optimization-certification" green manufacturing solutions and support the sharing of energy-related data across enterprises, helping customers progress toward greener, lower-carbon operations.

We intend to utilize an aggregate of HK$**[REDACTED]** to develop key industrial products and solutions, of which HK$**[REDACTED]**, or **[REDACTED]**% of the total amount to be utilized for this purpose will be funded by the net **[REDACTED]** from the **[REDACTED]**.

We plan to use the funds primarily to develop and upgrade key industrial products and solutions for scenarios with large demand, supported by the recruitment of product managers, AI engineers, front-end development experts, AI and algorithm engineering talent, multi-agent collaboration engineers and enterprise intelligent software architects. We plan to implement such development across the following product and solution lines:

COSMO-Sphere. In 2026, we plan to upgrade COSMO-Sphere capabilities in data analysis and AI applications to help customers improve management efficiency and resource utilization. In 2027, we plan to develop COSMO-Sphere digital agent applications to set up business performance indicators and manage data. In 2028, we plan to expand COSMO-Sphere agent capabilities by enriching business indicator catalogs for various industries and developing agents that help customers build their own performance evaluation systems.

COSMO-iMOM. In 2026, we plan to upgrade COSMO-iMOM product capabilities for deployment across various industries such as machinery equipment, automotive and electronics. In 2027, we plan to develop COSMO-iMOM AI applications for flexible production changeover and quality management, and strengthen multi-agent coordination. In 2028, we plan to develop COSMO-iMOM AI applications for smart warehousing and simulation optimization to further improve multi-agent coordination efficiency.

COSMO-iEMS. In 2026, we plan to upgrade COSMO-iEMS capabilities for microgrid deployment, inspection, dispatch and control to support more efficient energy management. In 2027, we plan to launch COSMO-iEMS energy dispatch and management applications to optimize energy use and match distributed energy supply and demand. In 2028, we plan to expand COSMO-iEMS applications to predictive maintenance of energy equipment.

Chemical platform and chemical industry AI agents. In 2026, we plan to upgrade chemical platform capabilities for production, safety, process management and equipment management to enable production operations data sharing across core systems. In 2027, we plan to develop chemical production AI applications to support production planning, fault prediction and response and energy optimization. In 2028, we plan to develop chemical industry AI agents for closed-loop production management and business performance analysis.

Following the above development of our product and solution lines, from 2029 onwards, we plan to provide toolchains and build an industry agent ecosystem by upgrading agent development tools from manual setup to AI-assisted generation of industrial agents for different manufacturing scenarios, and strengthening the intelligent agents community with ecosystem partners to expand intelligent agents development and application use cases.

Deepen Coverage of Key Industry Verticals and Strengthen Operational Capabilities of Customers

We have built a solid barrier for the integration of industrial knowledge and technology. Guided by the principle of "co-creation with large enterprises and shared value for smaller enterprises," we aim to gain a deeper understanding of user needs in industry verticals where we have strong advantages, such as home appliances, machinery equipment, electronics, automotive, energy and chemicals.

For existing customers, we plan to enhance our customer operations system and improve coordination across business units, supporting a development path that moves from benchmark cases to replicable industry solutions and ultimately to large-scale adoption. Over time, we expect to build industry-specific consulting teams to expand our service scope from single-scenario support to full-scenario, full-process and full-lifecycle solutions. These efforts may help increase customer repurchase rates, improve paid-conversion rates, and enhance the lifetime value of each customer.

We intend to utilize an aggregate of HK$**[REDACTED]** to deepen coverage of key industry verticals, of which HK$**[REDACTED]**, or **[REDACTED]**% of the total amount to be utilized for this purpose will be funded by the net **[REDACTED]** from the **[REDACTED]**.

We plan to use the funds primarily to deepen coverage of key industry verticals and strengthen operational capabilities of customers, supported by the development of digital marketing, tendering and bidding, customer interaction and customer insights capabilities, as well as the recruitment of industry sales and marketing specialists, customer management specialists, data analytics specialists and other relevant operational talent. We plan to implement such strategy through the following initiatives:

Marketing. In 2026, we plan to launch digital marketing and tendering and bidding platforms by building a digital marketing platform with social media, content, event and customer management modules, and building a tendering information platform to analyze tender opportunities and generate sales strategy suggestions. In 2027, we plan to establish marketing teams facing various industries by recruiting industry sales and marketing specialists and building marketing teams for automotive, machinery equipment, electronics, energy and chemical sectors. In 2028, we plan to upgrade marketing operations end to end with AI and deploy an integrated AI-driven marketing system by building digital marketing agents for customer profiling, content generation, product promotion and lead conversion, and enhancing marketing teams facing various industries by combining sales professionals, marketing specialists and digital marketing agents. From 2029 onwards, we plan to expand AI marketing agents and strengthen online-offline marketing operations to improve lead generation and sales conversion by upgrading AI marketing agents for traffic acquisition, content nurturing, lead screening and follow-up, and organizing industry salons, customer events and benchmark project visits to strengthen customer relationships and improve lead conversion.

Customer Operations. In 2026, we plan to build a customer interaction portal and customer insights hub and develop customer operations agents to manage customer requests, coordinate customer service workflows and support more responsive and tailored customer services. In 2027, we plan to further enhance the functions of such intelligent agents, integrate them with the customer interaction portal and customer insights hub, and officially launch the upgraded customer operations system. In 2028, we plan to further improve the customer operations system through AI empowerment by connecting customer data flows and customer operations workflows, upgrading five intelligent agents applications for key operational scenarios, and recruiting and developing key operations talent, including customer relationship management specialists and customer data analysts. From 2029 onwards, we plan to further integrate and upgrade AI and customer operations software systems, enable the coordination of agent clusters in core scenarios such as customer interaction, customer data and after-sales service, and support the continuous improvement of customer operations efficiency and customer engagement.

Deepen our Globalization Efforts and Gradually Increase Overseas Revenue Contribution

We intend to further expand our international footprint as we leverage Haier Group's mature global network and supply chain resources. We expect to further develop our business in overseas markets, with a particular focus on emerging markets such as the Americas, Southeast Asia and the Middle East. Building on our existing intelligent controller facility in Thailand, we intend to explore the establishment of delivery capabilities in regions such as Mexico and India through asset-light cooperation models. These efforts may help us better serve both local customers and Chinese enterprises expanding overseas, and gradually increase the share of revenue generated from international markets.

Since our establishment, we have followed a development approach of "technology patentization, patent standardization and standard internationalization." Going forward, we aim to continue participating in the development of international standards, such as IEEE intelligent-interaction engines, to contribute more "China-originated solutions" to global industrial intelligent transformation. Through these efforts, we aim to help advance the manufacturing sector's transition from isolated intelligent applications to more coordinated system-level intelligence and enhance China's influence in global industrial digitalization through standards-based participation.

We intend to utilize an aggregate of HK$**[REDACTED]** to deepen our globalization efforts, which will be financed by our internal resources.

Enrich Comprehensive Data Applications and Continue Unlocking the Value of Industrial Data

As industrial intelligent transformation progresses, data is becoming a critical resource that supports daily operations and management decision-making. As data circulates across internal and external processes, it not only enhances production efficiency and management performance but also begins to generate value beyond the enterprise itself.

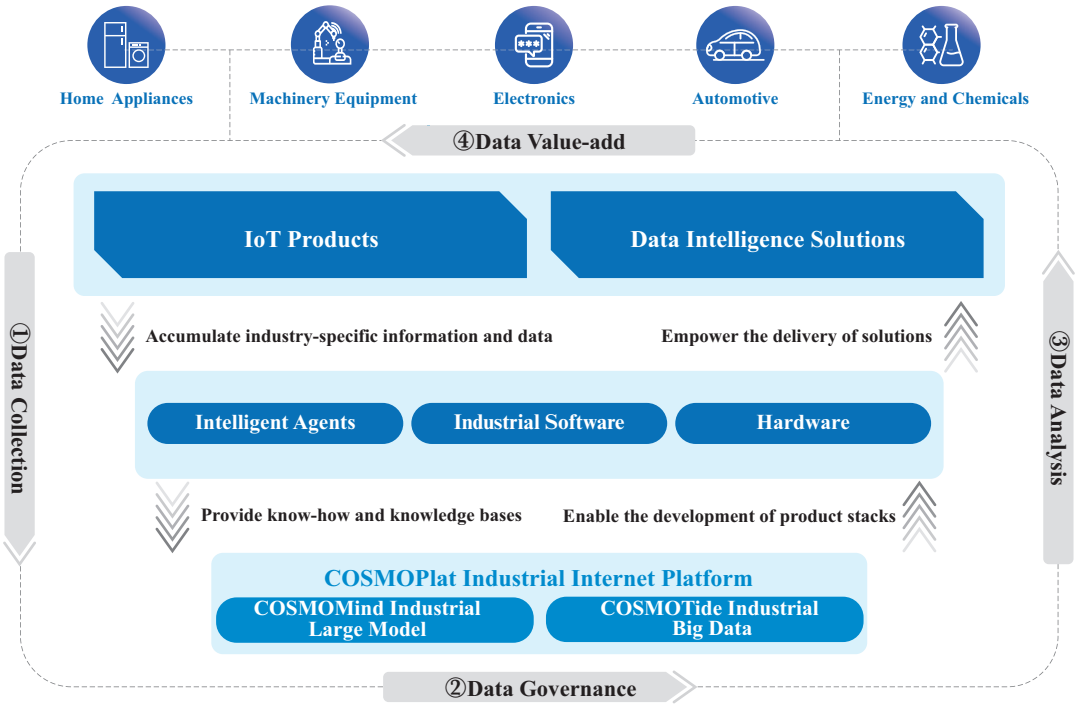
Given the fragmented and large-scale nature of industrial data, an integrated platform is essential to aggregate, manage and apply data effectively. Industrial internet platforms serve as the core infrastructure for hosting and operating large volumes of industrial data. To that end, we intend to continue enhancing the COSMOPlat so that data can be cleaned, integrated and processed more efficiently, allowing fragmented data to be transformed into usable assets that directly support business scenarios. Our approach is centered on four key stages: data collection, processing, application and circulation. On one hand, we aim to improve data accuracy and usability; on the other hand, by using the COSMOMind, we seek to convert raw data into interpretable, analyzable and decision-ready industrial knowledge that supports production optimization, operational insights and management decision-making. As our data capabilities continue to strengthen, we expect to accelerate the shift from experience-based to data-driven industrial operations. Over time, this may support the development of data-native applications that optimize equipment, production, quality, energy and workforce-related processes, thereby maximizing the overall value of industrial data.

We intend to utilize an aggregate of HK$**[REDACTED]** to enhance comprehensive data applications, which will be financed by our internal resources.

OUR BUSINESS MODEL

We are dedicated to developing and offering industrial intelligence products and solutions based on COSMOPlat. Our offerings cover platforms, software and hardware, comprising (i) IoT products that focus on delivering software-embedded controller hardware to enhance connectivity, control and full lifecycle management capabilities of customers' end devices and (ii) data intelligence solutions that focus on the digital intelligence and green transformation of our customers' full lifecycle of operations. For data intelligence solutions, "platform" refers primarily to platform-level software and related deployment services, rather than a standalone hardware product. Depending on the project, our delivery may include application-level industrial software, intelligent agents, system integration services and third-party hardware equipment procured from ecosystem partners. On the supply side, we rely on structured sourcing and partner management processes designed to ensure consistency with our platform standards, quality controls and delivery schedules. On the demand side, we focus on building direct, long-term customer relationships and aligning our capabilities with a wide range of scenarios and evolving user needs. Our offerings include solutions with standardized products, thereby enabling scalable deployments and supporting on-demand and on-time adoption by customers.

The following diagram shows how our COSMOPlat supports both of our solutions.



BUSINESS

Our COSMOPlat provides a unified digital foundation and toolset for scenario-based applications. On this basis, we have built an integrated product stack: (i) intelligent agents, along with an integrated development platform that allows users to quickly build and configure intelligent agents with limited coding required for different application scenarios, (ii) industrial software, including (a) product lifecycle management system (PLM)/simulation (SIM) for product structure management and research and development collaboration, (b) manufacturing operations management system (MOM) for discrete-industry manufacturing operations management, (c) manufacturing execution system (MES)/advanced planning and scheduling system (APS) for production execution, scheduling and process management and (d) energy management system (EMS) for energy monitoring, dispatch and optimization, supporting modular configuration across customer use cases, and (iii) intelligent hardware, primarily including intelligent controllers and edge controllers that acquire equipment signals and enable real-time control, forming the execution and sensing interface between the physical world and digital applications. In other words, our platform-level software connects equipment and systems, our application-level industrial software addresses specific manufacturing and energy-carbon scenarios, our intelligent agents analyze scenario data and assist with recommendations or workflow execution, and our controllers and edge devices perform data collection and local control. Our software and hardware together form a comprehensive architecture. Building on this architecture, we offer two major solutions: IoT products and data intelligence solutions. Our solutions are deployed and operated within customers' local environments, and we do not directly access or process customers' data.

The Role of COSMOPlat in Supporting Our Products and Solutions

COSMOPlat is the core digital engine behind our products and solutions. In practical delivery, it provides the software foundation, reusable industrial modules, data governance capabilities, model capabilities and intelligent-agent development tools that support our IoT products and data intelligence solutions.

We have distilled decades of manufacturing know-how of the Haier Group into reusable industrial vertical models, software modules and service components embedded within COSMOPlat, enabling our teams to assemble and configure solutions more rapidly and efficiently than building from scratch. These reusable components include software modules, data models, knowledge bases and implementation toolkits, rather than a single standalone hardware product. Each implementation also contributes validated knowledge back into the platform, which accelerates the improvement of our COSMOMind and further enhances the reusability of solution components. COSMOPlat is widely adopted across enterprises, industrial parks, industries and local governments.

With data, model and computing capabilities, COSMOPlat supports a growing ecosystem for intelligent agent development and for deploying intelligence to edge hardware. We have launched a configuration-based development platform, an intelligent-agent development platform, an application marketplace and a developer community. The intelligent-agent development platform is a software development environment that allows users to configure AI assistants and workflows for specific industrial scenarios. On the hardware side, intelligent agents packaged on COSMOPlat can be compiled and deployed to intelligent controllers and sensing terminals, enabling edge-side inference, closed-loop control and local optimization at the device or production-line level. Users can also process data and invoke models directly through the platform, push lightweight agents to edge devices and manage versioning and updates, making it easier to apply intelligent agents consistently across diverse industrial scenarios.

BUSINESS

OUR PRODUCTS AND SOLUTIONS

According to Frost & Sullivan, the industrial intelligence transformation landscape is increasingly moving toward where solutions are capable of supporting a closed-loop operational model. In such a model, data generated from equipment and production processes is continuously collected and aggregated onto industrial platforms, where it undergoes processing, analysis and governance. Leveraging such processed data, advanced analytics and algorithm-based models can be trained, refined and iterated to generate optimization insights. These insights can then be fed back into the execution at the device or production-line to enable real-time or near real-time operational improvement, thereby forming the foundation of a closed-loop workflow.

Our business is built on a platform-centric architecture that combines IoT connectivity and data intelligence to deliver closed-loop industrial solutions. We operate through two complementary pillars: (i) IoT products, which provide real-time sensing, connectivity and execution capabilities; and (ii) data intelligence solutions, which enable value-driven transformation from data into productive factors. In practical terms, our IoT products are software-embedded controllers installed in customers' end devices, while our data intelligence solutions are delivered through a combination of platform-level software, application-level industrial software, intelligent agents, system integration services and, where required by customers, third-party hardware equipment. The table below summarizes what we deliver under each product or solution category, the principal suppliers involved, how we recognize revenue, how we charge customers and how we pay suppliers or business partners.

Products/Solutions	What we deliver/key functions	Key suppliers	Revenue recognition policy	Typical fee model/ revenue model	Target customers	Basis for charging customers	Basis for paying suppliers/business partners
IoT Products — Variable-frequency Controllers	We deliver software-embedded controller hardware installed in customers' end devices. The controller regulates motor speed through embedded software and motor-control algorithms, and may connect the end device to an IoT platform for remote monitoring, remote control, alert generation and online software upgrades.	Suppliers of electronic components, PCB boards, structural parts and basic auxiliary materials.	Revenue is recognized on a gross basis when control of goods is transferred.	Software-embedded hardware sales.	Manufacturers of household and commercial appliances and other equipment manufacturers with low-power, variable-frequency control needs.	Pricing is generally determined on a cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering.
IoT Products — System Controllers	We deliver software-embedded controller hardware installed in customers' end devices. The controller coordinates system-level functions, such as receiving user instructions, processing sensor signals, managing displays, enabling communication among functional modules and connecting the device to IoT platforms for remote monitoring, remote control and online software upgrades.	Suppliers of electronic components, PCB boards, structural parts and basic auxiliary materials.	Revenue is recognized on a gross basis when control of goods is transferred.	Software-embedded hardware sales.	Manufacturers of household and commercial appliances, power battery producers, automotive manufacturers and mold producers.	Pricing is generally determined on a cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering.
Data Intelligence Solutions — Intelligent Manufacturing Solutions	We deliver COSMO-Sphere enterprise-level platform-level software, application-level industrial software, intelligent agents, system integration services and, where required, third-party hardware equipment. COSMO-Sphere is platform-level software for device connection, data governance and intelligent-agent development. COSMO-iMOM and other application-level software are deployed for production execution, scheduling, quality management, warehousing, logistics and equipment management.	Hardware suppliers, including suppliers of servers, switches, robots and other hardware equipment; and software suppliers, including suppliers of simulation tools, customized development services and data collection services.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Enterprises in industries such as home appliances, machinery equipment, electronics, automotive and energy and chemicals.	Pricing is generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.

Products/Solutions	What we deliver/key functions	Key suppliers	Revenue recognition policy	Typical fee model/ revenue model	Target customers	Basis for charging customers	Basis for paying suppliers/business partners
Data Intelligence Solutions — Green Manufacturing Solutions	We deliver COSMO-iEMS, energy-carbon intelligent agents, system integration services and, where required, energy infrastructure planning, retrofit and construction services. The platform collects energy and carbon data from meters, sensors and energy equipment, analyzes consumption and emission patterns, generates optimization recommendations and supports dispatch or operating strategies for equipment such as microgrids, compressed-air stations and heating and cooling plants.	Hardware suppliers, including HVAC, refrigeration and industrial energy storage equipment suppliers; and engineering construction and installation service providers.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Industrial parks and enterprise users in industries such as home appliances, electronics, machinery equipment, automotive and energy and chemicals.	Pricing is generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.
Data Intelligence Solutions — Regional Industrial Internet Solutions	We deliver customized platform-level software and related deployment services for local governments at the city, industry or industrial park level.	Hardware suppliers, including suppliers of servers and switches; and software suppliers, including suppliers of simulation tools, customized development services and data collection services.	Revenue from project-based solutions is primarily recognized on a gross basis upon final project acceptance.	Project-based fees.	Local governments. Services are provided for city-level, industry-level or industrial park-level governance and operation scenarios.	Generally determined on a project cost-plus basis, with reference to market supply and demand and competition, through tendering or commercial negotiation. Project fees are generally collected by milestones.	Purchase prices are generally determined with reference to market prices through inquiries, price comparison or tendering. Payments are generally made by project milestones.
Data Intelligence Solutions — Enterprise Value-added Services	We operate industry-specific platforms independently developed, invested in and operated by us, and provide supply-demand matching and value-added services to upstream and downstream participants in the relevant industry chain.		Revenue is recognized based on the agreed transaction service fee sharing ratio, or on a gross basis for value-added service fees.	Transaction service fees and value-added service fees.	Target customers include home appliance manufacturers, controller manufacturers and enterprises in industrial parks.	Operation service fees are generally settled monthly.	

The following table sets forth our revenue breakdown by business segments in absolute amounts and as percentages of our total revenue during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Variable-frequency controllers	930,591	18.6	1,197,763	23.6	1,409,049	22.2	282,195	22.5	330,211	22.4
System controllers	3,149,770	63.1	2,722,306	53.7	3,008,727	47.4	697,246	55.7	758,491	51.4
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Intelligent manufacturing solutions	580,936	11.6	701,153	13.8	838,703	13.2	156,425	12.5	140,210	9.5
Green manufacturing solutions	18,839	0.4	74,982	1.5	705,779	11.1	27,556	2.2	132,537	9.0
Regional industrial internet solutions	63,241	1.3	89,818	1.8	75,023	1.2	19,939	1.6	25,810	1.7
Enterprise value-added services	250,162	5.0	283,435	5.6	313,867	4.9	69,257	5.5	87,655	6.0
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

For a breakdown of our revenue, gross profit and gross profit margin during the Track Record Period of different business segments by (a) geographical location of customers and (b) customers within or outside the Haier Group, see "Financial Information — Description of Major Components of Our Results of Operations — Revenue."

IoT Products

Our IoT products form the bottom device layer, enabling enterprises to collect data across heterogeneous equipment into their industrial internet platforms, and execute optimized actions. They serve as the "sensor + actuator" infrastructure of the industrial internet platform. In terms of delivery, our IoT products are software-embedded controller hardware. They are installed in customers' end devices and perform two functions: first, they control or coordinate the operation of the end device through embedded software and algorithms; second, where required by customers, they connect the end device to an IoT platform so that operating data can be monitored and software can be upgraded remotely. As of the Latest Practicable Date, we operate six research and development and manufacturing centers globally, providing us with the leading flexibility in controller manufacturing and delivery, and allowing us to serve numerous global brands in home appliances, machinery equipment, electronics, automotive, energy and chemicals.

Our IoT products primarily serve the household and commercial appliance sectors and are expanding into various new industries. In the household and commercial appliance sector, we provide variable-frequency and system controllers for refrigerators, washing machines, air conditioners, small appliances and kitchen equipment. In the industrial equipment sector, we offer similar products for fans and pumps. We are also exploring applications in the automotive sector, including battery management systems and related technologies.

We provide intelligent controllers based on customers' product requirements and order schedules. The relevant requirements may involve mechanical and structural dimensions and form factors, hardware component selection and configuration, and embedded software or algorithms necessary for compatibility with customers' end devices. As the scope of such adaptations is generally limited to product compatibility and delivery requirements, we present these sales as order-based sales of software-embedded controller hardware. The algorithms used in our controllers are developed under different arrangements depending on the applicable business model. For original equipment manufacturer (OEM) projects, customers typically provide the relevant technical solutions, and we are primarily responsible for engineering conversion, manufacturing and delivery; accordingly, the relevant algorithms are generally provided by customers. For joint development manufacturing (JDM) projects, customers and us jointly participate in product development, and responsibilities for hardware and software development, including algorithm development, are

allocated between the parties in accordance with the agreed division of work for each project. For original design manufacturer (ODM) projects, we independently develop the products, and the relevant algorithms are independently developed by us. The ownership or rights to use such algorithms are determined in accordance with the contractual arrangements applicable to each project.

Variable-frequency Controllers

Our variable-frequency controllers are software-embedded controller hardware used mainly for motor-driven end devices. Depending on the applicable business model, the motor-control algorithms embedded in these controllers may be provided by customers, jointly developed with customers or independently developed by us. The controllers regulate motor speed and operating parameters through embedded software and algorithms, thereby allowing the motor to accelerate or decelerate under different operating conditions. Where customers require IoT connectivity, the controllers may also connect the end device to an IoT platform for equipment status monitoring, remote control, alert generation and online software upgrades.

- Illustrative example. A customer using traditional fixed-frequency controllers in end devices such as air conditioners or industrial fans may face high energy consumption, vibration and noise because the motor speed cannot be adjusted flexibly. We provide variable-frequency controllers embedded with software and variable-frequency control algorithms, together with IoT platform connectivity where required by the customer. This enables the customer to support energy-efficiency upgrades and low-power, low-noise operation, while also enabling equipment status monitoring, remote control and online software upgrades through the IoT platform.

These products are widely applied across residential and commercial appliances, such as HVAC systems and washing machines, as well as industrial equipment including fans and pumps that require low-power variable-frequency control. Revenue is primarily generated from sales of software-embedded hardware, serving manufacturers of home and commercial appliances, industrial fan and pump producers, and other equipment makers with low-power variable-frequency control needs.

The following table sets forth our representative variable-frequency controllers and their application scenarios:

Products	Features	Price Range
Household Appliance Variable-frequency Controllers 	• Supports full coverage of mainstream communication protocols, enabling seamless interconnection and coordinated operation across smart-home devices; • Equipped with a high-performance chipset that enables AI-based self-learning of user habits and adjustment of temperature and operating modes to improve energy efficiency; • Supports ultra-compact design (80 × 65 mm), overcoming traditional lifespan limitations and enhancing overall product reliability.	RMB30–RMB60
Commercial Appliance Variable-frequency Controllers 	• Equipped with FOC sensorless vector-control technology, enabling ultra-quiet operation and seamless variable-speed performance to enhance user experience; • Supports full coverage of mainstream communication protocols, enabling connectivity, remote monitoring of controller status, OTA updates and remote debugging; • Powered by a high-performance AI chipset designed for commercial applications, with edge-computing capabilities and on-device inference latency of less than 10 ms.	RMB170–RMB450

Products	Features	Price Range
Industrial Variable-frequency Controllers 	• Supports Wi-Fi/4G connectivity and VSP/485 speed control, enabling remote connectivity and centralized control to enhance intelligence and user convenience; • Supports integrated cloud-edge-device architecture, enabling real-time monitoring of equipment operating conditions across different scenarios and facilitating remote operation and maintenance; • Equipped with active PFC technology and achieving a power factor of up to 0.99, delivering high product stability and operational efficiency.	RMB200–RMB250

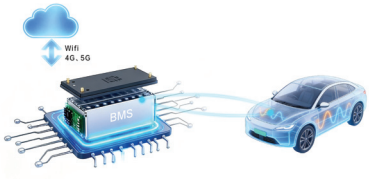
System Controllers

We provide customers with system controllers which are software-embedded controller hardware used mainly for system-level coordination of end devices. Depending on the applicable business model, the functional control algorithms and control strategies embedded in these controllers may be provided by customers, jointly developed with customers or independently developed by us. These controllers receive and process user instructions, collect and process sensor signals, manage display and interaction functions, and coordinate communication among different functional modules. Where customers require IoT connectivity, the controllers may also connect the end device to an IoT platform for remote monitoring, remote control, online maintenance and online software upgrades.

- Illustrative example. A customer using traditional system controllers may only be able to control a limited function of an end device through physical switches. We provide system controllers embedded with software and functional control algorithms, together with IoT platform connectivity where required by the customer. This enables more user-friendly interaction, more practical control strategies and expanded device functions, such as weighing and multimodal interaction, while also supporting status monitoring, remote control and online software upgrades through the IoT platform.

Our system controllers are applied across a wide range of products, including residential and commercial appliances, battery management system and IoT modules and management platforms for molds. Revenue is primarily generated from sales of software-embedded hardware, serving household and commercial appliances and other equipment manufacturers with low-power, system control needs. The following table sets forth our representative system controllers and their application scenarios:

Products	Features	Price range
Household Appliance System Controllers 	• Supports full coverage of mainstream communication protocols, enabling seamless connectivity across smart-home scenarios; • Enables multimodal interaction, including voice and gesture control, to enhance user experience; • Equipped with a high-performance MCU that supports AI-based detection, autonomous analysis, decision making and execution, facilitating the upgrade of traditional home appliances into intelligent agent-like products.	RMB30–RMB100

Products	Features	Price range
Battery Management System Controllers 	• Supports full coverage of mainstream communication protocols, enabling seamless data connectivity with mobile applications and cloud platforms; • Equipped with an automotive-grade MCU and edge-computing SoC, with on-device deep learning capabilities that enable fault prediction and enhance estimate accuracy; • Supports over-the-air updates, allowing real-time remote monitoring and control.	RMB50–RMB160
Mold Intelligent Terminals 	• Supports IPv4/IPv6 with broad ecosystem compatibility, enabling seamless integration with different IoT platforms; • Automatically collects equipment parameters and uploads data to the cloud in real time; • Supports dual-band Wi-Fi, Thread and BLE Mesh with multi-link redundancy, ensuring data timeliness and reliability.	RMB140–RMB210

Key Differences between Variable-frequency Controllers and System Controllers

Variable-frequency controllers are primarily used for the precise control of motor-driven components. Their main task is to regulate motor operating parameters — such as current and motor speed — so that the motor can accelerate or decelerate smoothly under different operating conditions while maintaining performance and improving energy efficiency. To achieve this, such controllers typically run dedicated motor-control algorithms and need to respond rapidly to changes in motor status, which places higher requirements on real-time computing and signal-output accuracy. Typical applications include drive modules for compressors, motors and fans in variable-frequency appliances.

System controllers, by contrast, are designed to manage and coordinate the overall operation of an appliance or system. Their core functions include receiving and processing user inputs (e.g., key or panel operations), managing display information, collecting and processing sensor signals (e.g., temperature readings), and enabling communication and linkage among different functional modules, so that the appliance can execute a set programme in an orderly and stable manner. In practice, such controllers serve as the "main control" or "display/main control" boards in appliances such as air conditioners and washing machines.

In terms of implementation, the two types of controllers differ in their technical emphasis and hardware configuration. Variable-frequency controllers generally require processors with strong real-time computing capability and dedicated peripherals (e.g., high-precision PWM and high-speed ADC) to support high-frequency control calculations and accurate drive signals for motor control. System controllers, depending on the functional complexity, may range from high-performance SoCs (to support richer interaction and connectivity functions) to cost-efficient MCUs (for basic logic control and scheduling). Accordingly, variable-frequency controllers focus on motor-control precision and response speed, while system controllers focus on system-level coordination, multi-function integration and stable operation.

Data Intelligence Solutions

We provide customers with data intelligence solutions that focus on the efficient flow and value-driven transformation of industrial data, including (i) intelligent manufacturing solutions, (ii) green manufacturing solutions, (iii) regional industrial internet solutions and (iv) enterprise value-added services. Although these solutions share COSMOPlat as a common technology foundation, they are different in terms of customer type, delivery content and application scenario. Intelligent manufacturing solutions are provided mainly to individual enterprise customers for internal manufacturing upgrades. Green manufacturing solutions are provided to

enterprises and industrial parks for energy and carbon management. Regional industrial internet solutions are provided mainly to local governments for city-, industry- and industrial park-level governance and operational management. Enterprise value-added services are provided to enterprises participating in industry-specific platforms and focus on supply-demand matching and other value-added services. Accordingly, these sub-segments do not overlap in their core application scenarios, although they may use common underlying capabilities.

Intelligent Manufacturing Solutions

By leveraging the core capabilities of COSMOPlat and our industry expertise, we help enterprises in key industrial sectors such as home appliances, machinery equipment, electronics, automotive and energy and chemicals address manufacturing transformation challenges. Our solutions enable flexible manufacturing, improved production efficiency and enhanced product quality, accelerating sustainable development. In terms of delivery, intelligent manufacturing solutions generally consist of the following components: (i) platform-level software, namely COSMO-Sphere; (ii) application-level industrial software, such as COSMO-iMOM; (iii) intelligent agents for specific industrial scenarios; (iv) system integration and implementation services; and (v) where required by customers, hardware equipment procured from ecosystem partners, such as servers, robots and automation equipment. Depending on customers' specific needs, we offer the following types of intelligent manufacturing solutions each comprising a different combination of the above components:

Platform-level Software: COSMO-Sphere. Customers can choose only our platform-level software COSMO-Sphere. COSMO-Sphere, our enterprise-grade industrial internet platform, represents the productized outcome of COSMOPlat's core technological capabilities. In a typical project, we deploy COSMO-Sphere as platform-level software for the customer. It provides three core functions. First, it provides an industrial operating-system foundation, including full-domain IoT management, an integrated control console and operation and maintenance management, so that the customer can connect equipment and internal systems through a unified software foundation. Second, it provides data modules for full-element data collection and governance, scenario-based indicator construction and decision analysis. Third, it provides intelligence modules integrating industrial large models, knowledge-base tools and machine-learning components, which support intelligent-agent development and enterprise knowledge governance.

Application-level Software and Intelligent Agents. Customers with application-specific needs may also select application-level software and intelligent agents on top of COSMO-Sphere. By leveraging COSMO-Sphere's enterprise-grade AI foundational model capabilities, we have developed a suite of intelligent agents designed to address critical industrial functions such as product design, equipment management, production scheduling, quality inspection and energy-carbon optimization. In terms of delivery, industrial intelligent software and intelligent agents are application-level software products for specific manufacturing scenarios. Industrial intelligent software, such as COSMO-iMOM, integrates manufacturing operation functions including production execution, equipment management, quality management, IoT management and warehouse management. It also supports digital-twin simulation functions such as factory simulation, production-line simulation, logistics simulation, virtual commissioning and simulation optimization. Intelligent agents are AI-native applications that can analyze scenario-specific data and provide recommendations or assist in executing workflow tasks such as scheduling, quality inspection and equipment maintenance.

Integrated Hardware-Software Solutions for Specific Industrial Scenarios. Beyond the above software capabilities, certain customers may also have needs for relevant hardware. In response, we offer them integrated solutions that not only encompass our platform-level and application-level software, but also the underlying hardware as well as the necessary integration services to connect hardware and software. Full-scale intelligence transformation in industrial enterprises typically requires coordinated support across platform, software and execution layers. To address this need, we deliver integrated hardware-software solutions tailored to industry-specific scenarios. In these

projects, the core delivery remains our platform-level, industrial intelligent software, intelligent agents and system integration services. Where the customer's scenario requires physical execution equipment, we procure and integrate hardware such as servers, robots, automation equipment or material-handling equipment from ecosystem partners. Our self-manufactured hardware mainly comprises controllers under our IoT products and machine vision inspection equipment assembled under our data intelligence solutions.

Our intelligent manufacturing solutions are typically adopted to enable customers to build digital-twin factories, optimize production planning, track production progress, dynamically schedule production, intelligently manage warehouses, precisely manage material delivery and monitor equipment operations. Customers can select one of the above types of intelligent manufacturing solutions depending on their existing infrastructure and application-specific needs.

We adopted a project-based model for our intelligent manufacturing solutions. Standard payment terms include an initial payment upon contract signing, progress payments during project implementation, acceptance payments upon project completion and the remaining warranty payment settled within a specified period. We also provide standalone operation and maintenance services following the completion of projects to support customers in the ongoing operation and performance optimization of the delivered projects, which generates an immaterial portion of revenue.

Case Study of Our Intelligent Manufacturing Solutions

Case study A: AI-driven Enterprise-Level Industrial Internet Platform Enabling Intelligent Transformation for a Century-history Petrochemical Group

Client A is a large state-owned energy and chemical enterprise with a long operating history and diversified businesses covering oil, gas, coal, chemicals and power. Its production footprint is geographically dispersed, with long value chains and highly coupled operations. Prior to the project, Client A faced challenges including fragmented information systems, data silos, complex governance requirements and limited cross-business collaboration.

To address these issues, we built a group-level industrial internet platform based on our self-developed COSMO-Sphere software, providing a unified technical foundation for Client A's digital transformation. COSMO-Sphere supports full-chain data capabilities, including data collection, storage, and governance, and adopts a multi-location data lake architecture covering 18 business sub-lakes with PB-level storage and high-volume data processing capacity. Through integrated data governance and unified architectures, COSMO-Sphere enabled data sharing while supporting localized data usage by different business units. COSMO-Sphere connected multiple existing business systems and, according to Client A, improved resource utilization by approximately ten times, increased development efficiency by about 30% and reduced development costs by around 20%. More than 5,000 data indicators were established to support production coordination, management decision-making and selected industrial intelligence applications, including data products related to energy trading.

We further integrated the COSMOMind large-model capabilities into Client A's core business scenarios and developed 38 intelligent agents across areas such as oilfield operations, refining and safety management. Such applications supported improvements in operational efficiency, production optimization and process stability. Following deployment, Client A has improved its management efficiency, shortened application development cycles and enhanced support for supply chain optimization and equipment maintenance.

Case Study B: AI-Enabled Manufacturing Transformation for a Global Home Appliance Leader through a Lighthouse Factory Cluster

Client B is a leading global home appliance manufacturer with production facilities worldwide. To support the continuous upgrading of intelligent manufacturing capabilities across its factories, we provided an end-to-end Lighthouse Factory solution based on our COSMOPlat platform, covering capability assessment, industrial planning, factory construction, industrial software deployment and selected intelligent-agent applications.

At Client B's washing-machine Lighthouse Factory, we applied digital-twin technology to integrate data flows across demand, logistics and production processes and to simulate optimized factory layouts. We also deployed IoT- and AI-based applications to improve production responsiveness, quality stability and order-delivery efficiency. In research and development and equipment commissioning, design and optimization tools supported faster design cycles and improved equipment performance, including a reduction in production cycle time. During the production stage, AI-based models were applied to address long-standing industry challenges in process optimization, improving product yield and quality stability. At Client B's water-purifier Lighthouse Factory, we enabled full-chain data integration across research and development, production, quality management, logistics and customer feedback. AI-driven process control and testing applications were deployed to enhance manufacturing consistency and product reliability. According to Client B, these measures helped reduce quality-related costs and inventory turnover days, while improving production precision and operational efficiency.

Across multiple product categories, including refrigerators, washing machines, air conditioners, water heaters and water purifiers, we supported Client B in establishing a Lighthouse Factory cluster, enabling standardized and scalable intelligent manufacturing practices across its global operations.

Green Manufacturing Solutions

By leveraging COSMOPlat's core strengths in connectivity, big data and large-scale modeling, together with Haier Group's more than 40 years of expertise in industrial energy efficiency improvement, we have launched our green manufacturing solutions. In typical projects, we primarily utilize our self-developed COSMO-iEMS software and intelligent agents as the foundation and, based on customer needs, integrate hardware products from other ecosystem partners to deliver integrated solutions. In terms of delivery, green manufacturing solutions generally consist of the following components: (i) an energy-carbon management software, namely COSMO-iEMS; (ii) energy-carbon intelligent agents; (iii) system integration and implementation services; and (iv) where required, energy infrastructure planning, retrofit, construction and related hardware equipment. As of the Latest Practicable Date, our solutions have been deployed in 18 industrial parks, 56 interconnected factories within Haier Group and over 500 enterprises, including the first WEF sustainability Lighthouse Factory and the first Carbon-Neutral Lighthouse Base among domestic enterprises.

COSMO-iEMS. One type of green manufacturing solution requires the delivery of primarily the software components of COSMO-iEMS and energy-carbon intelligent agents. COSMO-iEMS is a type of software, rather than a hardware product. It enables customers to gather real-time data on how electricity, heating, cooling and other energy sources are being used across the customers' factories through connected meters, sensors and equipment. It helps customers track energy consumption, manage energy systems, measure carbon emissions and evaluate energy efficiency. By analyzing this data, COSMO-iEMS can identify unusual energy use, highlight equipment or processes that are wasting energy, and suggest ways to improve efficiency. It can also support decisions on how energy systems and equipment should be operated to reduce energy costs and carbon emissions. Unlike traditional energy management systems that mainly display energy

consumption data, our solution offers greater flexibility and functionality. Its modular design allows customers to deploy our green manufacturing solution quickly and integrate it easily with their existing systems and applications.

These capabilities help manufacturers reduce energy waste, lower costs and improve sustainability. For example, for equipment that consumes large amounts of energy, COSMO-iEMS can continuously monitor how the equipment is operating, predict future energy needs and identify periods of high energy use. Based on this analysis, it can recommend more efficient ways to run the equipment. For facilities with their own energy systems, such as solar panels and battery storage, COSMO-iEMS can balance different energy sources and electricity demand based on production schedules and electricity prices, helping to improve energy efficiency and reduce energy costs. COSMO-iEMS also helps companies manage their carbon emissions by collecting and organizing emissions-related data, calculating carbon emissions, tracking the carbon footprint of products or operations, and maintaining records needed for reporting and certification purposes.

Customers typically select our COSMO-iEMS to monitor energy consumption, analyze and optimize energy-saving plans, guide equipment maintenance, and intelligently dispatch energy use.

Monitoring energy consumption. Many manufacturing enterprises lack timely visibility to detect energy consumption inefficiencies in real time. COSMO-iEMS continuously collects data on electricity, water and gas consumption through connected meters and sensors. This provides customers with up-to-date information on how energy is being used, helping them identify unusual consumption patterns early and take corrective action before they lead to higher costs, wasted energy or operational issues.

Energy-saving plan analysis and optimization. Detecting ways to reduce energy waste can be challenging and time-consuming when done manually. Our COSMO-iEMS analyzes large volumes of energy data to identify usage patterns, predict future energy needs and highlight areas where energy may be wasted. Based on these insights, it provides practical recommendations that help businesses reduce energy costs and make better use of their resources.

Equipment maintenance. Traditional maintenance often depends on scheduled inspections, which may not detect problems until equipment performance has already been affected. COSMO-iEMS continuously monitors equipment performance and identifies potential issues at an early stage. This allows businesses to address problems before they result in equipment failures, reducing downtime, lowering maintenance costs and improving the reliability of their operations.

Dynamic energy dispatch. Energy demand often changes throughout the day as production levels fluctuate. COSMO-iEMS helps businesses balance energy supply and demand in real time by allocating available energy resources more efficiently and adjusting non-essential energy use during periods when electricity prices are higher. This helps maintain smooth operations while reducing overall energy costs.

Customers can leverage the above functions to improve energy management efficiency, reduce emission and lower operating costs. For example, by coordinating solar power, battery storage, wind power and grid electricity, we help customers increase renewable energy use and reduce electricity costs. By supporting carbon emissions monitoring, carbon accounting, certification and carbon asset management, we help customers build more energy-efficient and green factories and industrial parks while meeting sustainability requirements.

Our revenue model for green manufacturing solutions is primarily project-based, under which we deliver customized solutions according to customers' green transformation needs. Upon the successful completion of the customer bidding process, we conduct detailed technical discussions with the customer prior to contract signing. After mutual confirmation, the contract is executed and delivery proceeds as agreed. Most projects are implemented through localized deployment of our COSMOPlat. Standard payment terms include an initial payment upon contract signing, progress payments during project implementation, acceptance payments upon project completion and the

remaining warranty payment settled within a specified period. We also provide standalone operation and maintenance services following the completion of projects to support customers in the ongoing operation and performance optimization of the delivered projects, which generates an immaterial portion of revenue.

We acquired Shanghai Discovery in August 2025 to further expand our offerings in green manufacturing solutions. Shanghai Discovery typically provides heating and cooling solutions to enterprise customers. As part of its solution delivery, Shanghai Discovery installs energy-saving equipment, embedded with specific algorithms and software to achieve optimal energy utilization, at customers' sites. Under this energy management contract model, Shanghai Discovery typically invests in and operates such equipment and is compensated based on the energy savings achieved. See Note 12 set out in the Appendix IB to this document.

Case Study of Our Green Manufacturing Solutions

Case Study C: COSMO-iEMS Enabling Green Transformation of a Traditional Industrial Park

Client C is a manufacturing-focused industrial park located in the Yangtze River Delta region, hosting over 50 large-scale enterprises. Prior to the project, the park faced challenges including fragmented energy management, limited carbon-emission monitoring capabilities and insufficient integration of clean-energy resources. To address these issues, we provided COSMO-iEMS for Client C to support end-to-end data integration covering energy usage and carbon-emission management. The project supported the park's participation in a provincial pilot initiative for zero-carbon industrial parks.

The platform enables standardized and comprehensive data collection and governance across energy generation, grid, load and storage. It connects load-side enterprises and distributed photovoltaic resources within the park and integrates data from a large number of sensing devices deployed across key energy and equipment nodes. Through unified data governance and standardized interfaces, the platform supports both regulatory requirements for carbon-emission supervision and operational needs for enterprise-level energy analysis and optimization. Based on integrated data and intelligent analytics, the platform supports forecasting, optimization and decision-making in areas such as energy scheduling, distributed energy utilization and carbon-emission management. Multiple application scenarios were deployed to improve energy-use efficiency in core production processes, including optimized operation of auxiliary energy systems.

As of the Latest Practicable Date, COSMO-iEMS had connected more than 105 enterprises within the industrial park. According to Client C, the deployment contributed to improved energy-management efficiency, reduced operating costs and supported carbon-emission reduction. For example, one enterprise within the park achieved a reduction in energy costs of approximately 15% and average carbon-emission reductions of around 1.88 tons per week. The project provides a scalable reference model for energy-carbon management in industrial parks.

Regional Industrial Internet Solutions

Leveraging the connectivity, data processing and analytics capabilities of COSMOPlat, we provide regional industrial internet solutions mainly for local government customers. This business primarily involves developing customized digital platforms, deploying them for customers and providing ongoing operation and maintenance services after launch.

Unlike enterprise management systems that are designed for a single company, our regional industrial internet solutions are offered at the city, industry or industrial park level. They collect and analyze information relating to local enterprises, participants across industrial supply chains, production capacity, workplace safety, environmental protection and government services. The

information generated helps customers better understand the industrial landscape in their jurisdictions, identify gaps in industrial development, match businesses with suitable government policies and improve the delivery of public services.

Our customers for these solutions are local governments because the platforms are designed to support industrial management and planning at the city, industry and industrial park levels. For individual businesses, we provide enterprise-level industrial internet platforms as part of our intelligent manufacturing solutions rather than regional industrial internet platforms.

The deployment process generally follows a standard software implementation process. We first carry out on-site research to understand the customer's local industries, management objectives and practical challenges. We then design a solution and customize the platform using our existing technical framework and mature functional modules, such as workplace safety, environmental protection, emergency management, enterprise services and operation management functions. Once development is completed, we deploy the solutions, perform testing and verification, conduct trial operations and user training, and complete final acceptance. After the platform goes live, we may continue to provide upgrades, new features and operation and maintenance support based on customer requirements.

Depending on customer needs, the solutions can be deployed in two ways. Under a local deployment model, the entire software and hardware system is installed in the customer's own data center, and all data remains within the customer's internal network. Under a dedicated cloud deployment model, the platform is hosted on servers reserved for the customer in an external data center, while data collection devices are installed on site and supported remotely by our operation and maintenance team.

These platforms help local governments improve the efficiency of industrial governance by providing better visibility into local industries, identifying weaknesses in industrial supply chains and enabling more effective delivery of government services and digital tools to enterprises. At the industrial park level, the solutions may support functions such as safety management, environmental protection, emergency response, access control, infrastructure management, enterprise services and operational management. At the industry level, they may support industrial monitoring, industry mapping, economic performance tracking, enterprise profiling and investment promotion. At the city level, they may support the collection and analysis of data relating to industrial clusters, provide insights for industrial planning, help profile local enterprises, connect businesses with online government services and facilitate access to shared resources such as financing, research and development, materials procurement, production services, equipment leasing and expert advisory services.

One example of real-world application of our regional industrial internet solution is the commercial kitchen industry for Boxing County in Binzhou, Shandong Province. The commercial kitchen industry is an important local industry supported by a large number of kitchen equipment manufacturers. However, the industry faced challenges such as a fragmented market, similar products offered by different manufacturers, limited use of digital tools and weak collaboration across the supply chain. To address these challenges, we helped build a regional industrial internet solution for the local commercial kitchen industry. For local government users, the solution provides tools to monitor industry performance, map the local industry landscape, track economic activity, develop digital profiles of enterprises and support investment attraction efforts. These capabilities help governments gain a better understanding of the local industry, implement policies more effectively and improve industrial governance. For enterprises that participate in the solution, it provides digital tools and the "Kitchen Expert" intelligent agent. The intelligent agent analyzes customer needs and business challenges and converts data insights into practical recommendations that support more targeted marketing and personalized services. For example, one local kitchen equipment manufacturer previously faced challenges such as fragmented customer orders, limited design resources and reliance on a single sales channel. By participating in the solution, the company adopted a shared design and shared manufacturing model using two key software tools available

through the solution. First, the design software enabled the company to respond more quickly to customers' customized product requirements, improving design efficiency and shortening product development cycles. Second, the manufacturing management software helped combine and coordinate multiple small-volume orders during production, improving production efficiency and increasing equipment utilization. Together, these measures reduced sheet-metal processing costs, shortened order response times and improved the company's overall operating efficiency.

Our regional industrial internet solutions are monetized through software development and implementation fees on a project basis and, where applicable, post-delivery operation and maintenance service fees. Upon reaching agreement, we conduct detailed technical discussions with customers to ensure mutual understanding of platform functions, data integration and application scenarios. After contract execution, projects are delivered according to agreed milestones. The implementation process for each project typically includes project preparation, requirements analysis and confirmation, solution design, data collection and import, product development and testing, on-site deployment, platform launch, trial operation training and final acceptance, ensuring delivery according to the agreed project scope.

Enterprise Value-added Services

We provide enterprise value-added services to businesses at different stages of the industry value chain. We mainly generate revenue by charging service fees based on the services provided and the relevant commercial arrangements.

Our services help collect and analyze information from both suppliers and customers to help businesses find suitable partners and improve collaboration. This information is organized and stored to create a continuously updated pool of industry resources and customer demand. Taking our controller industry solution as an example, third-party manufacturers provide controller processing services to home appliance manufacturers and other equipment manufacturers. Their upstream partners may include raw material suppliers, equipment suppliers and testing service providers, while their downstream partners may include finished-product manufacturers and solution providers. We connect these participants and facilitate cooperation across the industry value chain.

In addition to matching suppliers and customers, we provide a range of other value-added services. Using the controller industry solution as an example, these services may include automatic allocation of orders, product quality tracking throughout the production process, order status and delivery information enquiries, credit assessment based on transaction records and operational data, and the provision and trading of high-quality datasets. These services help businesses improve operational efficiency, strengthen collaboration and make better-informed business decisions.

Our Operating Data

The following table sets forth certain operating information about our IoT products during the Track Record Period.

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Variable-frequency Controllers				
Number of customers	29	51	69	51
Average customer value (RMB'000)	32,089	23,486	20,421	6,475
System Controllers				
Number of customers	381	495	528	246
Average customer value (RMB'000)	8,267	5,500	5,698	3,083

BUSINESS

The following table sets forth a breakdown of sales volume and average selling price by types of intelligent controllers, with further breakdown by industry verticals.

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	('000 unit)	*(RMB/ unit)*	*('000 unit)*	*(RMB/ unit)*	*('000 unit)*	*(RMB/ unit)*	*('000 unit)*	*(RMB/ unit)*	*('000 unit)*	*(RMB/ unit)*
Variable-Frequency Controllers	**14,234**	**65.4**	**18,966**	**63.2**	**21,354**	**66.0**	**3,805**	**74.2**	**4,791**	**68.9**
***Consumer-Oriented Variable-Frequency Controller*[(1)]**	6,327	94.3	9,279	86.2	13,180	78.8	2,458	83.7	3,269	74.1
Household Appliance Industry	6,302	94.4	8,072	89.9	12,409	79.6	2,303	85.6	3,145	73.9
Other Industries	25	66.5	1,207	61.6	770	67.0	155	55.1	124	77.4
***Industry-Oriented Variable-Frequency Controller*[(2)]**	7,907	42.2	9,687	41.1	8,174	45.3	1,348	56.7	1,522	57.9
Machinery Equipment Industry	7,593	39.5	9,537	39.4	7,948	42.8	1,306	53.3	1,503	57.0
Other Industries	314	108.8	150	144.6	226	132.7	42	163.8	19	124.3
System Controllers	**81,714**	**38.5**	**73,836**	**36.9**	**91,741**	**32.8**	**19,499**	**35.8**	**21,257**	**35.7**
***Consumer-Oriented System Controller*[(1)]**	80,900	38.8	69,715	38.3	79,246	34.6	17,199	36.4	18,694	36.3
Household Appliance Industry	72,027	40.5	62,135	40.4	65,820	38.4	14,158	41.1	16,279	39.4
Other Industries	8,873	24.5	7,580	20.8	13,427	16.2	3,042	14.4	2,415	15.3
***Industry-Oriented System Controller*[(2)]**	814	16.3	4,121	13.4	12,495	21.3	2,299	31.2	2,563	31.0
Machinery Equipment Industry	337	18.9	1,358	26.7	7,932	22.1	1,825	34.7	1,253	35.5
Automotive Industry	114	16.2	25	35.1	3,745	18.2	177	12.0	528	38.7
Other Industries	363	13.8	2,737	6.6	818	27.5	297	21.3	782	18.7

Notes:

(1) Consumer-oriented controllers refers to controllers primarily used in end products for individual users, such as household appliances and smart home devices. Their design specifications and parameter requirements are tailored to the applicable standards and user requirements for individual user electrical appliances, such as fast start-up, low noise and low power consumption.

(2) Industry-oriented controllers refers to controllers primarily used in end products for enterprise users, such as industrial fans. Their design specifications and parameter requirements are tailored to the applicable standards and operating requirements for industrial products, such as high reliability, vibration resistance and high-temperature resistance.

The following table sets forth the key metrics of our data intelligence solutions during the Track Record Period:

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Number of KA customers[(1)]	55	74	105	20
Number of KA customers independent from Haier Group	34	44	74	11
Average KA customer value[(2)] *(RMB'000)*	10,955.9	11,772.9	14,372.1	10,665.4
No. of loss-making projects	14	6	9	2
Tender success rate	33.6%	45.5%	43.5%	40.2%
Overall customer retention rate[(3)]	42.3%	52.4%	48.6%	52.5%

Notes:

(1) Represents customers with a total order value exceeding RMB4.0 million during the respective year/period.

(2) KA customers refer to customers with whom we maintain strategic and long-term business relationships and whose order value exceeds RMB4.0 million during the respective year/period, typically involving larger-scale or multi-stage cooperation. Average KA customer value for a given year/period is calculated by dividing revenue from KA customers in that year/period by the number of KA customers for the same year/period.

(3) Overall customer retention rate is calculated by subtracting the number of new customers acquired during the year/period from the total number of customers at the end of the year/period and dividing the result by the total number of customers at the beginning of the year/period (i.e., the total number of customers at the end of the prior year/period) and multiplying that figure by 100%.

The following table sets forth our backlog movement in terms of the number of projects and their outstanding contract value of our project-based data intelligence solutions during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,	
	2023		2024		2025		2026	
	Number of projects	Contract value *(RMB'000)*	Number of projects	Contract value *(RMB'000)*	Number of projects	Contract value *(RMB'000)*	Number of projects	Contract value *(RMB'000)*
At the beginning of the year/period	377	880,245	532	1,051,594	689	1,398,319	686	2,464,038
Newly secured projects	621	805,449	702	1,177,200	708	2,660,787	122	367,893
Projects delivered	466	634,100	545	830,475	711	1,595,068	155	293,084
At the end of the year/period	532	1,051,594	689	1,398,319	686	2,464,038	653	2,538,847

The following table sets forth certain operating information about our data intelligence solutions, excluding the operation and maintenance services during the Track Record Period.

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Intelligent Manufacturing Solutions				
Number of contracts	443	496	598	114
Number of customers	284	285	361	90
Average contract value[(1)] (RMB'000)	1,252	1,343	1,367	1,185
Contract value of outstanding contracts at end of the year/period (RMB'000)	847,973	1,127,916	1,211,341	1,211,857
Green Manufacturing Solutions				
Number of contracts	15	35	98	30
Number of customers	14	30	81	29
Average contract value[(1)] (RMB'000)	1,073	2,136	7,167	4,406
Contract value of outstanding contracts at end of the year/period (RMB'000)	22,705	121,283	969,356	1,050,484
Regional Industrial Internet Solutions				
Number of contracts	8	14	15	11
Number of customers	8	11	12	11
Average contract value[(1)] (RMB'000)	7,905	6,416	5,002	2,346
Contract value of outstanding contracts at end of the year/period (RMB'000)	180,916	149,120	283,341	276,506
Enterprise Value-added Services				
Number of customers	1,236	1,097	437	147
Average customer value[(2)] (RMB'000)	202	258	718	596

Notes:

(1) Average contract value is calculated by dividing the revenue generated from projects of the respective data intelligence solutions for the respective year/period by the number of contracts for such solutions for the same year/period, which corresponds to the number of projects undertaken during the respective year/period.

(2) Average customer value is calculated by dividing the revenue generated from enterprise value-added services for the respective year/period by the number of customers to whom such services were provided during the same year/period.

The following table sets forth the number of our customers within Haier Group and independent customers during the Track Record Period:

	Year ended December 31,			Three Months ended March 31,
	2023	2024	2025	2026
Customers within Haier Group . .	269	260	179	136
Independent Customers	1,752	1,689	1,268	598

OUR RESEARCH AND DEVELOPMENT

We believe that research and innovation is critical to our long-term competitiveness and success. To continuously enhance our competitiveness, we are committed to the research and development of advanced technologies in the industry. Our research and development efforts focus on developing platform-level capabilities, industrial software, sensing technologies and AI-integrated solutions tailored to diverse industry needs. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB422.4 million, RMB373.2 million, RMB420.5 million, RMB90.6 million and RMB104.2 million, respectively, representing 8.5%, 7.4%, 6.6%, 7.2% and 7.1% of our total revenue, respectively.

Our Core Technologies

Our technology capabilities are rooted in data and intelligence and form the backbone of our solution portfolio. We have built an integrated stack that combines our industrial internet platform, industrial intelligence software and hardware, creating a self-reinforcing data flywheel in which real-world deployment generates additional data, enabling continuous model improvement and broader intelligent-agent adoption.

As for our COSMOPlat, we focus on the integration of AI with industrial internet infrastructure and operate a comprehensive technical architecture spanning wide-area connectivity, data governance and industrial foundation models.

Industrial IoT and edge computing technologies. Our IoT platform supports hundreds of industrial protocols for full device onboarding, sub-millisecond response and processing of millions of data points per second. With our BaaS Industrial Operating System, AI models and mechanism models can be deployed to the edge for cloud-edge collaborative decision making.

Industrial data governance and analytics technologies. Our COSMOTide adopts a decoupled storage-and-compute architecture which separates data storage from data processing, and uses a multi-tenant design, enabling PB-scale storage, second-level retrieval and privacy-preserving computing. It provides a unified data platform that combines the large-scale raw data storage capabilities of a data lake with the fast data analysis capabilities of a data warehouse, which supports both real-time and batch data processing as well as low-code data integration, allowing IT and OT data to be ingested efficiently to support complex scenarios in sectors such as energy and transportation.

Industrial foundation-model technologies. Our COSMOMind is trained on terabyte-scale curated datasets and knowledge bases and supports research and development, production and service scenarios. The COSMOMind incorporates high-precision retrieval mechanism through which it can process different types of data, such as text and images, and identify relevant information across multiple documents. Its techniques for combining computing operations and optimising model

precision reduce the resources required to run the model, enabling real-time inference on edge devices. Built on a "foundation model + industry-specific models" framework, the COSMOMind supports large- and small-model collaboration across enterprise applications.

As for our industrial software, we focus on the intelligence transformation needs of intelligent manufacturing and target common technical challenges in next-generation industrial software.

Our digital-twin integration technologies combine high-precision geometric modeling, advanced rendering, rapid development and collaborative simulation among local device processing and cloud-based support. These capabilities support both real-time and offline data analysis, overcoming the limitations of traditional offline simulation where scenarios, data and rules are all preset and simulations are run in a system without real-time connection to actual on-site conditions. In industries such as home appliances and automotive, our laser point-cloud scanning technology, which can capture spatial measurement points using laser beams to support accurate three-dimensional reconstruction, and MR/VR technologies, which integrates real-world and computer-generated environments, enable 1:1 replication of physical assets for process simulation and fault prediction.

Our cloud-native platform, based on Kubernetes, supports multi-cluster management, centralized management of different types of devices and systems, microservices deployment and DevOps automation. Developers can build industrial applications, such as device monitoring and manufacturing execution, through drag-and-drop interactions, significantly reducing development thresholds and time. According to project records, one electronics customer built a quality-traceability system within approximately one month, achieving cost reductions.

As for the scenario-application, we deliver a closed loop of sensing, decision making and execution by using COSMOMind as the cognitive layer, industrial software and intelligent-agent applications as the application, and intelligent terminals as the execution. Through COSMOPlat, we support end-to-end intelligence transformation from factory operations to end-user engagement.

Machine vision surface defect inspection technologies. In quality control, our machine vision inspection unit integrates advanced optics with AI-driven analytics. Our proprietary 3DDIA imaging technology combines three-dimensional stereoscopic imaging and dynamic intelligent analysis to provide more spatial, complete and accurate visual information than conventional two-dimensional images.

Flexible assembly technologies. In flexible assembly, we use operational-skill-model-based robot control to support precision assembly under dynamic and unstructured conditions. Our approach advances multimodal perception, simulation-to-reality reinforcement learning and hand-eye-brain collaborative control, enabling robots to interpret complex environments, transfer trained skills into real-world production and adjust actions in real time.

Green and low-carbon technologies for industrial scenarios. In green and low-carbon applications, our cloud-based building information modeling system supports forward design and simulation-based validation for heating and cooling. We have also developed domain-specific models for industrial-park energy cascading that address challenges in cross-system data alignment and dynamic optimization.

Control technologies. We embed scenario-specific small AI models directly into controller modules, enabling integration between embedded control systems and edge-side AI. These small models perform millisecond-level computation on real-time operating data to dynamically optimize control strategies, allowing precise control under highly variable and complex operating conditions.

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The following table sets out our key software products, systems and technology platforms, together with their respective categories, core functions and technical positioning:

Products, systems and technology platforms	Category	Core Functions and Technical Positioning
COSMOPlat	Foundational industrial internet platform	Serves as the core technology infrastructure built on the BaaS Industrial Brain and BaaS Industrial Operating System. Provides unified industrial connectivity interfaces and open, standardized development and deployment capabilities. Enables multisource heterogeneous data ingestion, governance, analytics and application, supporting modular and "ready-to-use" deployment of industrial software, industrial large models and applications.
Layered Architecture of COSMOPlat		
BaaS Industrial Operating System	Foundational industrial operating system	Serves as the foundational technology layer of COSMOPlat, integrating industrial IoT connectivity, cloud infrastructure and resource management capabilities. Enables unified connectivity of industrial elements, shared use of common tools and coordinated operation across production processes. Supports flexible configuration and combination of system modules, application components and industrial applications, providing a scalable and reliable foundation for deploying industrial internet solutions.
BaaS Industrial Brain	Industrial intelligence capability platform	Built on the BaaS Industrial Operating System, uses data as a key production factor to integrate digital technologies, intelligent technologies and industrial knowledge. Provides industrial software, intelligent agents and related capabilities to support analysis and decision-making across industrial scenarios. Comprises two core components, namely COSMOTide Industrial Big Data and COSMOMind Industrial Large Model, which together provide data processing, model training and capability support for industrial applications.
COSMOMind Industrial Large Model	Industrial large model/AI foundational model	Developed based on industrial datasets from COSMOPlat and COSMOTide, incorporating multimodal data and industry knowledge. Supports intelligent analysis, reasoning and decision-making for R&D, production, operations and energy-and-carbon management.
COSMOTide Industrial Big Data	Industrial big-data and computing platform	An AI-ready data processing platform adopting a lakehouse architecture, which combines the large-scale raw data storage capabilities of a data lake with the fast data analysis capabilities of a data warehouse. Supports aggregation, governance, analytics and real-time processing of multisource heterogeneous industrial data. Provides the underlying data infrastructure for industrial large-model training and intelligent application development.
Platforms Built on COSMOPlat		
COSMO-Sphere	Enterprise industrial internet platform	An enterprise-level platform product built on COSMOPlat with a modular architecture covering end-to-end scenarios across R&D, production and supply chain. Supports cross-equipment, production-line, factory and group-level data integration and collaboration, enabling enterprise-wide operational management and intelligent decision-making.
COSMO-iMOM	Manufacturing operations management (MOM) platform	Integrates core industrial software modules including MES, SIM, QMS, EAM and WMS, and incorporates industrial large-model and digital-twin capabilities. Used for key manufacturing operations such as production execution, scheduling, quality management, equipment management and warehouse management.
COSMO-iEMS	Energy- and carbon-management software platform	Designed for enterprises and industrial parks to support real-time monitoring, analysis and optimization of energy use and carbon emissions. Utilizes industrial large-model capabilities and edge control technologies to enable energy scheduling, emissions reduction and green manufacturing.

Our Research and Development Capability

Our Research and Development Team

Our research and development team is the cornerstone of our research and development capabilities. As of March 31, 2026, our research and development team comprised 1,177 research and development specialists globally, representing 24.2% of our total workforce. Our research and development specialists include professionals graduating from top-tier domestic and overseas universities, specializing in various disciplines such as computer science and technology, computational mathematics, mechanical engineering and control science and engineering.

Our Research and Development Centers

We have established research and development centers in Qingdao, Shanghai and Beijing. These research and development centers focus primarily on platform development and industrial software innovation, while our business units are responsible for developing core components and solution frameworks, including vertical large models tailored to specific industries. These centers serve as hubs for strategic innovation and cross-functional collaboration.

Our Research and Development Process

We adopt a structured research and development process based on the integrated product development model, covering project initiation, agile development, commercialization, delivery and lifecycle management. Research and development projects are initiated based on strategic priorities, market demand and technology trends, and are subject to internal review and approval. Following approval, we refine product strategies, collaborate with ecosystem partners where appropriate, and develop products through agile and cross-functional workflows involving requirement management, design, prototyping, technical integration and testing. Upon completion of development milestones, products undergo validation, pricing and launch reviews before being commercialized and integrated into our solution portfolio. We provide ongoing delivery, operation and maintenance support, while continuously iterating and upgrading products based on customer feedback and business needs. Throughout the process, projects are subject to ongoing oversight, including progress tracking, investment monitoring, risk assessment and resource allocation, with significant changes requiring formal approval and regular reporting to ensure effective project execution and resource utilization.

Collaborative Research and Development

By integrating resources from five categories: large enterprises, technology companies, universities, research institutes and innovation advisory organizations, we have formed an end-to-end collaboration mechanism that spans joint topic selection, co-development, pilot implementation and commercialization.

We co-established an intelligent control joint Research and Development center with Zhejiang University to pursue joint research on intelligent controller design, embedded algorithms and control strategy optimization, supporting product-level intelligence across multiple device categories. Together with Harbin Institute of Technology, we co-built a collaborative innovation center to advance mass-customization methodologies and engineering practices; outcomes from this program have been applied to planning, scheduling and flexible production scenarios. We also collaborated with Ocean University of China on 3D visualization, WebGIS (web-based geographic information system) and spatial query technologies, which have been deployed in our integrated management system for intelligent chemical parks, enhancing park-level safety, environmental and operations management. We promote joint talent programs with universities to strengthen the pipeline of specialists in industrial data, control algorithms and digital twins. These include co-established training bases for elite engineers and enterprise-mentor schemes led by our research and development personnel. The programs are designed to align academic research with industrial practice and to accelerate the translation of collaborative research into deployable solutions.

Our collaboration network had resulted in over 20 national/ministerial projects led or participated, covering various areas such as artificial intelligence, intelligent manufacturing, and industrial platform. These outputs have supported continuous iteration of our platform, software and intelligent-agent applications. We believe that these collaborations deepen our insight into industry trends and emerging technologies, providing important technical support for our ongoing product development and enhancing our ability to respond to evolving market demands.

The salient terms of our key R&D collaboration agreements include the following:

Scope of collaboration. The collaboration covers joint research in the designated areas related to artificial intelligence, intelligent manufacturing, and industrial platform, as well as talent programs such as research internships and related training initiatives derived from the joint R&D activities.

Responsibilities. The academic institution is responsible for providing research personnel, academic resources and access to relevant facilities to support the operation of the joint R&D center, while we are responsible for contributing funding, supplying research premises, facilities and necessary project data, and supporting teaching practice, research internships, application demonstration and related industry-oriented activities.

Governance. The collaboration is overseen by a management committee comprising representatives nominated by the participating parties, which is responsible for major decisions and the overall operation of the joint R&D center, while day-to-day coordination is carried out by the designated academic institution.

Funding. Funding for the collaboration is contributed by us and is dedicated to the operation of the joint R&D center, including research activities, facilities, equipment, project-related expenses and administrative needs, and is managed in accordance with the academic institution's internal financial policies.

Intellectual property. Each party retains ownership of its pre-existing intellectual property, while any new intellectual property generated from the collaboration is jointly owned by the academic institution and us, and may be used by each party on a non-profit basis. Any external disclosure, licensing, transfer, publication or filing of patents or other rights in respect of such intellectual property requires the prior written consent of the other party, and the agreements also restrict the use of the other party's pre-existing intellectual property without written approval.

Confidentiality. All technical and commercial information exchanged under the collaboration is required to be kept confidential and may be used only for the purposes of the joint research, with the confidentiality obligations continuing to apply upon termination of the collaboration.

Term and termination. The collaboration generally operates for a fixed term of three years, with renewal subject to mutual agreement, and the agreements set out the circumstances under which either party may terminate the collaboration and the parties' respective obligations upon termination, including the continued application of confidentiality and intellectual property provisions.

PRODUCTION

We operate a highly flexible and efficient production system designed to meet the needs of our customers while maintaining high product quality and operational efficiency. We mainly manufacture hardware components, such as intelligent controllers used in our IoT products, primarily for home appliances, chemicals and energy-carbon industry. Our production process is supported by advanced digital and automated systems, enabling us to respond swiftly to customer orders and market demands.

Our data intelligence solutions are primarily delivered through software-based projects and do not involve physical production activities. The design and development process generally includes system design, software development and testing. At the design stage, our development team conducts requirement analysis and prepares a system blueprint, which is reviewed with key customer stakeholders. During the development stage, software development is carried out in accordance with the approved blueprint and coding standards, followed by code reviews. Testing is conducted based on the project requirements and design blueprint, with test plans and test cases prepared and executed, and test reports generated based on the results. The project deployment and delivery process typically includes user acceptance testing (UAT), system launch, trial operation and final acceptance. UAT is conducted in a testing environment with the participation of customers. Upon successful UAT, the system is deployed in the production environment, accompanied by user training and the provision of relevant documentation. During the trial operation period, the project team monitors system performance and stability to ensure that project objectives are met. Final acceptance is completed upon customer confirmation in accordance with agreed acceptance procedures. The implementation, deployment and launch of our data intelligence solutions do not involve any manufacturing or production activities, and accordingly, there are no production bases, physical production processes or production lead times associated with such solutions.

Production Planning and Process

Our manufacturing process primarily consists of SMT assembly, DIP insertion, testing, coating and potting. We use automated equipment for component placement, soldering and inspection, including AOI, to ensure assembly quality and accuracy. Products subsequently undergo in-circuit and functional testing to verify electrical performance and compliance with design specifications and customer requirements. Protective coating and potting processes are then applied to enhance resistance to dust, moisture, corrosion and vibration, while supporting insulation and heat dissipation where required. Following order placement, our proprietary automated scheduling system integrates order intake with process planning to optimise production timelines.

Production Bases and Facilities

As of March 31, 2026, we operated six manufacturing facilities, including five domestic sites and one overseas facility in Thailand. These facilities are strategically positioned to serve our key markets and support our global expansion.

The following table below sets forth details of our production bases:

Production Base	Location	Gross Floor Area (m^2)	Key Products
Jiaozhou production base	Qingdao, Shandong	25,635	Intelligent controllers and IoT hardware modules
Huangdao production base	Qingdao, Shandong	10,350	Intelligent controllers and IoT hardware modules
Hefei production base	Hefei, Anhui	24,256	Intelligent controllers and IoT hardware modules
Chongqing production base	Chongqing	33,769	Intelligent controllers and IoT hardware modules
Foshan production base	Foshan, Guangdong	11,908	Intelligent controllers and IoT hardware modules
Thailand production base	Prachinburi Province, Thailand	5,425	Intelligent controllers and IoT hardware modules

Our production facilities are recognized for their level of intelligence and have received national and international recognition for their digital and intelligent manufacturing capabilities. As the first Lighthouse Factory in the industry, our interconnected factory in Hefei, Anhui applies technologies such as AI and machine vision to overcome challenges arising from product diversification and higher quality requirements, reducing order delivery cycles. Our manufacturing operations

demonstrate strong performance across key metrics. Full automation has been achieved in all front-end processes, with adhesive dispensing and testing stages also operating at near-complete automation. Additionally, our product first-time pass rate has consistently exceeded 97%.

The following table sets forth the production capacity, production volume and utilization rate for our intelligent controllers during the Track Record Period indicated:

	Year ended December 31,									Three Months ended March 31,		
	2023			2024			2025			2026		
	Production capacity[1]	Production volume[1]	Utilization rate[2]	Production capacity[1]	Production volume[1]	Utilization rate[2]	Production capacity[1]	Production volume[1]	Utilization rate[2]	Production capacity[1]	Production volume[1]	Utilization rate[2]
	('000	*Units)*	*%*	*('000*	*Units)*	*%*	*('000*	*Units)*	*%*	*('000*	*Units)*	*%*
Jiaozhou production base	20,870	19,197	92.0	18,870	18,866	100.0	26,253	26,201	99.8	6,390	6,323	99.0
Huangdao production base	31,570	30,098	95.3	31,870	31,871	100.0	36,439	36,620	100.5	9,177	8,923	97.2
Hefei production base	14,830	12,326	83.1	15,790	15,787	100.0	21,420	20,628	96.3	4,433	4,148	93.6
Chongqing production base	21,620	19,508	90.2	16,780	16,778	100.0	23,394	23,131	98.9	5,952	5,819	97.8
Foshan production base	10,300	8,771	85.2	10,340	10,344	100.0	11,466	10,591	92.4	3,066	2,975	97.0
Thailand production base	1,370	926	67.6	2,020	2,023	100.2	6,233	5,913	94.9	2,052	1,977	96.3
Total	**100,560**	**90,827**	**90.3**	**95,670**	**95,669**	**100.0**	**125,205**	**123,084**	**98.3**	**31,070**	**30,165**	**97.1**

Notes:

(1) Designed production capacity is the output a production base can achieve, calculated based on the assumption that the production facilities operate for 10 hours per day, six days per week, excluding statutory holidays, taking into consideration interruptions due to maintenance, breakdowns or other delays.

(2) Utilization rate for a certain period equals the production volume in that period divided by the production capacity in the same period.

Our production capacity for intelligent controllers remained relatively stable in 2023 and 2024 and increased in 2025, with the increase primarily contributed by the Foshan, Hefei, Jiaozhou and Thailand production bases. Such increase was driven by (i) additional equipment additions and equipment upgrades, (ii) efficiency improvements across production lines, and (iii) adjustments in shift arrangements and production allocation among different production bases. Our utilization rate for intelligent controllers improved in 2024 and remained at a relatively high level in 2025, primarily reflecting enhanced utilization at the Hefei, Foshan and Thailand production bases. Such trend was attributable to (i) the stabilization and ramp-up of recently commissioned production facilities, (ii) ongoing process optimization and production technology enhancements, and (iii) changes in product mix, including a higher proportion of small household appliance controllers, which generally support higher output per production line under comparable manufacturing processes.

We primarily procure our production equipment from established domestic suppliers. This allows us to effectively integrate advanced production technologies to optimize efficiency and ensure consistent product quality. The following table sets forth some details of our major production equipment as of the Latest Practicable Date:

Equipment	Function	Production steps involved
Printing Machine	Applies solder paste on PCB	SMT Production
Pick-and-Place Machine	Places SMT components on PCB	SMT Production
Reflow Oven	Soldering of SMT components	SMT Production
Wave Soldering Machine	Soldering of DIP components	DIP Production
Spraying Equipment	Applies UV adhesive	DIP Production

Outsourced Production

We engage in limited outsourced production, primarily for front-end processes such as surface mounting, which does not involve the manufacturing of complete products or core components. Such outsourced manufacturing steps form a limited and non-core part of our overall manufacturing process. Raw materials are typically supplied by us, with third-party manufacturers executing only the designated manufacturing steps.

Outsourcing manufacturers are selected based on a comprehensive evaluation of their qualifications, delivery capabilities and equipment standards and are subject to performance assessments under the Technology, Quality, Responsiveness, Delivery, and Cost ("**TQRDC**") evaluation framework. In practice, specific product models are first identified for outsourcing based on customer order plans and internal and external production capacity assessment. Such outsourcing arrangements are subject to internal quality and engineering review, followed by supplier selection through a tendering process on our procurement platform. During outsourced production, we supply raw materials to third-party manufacturers, who perform the designated manufacturing steps strictly in accordance with our unified technical specifications, manufacturing processes, key parameters and quality standards. Finished products are then returned to us for inspection, warehousing and settlement. We engaged with 22, 28, 33 and 26 third-party manufacturers in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. We generally enter into framework agreements with our third-party manufacturers, which set forth the general terms and conditions of purchase. The salient terms of our framework agreement with our third-party manufacturers are set forth below:

Term. We generally enter into framework agreements with our third-party manufacturers without a fixed-term period.

Pricing and Payment. The framework agreements typically specify fixed unit prices for designated products. We reconcile accounts with our third-party manufacturers on a monthly basis.

Delivery and Logistics. Our third-party manufacturers are typically responsible for the delivery of products or services to our specified locations.

Inspection and Returns. Product inspection shall be carried out within the specified period upon delivery. We have the right to return defective products that fail to meet agreed quality standards and our third-party manufacturers shall provide remedies, including exchanges. The risk transfers to us upon our acceptance after inspection of the products received.

Confidentiality. The third-party manufacturers are obligated to comply with confidential requirement.

Termination. We may terminate the contract at our discretion by giving the third-party manufacturer one month's prior written notice; the third-party manufacturer may only terminate with our consent and by giving three months' prior written notice. Either party may terminate immediately by written notice if the other enters bankruptcy proceedings.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortages in the supply of finished products, or any other material breach of agreements signed with our third-party manufacturers.

Production Expansion Plan

We plan to further expand our production capacity, with a focus on overseas markets. In addition to our existing manufacturing facilities, as of the Latest Practicable Date, we had one new production base under construction in Rayong Province, Thailand, which is designed to have an annual production capacity of approximately 17 million units. This facility is expected to commence operations in December 2027 and will primarily manufacture intelligent controllers for home appliances, industrial applications and new energy products.

The Thailand production expansion is intended to enhance supply chain resilience, mitigate geopolitical and trade-related risks, optimise production costs and support our overseas customer base. The facility is located in Rayong Province, Thailand, due to its well-developed industrial infrastructure, proximity to major logistics hubs and the availability of investment incentives for electronics manufacturing. The total expected capital expenditure for the project is approximately RMB250 million. To establish and operate the Thailand facility, we are required to obtain certain approvals and licenses from the relevant Thai authorities, including investment promotion certification, construction-related permits and factory operation approvals. Our Company has obtained legal advice in respect of applicable Thailand laws that there is no legal impediment to obtaining the requisite licenses and approvals.

SALES, MARKETING AND PRICING

Our Sales

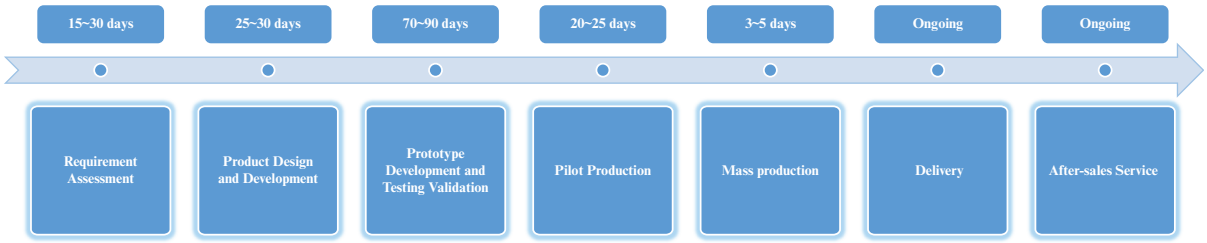
We conduct direct sales to our customers, which we believe is critical to predict and address customers' needs. We are passionate about delivering the best experience possible to our customers. During the Track Record Period, we derived all our revenue from direct sales to customers and we did not engage any distributors, resellers or other sales channels. We have established an extensive global sales and marketing network covering countries and regions to maintain close contact with major customers, as well as to explore business opportunities with potential customers in emerging industries. Our extensive sales and marketing network typically consists of employees with expertise and experience in the relevant industry, whose industry insights enable efficient communications with the customers. Our business does not exhibit any material seasonal patterns, and our revenue and operating results are not subject to significant seasonal fluctuations, except that our revenue may be relatively higher in the second half of the year as certain customers tend to conduct final acceptance of projects during that period, which affects the timing of revenue recognition.

We have adopted a comprehensive customer strategy that covers the entire process, from customer acquisition to services fulfillment or product delivery. We maintain close contact with customers to gain an in-depth understanding of their needs and the current landscape of competing solutions or products and we attach great importance to helping customers use our solutions or products properly.

By leveraging our thorough understanding of international market dynamics and customer needs, we are able to better position our solutions and products, engage in strategic collaborations with our customers to co-develop new solutions or products, promptly address any technical issues during production and provide satisfactory after-sales services. In addition, we collect feedback directly from customers to garner insights that help drive our business and operations forward. Our dedication to quality end-to-end service for our global customer base further strengthens our industry influence and reputation.

Our overseas markets are a critical component of our long-term business development strategy. While continuing to explore growth opportunities in the domestic market, we actively expand our international footprint by leveraging our fast response capabilities and cost-effective product offerings to capture market potential in various regions. We intend to accelerate our global expansion, with a particular focus on emerging markets such as the Americas and Asia. We intend to explore asset-light partnership models to establish delivery capabilities in new countries and regions, serving both local customers and Chinese customers with overseas operations. Through such initiatives, we aim to strengthen our product competitiveness in overseas markets, elevate our reputation and drive the growth of our international business.

The following flowchart illustrates the process from customer acquisition to after sales services of our IoT products:



Requirement Assessment. Our sales team engages potential customers to understand their requirements and pursues business opportunities through quotation and/or tendering. Upon completion of customer qualification and onboarding and execution of the relevant cooperation arrangements, the engagement is initiated for detailed requirement confirmation and assessment.

Product Design and Development. Based on confirmed customer requirements, we conduct product design and development, including functional planning, hardware selection and design, software and algorithm development, and test plan design. Upon completion of the preliminary design, the solution is converted into a bill of materials (BOM).

Prototype Development and Testing Validation. Prototypes are developed based on the BOM and are subject to internal testing and validation. Qualified prototypes are then delivered to customers for testing and validation in accordance with customer standards.

Pilot Production. Following successful customer validation, pilot production is carried out to identify and address manufacturing and process-related issues and to further optimise the product for mass production.

Mass Production. We organize mass production by procuring materials, configuring testing equipment and manufacturing products in batches in accordance with customers' order schedules.

Delivery. Products are packaged and delivered in accordance with customer orders, and customers conduct inbound inspection and acceptance.

After-sales Service. We provide after-sales service by tracking and addressing issues arising from market feedback and continuously upgrading products based on customer and end-user feedback.

The following flowchart illustrates the process from customer acquisition to after sales services of our data intelligence solutions:



The following table sets forth a breakdown of our revenue by geographical location of our customers in different geographical markets during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Chinese Mainland	4,369,170	87.5	4,360,500	86.0	5,582,071	87.9	1,075,775	85.9	1,304,350	88.4
Overseas	624,369	12.5	708,957	14.0	769,077	12.1	176,843	14.1	170,564	11.6
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

Key Terms of Sales Contracts

We generally enter into framework agreements with major customers, who place orders based on actual demand under the framework agreements. The following sets out the key terms of our IoT products framework agreements:

Scope. The specific products, specifications, quantities, prices and delivery terms are determined on an order-by-order basis under the relevant purchase orders and related documents issued pursuant to the framework agreement.

Pricing and Payment. Prices are determined by the applicable purchase orders. Payments are generally made after final acceptance and reconciliation and are settled after invoice posting in the form of six-month bank or commercial acceptance bill, and/or electronic debt instruments in accordance with the agreed payment cycle.

Minimum Purchase Commitments. The framework agreement does not impose any minimum purchase commitment on the customer and does not obligate the customer to place any purchase orders or guarantee any order volume.

Delivery. We are responsible for delivering products to customer-designated locations by the delivery dates specified in the relevant purchase orders or delivery notices, with transportation costs generally borne by us.

Quality. The products are required to comply with the applicable technical standards and quality specifications specified by our customers, as well as relevant national or industry standards, and are subject to inspection and acceptance by our customers.

Warranty and Product Return. The warranty period varies by product type as stipulated in the agreement. In general, non-functional modules and components are covered by warranty periods ranging from 12 to 24 months, while functional modules and components are covered by longer warranty periods ranging from 36 to 48 months. We generally do not accept product returns unless such returns arise from product quality issues.

Termination. The framework agreement has an initial term of one year and will be automatically renewed for successive one-year terms unless terminated in accordance with the agreement. The agreement may be terminated by mutual agreement of the parties or due to certain force majeure events. The customer may terminate the agreement in the event of our breach, and may also terminate the agreement for business reasons in the absence of our breach, in which case our remedies are generally limited to reimbursement of certain costs incurred in accordance with the agreement. Termination is generally subject to prior notice, and we are required to continue fulfilling outstanding orders up to the effective date of termination.

The following sets out the key terms of our data intelligence solutions framework agreements:

Scope. The specific products, scope, quantities, and delivery schedules are agreed in the relevant agreement appendices.

Pricing and Payment. Prices are agreed by the parties and specified in the relevant contract appendices. Payments are generally made in stages based on acceptance milestones, with a substantial portion of the agreement price payable upon acceptance of the products and the balance payable within an agreed period thereafter. One-off license fees typically apply to customised, on-premises software products offered under our intelligent manufacturing solutions, whereas annual license fees mainly apply to standardised, cloud-based SaaS software products offered under other solution offerings on a subscription basis. As our software products are primarily used in core manufacturing scenarios where customers tend to prefer on-premises deployment, one-off license fees currently represent the predominant licensing arrangement.

Minimum Purchase Commitments. The sales agreements do not impose any minimum purchase commitments on customers, nor do they require customers to purchase any minimum volume of products.

Delivery. Products are generally delivered through on-site solution deployment, physical media, electronic transmission or online download.

Confidentiality. Each party is required to keep any confidential information obtained in connection with the performance of the agreement, and may not disclose such information to any third party without the other party's consent.

Warranty and Product Return. Customers are entitled to inspect the products carrier and related deliverables upon delivery and raise objections within the agreed period. We generally do not accept product returns unless such returns arise from product quality issues.

Termination. The customer has the right to terminate the agreement by written notice in accordance with the agreed terms, including in the event of our breach of applicable laws or contractual obligations. Customers are not entitled to terminate the agreement solely due to delayed delivery by us.

Third-Party Payment Arrangements

Background and Reasons

During the Track Record Period, we accepted payments made on behalf of certain customers (the "**Relevant Customer(s)**"), through the accounts of third-party payors designated by the Relevant Customers (the "**Third-Party Payment Arrangement(s)**"). During the Track Record Period, Third-Party Payment Arrangements primarily comprise three scenarios: (i) payments made between parent and subsidiary companies within the same corporate group, (ii) payments made by financial institutions pursuant to financing arrangements with the Relevant Customers, such as supply chain factoring services and (iii) payments made by third-party payors designated or authorized by the Relevant Customers, such as their employees, customers or suppliers. Such third-party payors were designated or authorized by the Relevant Customers primarily due to the Relevant Customers' payment settlement practice or cash flow arrangements. In particular, certain Relevant Customers that were sole proprietorships designated their employees to make payments on their behalf for convenience as they did not maintain corporate bank accounts, and certain Relevant Customers designated their customers or suppliers to make payments on their behalf due to their short-term cash flow needs.

In 2023, 2024, 2025 and the three months ended March 31, 2026, the number of Relevant Customers was 23, 7, 12 and 6, respectively. The majority of them were located in the PRC, except for one located in Spain and one located in the United States. In 2023, 2024, 2025 and the three months ended March 31, 2026, the aggregate amount they settled under the Third-Party Payment Arrangements was RMB3.1 million, RMB0.7 million, RMB8.9 million and RMB0.5 million, respectively, which accounted for 0.06%, 0.01%, 0.14% and 0.03% of our total revenue in the same years/periods, respectively. No individual Relevant Customer had made material contribution to our revenue during the Track Record Period. To the best of our knowledge, none of the third-party

payors designated by the Relevant Customer is our connected person and all designated third-party payors are independent from each of our Directors, senior management and Controlling Shareholders.

According to Frost & Sullivan, it is a common commercial practice in China for customers to settle payments through third-party payors for various reasons.

Implications of the Third-party Payment Arrangements

During the Track Record Period, our Directors confirm that: (i) we had not proactively initiated any Third-party Payment Arrangements or participated in any such arrangement in other forms, (ii) we had not provided any discount, commission, rebate, or other benefit to any of the Relevant Customers to facilitate or incentivize the Third-party Payment Arrangements, (iii) the pricing and payment terms of the agreements we entered into with the Relevant Customers were generally in line with customers not involved in the Third-party Payment Arrangements under similar scenarios and (iv) the Third-party Payment Arrangements have been recorded completely and accurately in our accounting books and records in all material respects.

During the Track Record Period, we have established standardized procedures and internal controls to govern third-party payment arrangements, including clear documentation requirements, traceable payment channels and multi-level review and approval processes to ensure compliance and mitigate risks.

Genuine Underlying Transactions. To ensure the Third-party Payment Arrangements are supported by genuine transactions, for payments received from the designated third-party payors, we required the Relevant Customers to provide us with relevant information, including, among other things, the payor's account, payment information and the relevant payment agreement between the Relevant Customers and the payors to us after completion of the order and payment. Our financial staff were allowed to recognize payments from designated third-party payors of the Relevant Customers and our business staff were allowed to ship our products or provide our solutions to the Relevant Customers on the condition that the information submitted by Relevant Customers is consistent with the order.

Agreements between the Relevant Customers and Third-party Payors. We obtained agreements entered into by Relevant Customers and third-party payors, setting out the rights and obligations of both parties. Key terms of these agreements typically include: (i) clear authorization by the customer for the third party to make payment on their behalf; (ii) specification of the payment amount, underlying the contract or order, and the reason for third-party payment; (iii) confirmation that the payment is voluntary, lawful and does not involve money laundering, fraud, tax evasion, or other illegal activities; (iv) clarification that, upon receipt of payment, the relevant debt between the customer and our company is deemed settled; and (v) allocation of responsibility for any disputes or losses arising from the third-party payment arrangement.

Prevention of Fraud or Money Laundering. We also had know-your-customer procedures in place to have a comprehensive understanding of our customers. In addition, we conduct regular business meetings with corporate customers to understand the nature of their operations and business models. We also maintain active communication with our customers through both online and offline channels. Based on the above, we have no basis to believe that the Relevant Customers are involved in fraudulent or money laundering activities, nor any reason to suspect that the Third-Party Payment Arrangements involve proceeds or gains from such activities.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge: (i) all settlements were based on *bona fide* underlying transactions and valid contractual relationships; (ii) the settlement amounts were consistent with the amounts incurred under the relevant transactions; (iii) we are not aware of any instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements; (iv) Relevant Customers have not claimed any interests as to any

transaction payment to or from us through the Third-party Payment Arrangements; and (v) we had not encountered any refund requests, actual or pending dispute or disagreement due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements.

Considering that we will not cease the Third-party Payment Arrangements before **[REDACTED]**, we have strengthened our internal controls and will seek to minimize the acceptance of such arrangements going forward, unless necessitated by genuine customer circumstances, such as operational, banking or administrative difficulties that prevent customers from making payment directly. Since May 31, 2026, for transactions involving Third-party Payment Arrangement, we have adopted and will continue to adopt tripartite contractual arrangements with the Relevant Customers and the designated third-party payors, under which the designated third-party payors are contractually bound in respect of their payment obligations to us.

As advised by our PRC Legal Adviser, in light of the above, (i) the Third-party Payment Arrangements are not in breach of mandatory requirements of current applicable laws and regulations in China in material aspects, (ii) we are not a financial institution or a designated non-financial institution subject to anti-money laundering obligations under PRC laws and regulations, which means that we are not bound by the stringent obligations imposed on such institutions and are under no legal obligation to verify the source of funds in third-party payment arrangements. During the Track Record Period, we have not been subject to any administrative penalties in connection with money laundering issues related to third-party payment arrangements.

Based on the foregoing, our Directors confirm that, to the best of their knowledge and based on the internal control measures implemented, (i) during the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contracts, and (ii) the risk of the Third-party Payment Arrangements being deemed as constituting crimes such as fraud, money laundering crime or commercial bribery is remote. Our Directors consider that the use of the Third-party Payment Arrangement did not and will not have any material adverse impact on our Group's business operations and financial results, taking into account the immaterial revenue contribution from Third-Party Payment Arrangements and the internal control measures we have implemented. Having taken into account the views of our PRC Legal Advisor and our Directors as described above, the work and procedures performed by our internal control consultant, the insignificant historical amounts involved in the Third-Party Payment Arrangements during the Track Record Period, as well as the independent due diligence conducted by the Joint Sponsors, nothing has come to the attention of the Joint Sponsors in the course of their due diligence which would reasonably cause them to cast doubt on our Directors' views as stated above in any material respects in respect of (i) the genuineness of the transactions underlying the Third-party Payment Arrangements, (ii) the fact that the Third-party Payment Arrangements were not associated with any fraudulent or money laundering activities and (iii) the effectiveness and adequacy of the enhanced internal control measures.

Marketing

We take a customer-centric marketing approach to build and expand our business relationships. We formulate targeted marketing strategies, participate in online and offline marketing activities such as exhibitions, forums and online technical seminars to meet our business development needs and enhance our brand awareness. As we continue to expand domestically and globally, we optimize our sales and marketing network to ensure that we have sufficient geographic coverage across both existing and new markets. Our strong brand reputation and significant industry influence have been cultivated through extensive and deep partnerships with leading customers across numerous sectors. In addition to participating in major industry exhibitions, we also proactively organize industry salons to share our latest insights and technologies with customers and partners. These events allow us to engage more deeply with stakeholders, understand their evolving needs and explore potential cooperation opportunities.

Moreover, we allocate considerable resources to expanding our presence in emerging application domains and industries. We adopt tailored strategies for customers in different industries and devote significant resources to business development in emerging applications. We make full use of the opportunity to participate in exhibitions to showcase our latest solutions and technologies to domestic and foreign customers, enhance our brand awareness and develop business relationships with potential customers. We participate in major global exhibitions and summits, as well as key industry exhibitions annually. Additionally, we have set up showrooms, welcoming top executives and research and development heads from customer companies to experience our solutions in-person.

Pricing

We determine the pricing of our solutions based on a number of factors, including our cost structure (such as the cost of software and hardware components and research and development expenses), the level of customization and technical requirements of each solution (including required functionalities and solution complexity), and comparable market prices in light of the competitive landscape. We maintain open communications with our customers regarding pricing and strive to offer competitive terms.

Our solutions adopt different revenue models depending on the nature of the products or services provided. For our IoT products, we primarily supply hardware products embedded with software functionalities according to customers' specifications. The specifications of our different types of intelligent controllers also affect their pricing. For intelligent manufacturing solutions, green manufacturing solutions and regional industrial internet solutions, we generally charge a fixed total price on a project basis. For enterprise value-added services, we typically charge transaction service fees based on the volume of matching activities on our platform, or value-added service fees determined by the extent to which customers use our platform.

We believe it is crucial to provide our solutions and services at competitive prices and therefore conduct market research and consider the pricing of similar services or products in our prior projects and in the broader industry when determining our pricing.

AFTER-SALES SERVICES AND WARRANTY

We believe that the provision of reliable and responsive after-sales services is essential to maintaining customer satisfaction and fostering long-term relationships. For our IoT products, we generally offer a warranty period of one to three years, while some home appliance products are covered by a two- to four-year warranty period. For our data intelligence solutions, we generally offer a one- to two-year warranty period, during which customers may report any issues related to product performance or delivery. During the applicable warranty period, customers may report any issues concerning product quality.

To ensure a seamless customer experience, we have designated personnel responsible for overseeing the entire project delivery process and tracking post-delivery user feedback. From the point of project handover, our team monitors delivery progress to ensure compliance with internal standards. In addition, we conduct customer satisfaction surveys through follow-up visits and interviews with project stakeholders to assess their feedback on delivery quality and overall experience.

Given the customized nature of our solutions, product returns or exchanges are rare. We generally do not accept product returns other than in cases involving product quality issues. Where products are found to be non-conforming to the agreed specifications or delivered in excess of the ordered quantities upon acceptance inspection, customers may request returns in accordance with the relevant contractual arrangements. According to Frost & Sullivan, such product return policy is in line with industry practice. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material product returns, complaints or recalls that had an adverse impact on our business operations or reputation.

OUR SUPPLY CHAIN MANAGEMENT

Our Procurement

During the Track Record Period, our procurement primarily comprised IoT-related raw materials, mainly electronic components, and raw materials for industrial intelligence solutions, including hardware, software and system integration components. Our hardware procurement primarily included servers, switches and robots. Our software procurement primarily included simulation tools, customized software development, data acquisition software, QMS and APS. Our system integration procurement primarily included installation and other on-site deployment services. The chipsets used in our intelligent controllers are sourced from third-party suppliers. The following table sets forth the breakdown of our procurement of chipset by the geographical location of the direct suppliers during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Chinese Mainland	971,157	100.0	974,653	98.8	1,083,276	88.7	227,373	95.8	241,127	78.7
Hong Kong, China	242	0.0	12,005	1.2	136,696	11.2	10,064	4.2	64,472	21.0
Taiwan, China	—	—	7	0.0	737	0.1	—	—	—	—
Korea	—	—	—	—	—	—	—	—	802	0.3
Total	**971,399**	**100.0**	**986,665**	**100.0**	**1,220,709**	**100.0**	**237,437**	**100.0**	**306,401**	**100.0**

To enhance procurement efficiency and ensure quality, we have established a dedicated internal procurement team responsible for centralized management. This team proactively identifies and reserves suppliers and partners. Based on specific order requirements provided by our production and business units, the procurement team prepares detailed procurement lists and issues purchase orders. Qualified suppliers then participate in a competitive bidding process, with selection based on optimal solutions and cost efficiency. We closely monitor market conditions and regularly negotiate pricing and procurement terms with our suppliers to account for the impact of raw material price fluctuations. We have also established stable and long-term partnerships with our suppliers, enabling consistent supplies. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortages in raw material supplies and the raw materials provided by our suppliers did not have any significant quality issues.

Supplier Selection and Engagement

We carefully select and engage reputable suppliers to ensure the quality of our products and solutions. We manage our suppliers to ensure quality standards, supply reliability and compliance with our requirements. When selecting suppliers, we typically consider various criteria, including proven track record, product quality, production capability, market reputation and price competitiveness. In addition, we implement measures to continuously monitor and evaluate suppliers' performance based on their delivery timeliness, quality consistency and responsiveness to our requirements. See "— Quality Control."

We generally enter into framework agreements with our key suppliers, which set forth the general terms and conditions of purchase. Set forth below are the salient terms of our framework agreement with key suppliers:

Scope of Procurement. Each purchase order specifies the product name, specifications, model, performance requirements, quantity and price. Suppliers are required to comply with our technical standards and the latest applicable national or industry standards and must maintain an effective quality management system.

Delivery and Acceptance. Suppliers are responsible for delivering goods to our designated locations within the agreed timeframe and for all related transportation and handling costs. Ownership and risk pertaining to the goods transfer to us upon our receipt and acceptance. We

conduct inspections at various stages, including sample, process, incoming and final inspections. Goods that do not meet our requirements may be replaced, returned, canceled, or the relevant order may be terminated.

Pricing and Payment. Prices are determined according to the purchase order and follow a most-favored pricing principle. Suppliers have to issue invoices and we make payments according to the agreed terms after invoice verification. We may retain a risk deposit to ensure product quality and supplier liability.

Intellectual Property. We retain exclusive intellectual property rights for proprietary modules and have continued usage rights for non-proprietary modules for contract performance. Suppliers are responsible for obtaining necessary third-party licenses and ensuring no infringement of third-party rights. Any molds, technical materials, or equipment provided or funded by us must be properly safeguarded, clearly labeled and used only for contract performance. Suppliers are liable for any damage or excessive consumption of such assets.

Confidentiality. Suppliers are required to protect our business information and ensure that confidentiality, quality and compliance requirements are communicated to their subcontractors and lower-tier suppliers.

Anti-fraud Arrangement. Suppliers and their affiliates must not provide improper benefits to our personnel. In cases of commercial fraud or unauthorized subcontracting, we reserve the right to immediately terminate the contract and pursue claims for damages.

Termination. The agreement may be terminated in the event of material breach, any failure of supplies to pass our validation tests, or other specified circumstances. Either party may be subject to penalties for breach of contract, including delays in delivery or defects in supplied products.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of agreements with our suppliers or experienced any disruption to our business as a result of any significant shortage or delay in the supply of products we sourced from our suppliers.

Inventory Management

Our supply chain management is coordinated to achieve synergy and desirable allocation of resources among order placement, procurement management, product manufacturing, shipping and other processes. We manage and maintain sufficient inventory levels to support production. We analyze and determine the procurement strategies according to the forecast supply, market analysis and an estimation of fluctuations in volume during the procurement period and procurement price. Based on such analysis, we set different reasonable and safe inventory levels for different kinds of inventories in response to changes in customer demand and fluctuations in raw material prices.

Our management emphasizes asset management and holds quarterly meetings to review the asset management problems we encounter, proposing improvement plans and goals, with those plans and goals to be re-assessed at the next quarterly meeting. In addition, we have strict rules and standards on the inventory management workflows, including (i) the arrangement and placement of the inventories, (ii) the environment and safety requirements, (iii) storage, (iv) outbound, (v) handling of disqualified products, (vi) storage and inspection, (vii) inventory management and (viii) the handover process. We also digitalize and standardize our inventory management through the enterprise resource planning system (ERP), MES and WMS systems, which enhance the efficiency and accuracy of our inventory management processes.

Warehousing and Logistics

We are dedicated to developing an efficient and transparent logistics supply chain to ensure customer satisfaction and enhance our inventory efficiency. We are consistently refining and standardizing the warehousing and distribution systems within our self-operated warehouses located

in the Chinese Mainland and overseas. As of the Latest Practicable Date, we operated five warehouses in the Chinese Mainland and one warehouse in Thailand. Such warehouses are strategically located near our customers to enhance service delivery and better meet their needs.

For the fulfillment of our services, such as providing project-based solutions or localized SaaS deployment, our own teams are responsible for on-site implementation at the customer's location. For the delivery of products, such as equipment and components, we primarily appoint logistics service providers within the Haier Group, in accordance with customer requirements. For domestic deliveries, road transportation is mainly used, while shipments to overseas customers are primarily made by sea.

QUALITY CONTROL

We have comprehensive policies and detailed procedures in place to ensure product quality. We have obtained a series of certificates, including ISO9001 for our quality management system, QC080000 for our hazardous substance process management system, IATF16949 for our international standard for automotive quality management system, IPC QML Process Standard for our specialized manufacturing processes, ISO 45001 for our occupational health and safety management system and other various certificates for our specific products issued by the China Quality Certification Center.

In addition, we have established a quality manual, including procedures and policies on production management, disqualified product control, inventory management and product delivery control. We are in strict compliance with the quality manual, based on which we publish an annual quality policy, where each department formulates quality improvement strategies and objectives. The quality management department tracks the implementation of those quality objectives instantaneously, assesses developments and takes measures accordingly. At the same time, we review significant quality issues, if any, during quality reflection meetings so as to prevent any re-occurrence of such quality problems. The effectiveness and adequacy of our quality manual are evaluated through annual internal audits.

For raw materials management, we manage raw materials in accordance with our raw material management procedures and utilize a warehouse management system to ensure first-in-first-out control and minimize material expiry. During production, we implement Process Quality Control Procedures, including first piece inspection, process quality anomaly management and line stoppage controls to prevent batch quality incidents and reduce losses. For non-conforming products, we follow non-conforming product control procedures to classify, review, identify, isolate and dispose of such products, preventing their outflow.

For finished goods, our finished goods warehouse management procedures and WMS enable traceability of product quantity and quality, helping to eliminate issues such as missing items during unloading and unpacking. Supplier management is centered on our procurement system, as well as our integrated IQC and supply chain platform, enabling full lifecycle quality control from supplier onboarding to delivery acceptance, thereby improving supplier stability, product quality and service levels and enhancing our competitiveness and trust with partners.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any instance of major administrative penalties and were not involved in any litigation arising from product quality issues that would materially and adversely affect our business operation and financial performance.

OUR CUSTOMERS

During the Track Record Period, our customers primarily included enterprises from home appliances, machinery equipment, electronics, automotive and energy and chemicals industries. Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB4,082.0 million, RMB4,063.5 million, RMB4,322.3 million and RMB1,007.8

million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 81.7%, 80.2%, 68.1% and 68.3% of our total revenue, respectively. Revenue from our largest customer in each year/period during the Track Record Period was RMB3,607.4 million, RMB3,421.1 million, RMB3,468.8 million and RMB828.7 million, respectively, accounting for 72.2%, 67.5%, 54.6%, 56.2% of our total revenue for the respective years/periods. The following tables set forth the details of our five largest customers in each year/period during the Track Record Period:

Year ended December 31, 2023

Customer	Products/ services sold	Amount	% of total revenue	Year of commencement of business relationship	Credit term[1]	Payment methods
		(RMB'000)	*%*			
Haier Group	IoT products and data intelligence solutions	3,607,352	72.2	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer A[2]	IoT products	186,089	3.7	2017	30–240 days	Bank acceptance bill
Customer B[3]	IoT products	141,612	2.8	2018	270 days	Bank acceptance bill
Customer C[4]	IoT products and data intelligence solutions	79,374	1.6	2021	250 days	Bank acceptance bill
Customer D[5]	IoT products	67,603	1.4	2021	60 days	Bank acceptance bill
	Total	**4,082,030**	**81.7**			

Year ended December 31, 2024

Customer	Products/ services sold	Amount	% of total revenue	Year of commencement of business relationship	Credit term[1]	Payment methods
		(RMB'000)	*%*			
Haier Group	IoT products and data intelligence solutions	3,421,065	67.5	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer A[2]	IoT products	243,922	4.8	2017	30–240 days	Bank acceptance bill
Customer B[3]	IoT products	189,038	3.7	2018	270 days	Bank acceptance bill
Customer E[6]	IoT products	121,108	2.4	2022	270 days	Bank acceptance bill
Customer D[5]	IoT products	88,410	1.8	2021	60 days	Bank acceptance bill
	Total	**4,063,543**	**80.2**			

Year ended December 31, 2025

Customer	Products/ services sold	Amount	% of total revenue	Year of commencement of business relationship	Credit term[1]	Payment methods
		(RMB'000)	*%*			
Haier Group	IoT products and data intelligence solutions	3,468,849	54.6	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer F[7]	Data intelligence solutions	233,286	3.7	2019	30 days	Bank transfer
Customer A[2]	IoT products	220,871	3.5	2017	30–240 days	Bank transfer, bank acceptance bill
Customer B[3]	IoT products	208,752	3.3	2018	270 days	Bank acceptance bill
Customer E[6]	IoT products	190,520	3.0	2022	270 days	Bank acceptance bill
	Total	**4,322,278**	**68.1**			

Three months ended March 31, 2026

Customer	Products/ services sold	Amount	% of total revenue	Year of commencement of business relationship	Credit term[1]	Payment methods
		(RMB'000)	*%*			
Haier Group	IoT products and data intelligence solutions	828,710	56.2	2017	30–210 days	Bank transfer, bank acceptance bill, commercial acceptance bill
Customer A[2]	IoT products	59,441	4.0	2017	30–240 days	Bank transfer, bank acceptance bill
Customer C[4].	IoT products and data intelligence solutions	45,380	3.1	2021	250 days	Bank acceptance bill
Customer E[6].	IoT products	41,147	2.8	2022	270 days	Bank acceptance bill
Customer G[8]	Data intelligence solutions	33,163	2.2	2016	28 days	Bank transfer
	Total	**1,007,841**	**68.3**			

Note:

(1) We generally grant our customers a credit term of one to three months to settle their payments, which are typically made with six-month acceptance bills.
(2) Established in 2007, Customer A is a private company that primarily engages in the sales of home appliances and intelligent home products, with revenue of over RMB20.0 billion in 2025 and located in Huizhou, Guangdong.
(3) Established in 2002, Customer B is a private company that primarily engages in the sales of refrigerator compressors, with its listed parent group recording total revenue of RMB12.0 billion in 2024 and located in Jiaxing, Zhejiang.
(4) Established in 2020, Customer C is a private company that primarily engages in the sales of refrigeration compressors, with its listed parent group recording total revenue of RMB6.2 billion in 2024 and located in Huangshi, Hubei.
(5) Established in 2013, Customer D is a private company that primarily engages in the sales of intelligent refrigerators, washing machines and freezers, with revenue of RMB5.4 billion in 2023 and located in Nanjing, Jiangsu.
(6) Established in 2008, Customer E is a private company that primarily engages in the sales of refrigerator compressors, with revenue of RMB8.1 billion in 2024 and located in Guangzhou, Guangdong.
(7) Established in 2015, Customer F is a company listed in Hong Kong Stock Exchange that primarily engages in the sales of power battery and energy storage system products, with revenue of RMB44.4 billion and located in Changzhou, Jiangsu.
(8) Established in 2011, Customer G is a company listed in Shanghai Stock Exchange that primarily engages in the sales of digital X-ray core components and silicon-based micro-display backplanes, with revenue of RMB2.3 billion in 2025 and located in Shanghai.

Except for Haier Group, all of our other top five customers in each year/period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

Haier Group, our largest customer in each year/period during the Track Record Period, was also our largest supplier during the respective year/period, providing us primarily raw materials and intelligent hardware. In 2023, 2024, 2025 and the three months ended March 31, 2026, our purchase amounts from entities in the Haier Group who were both our customer and supplier in the respective year/period were RMB846.7 million, RMB804.1 million, RMB852.9 million and RMB186.9 million, respectively, representing approximately 21.5%, 20.7%, 18.8% and 15.6% of our total purchase amounts in the same years/periods. During the same years/periods, our revenue from entities in Haier Group who were both our customer and supplier in the respective year/period was RMB53.4 million, RMB25.8 million, RMB8.2 million and RMB10.4 million, representing approximately 1.1%, 0.5%, 0.1% and 0.7% of our total revenue in the same year/period. Our Directors are of the view that the transactions with the overlapping supplier customers were conducted at arm's length, mutually independent and under normal commercial terms. Negotiations concerning the terms of our sales to, and purchases from, the Haier Group were conducted on an individual basis and the sales and purchases were neither interconnected nor inter-conditional with each other.

OUR SUPPLIERS

During the Track Record Period, our procurement primarily comprised (i) IoT-related raw materials, mainly electronic components and (ii) raw materials for data intelligence solutions, including hardware, software and system integration components. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB1,214.7 million, RMB1,161.6 million, RMB1,242.6 million and RMB293.2 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing 30.8%, 30.0%, 27.4% and 24.5% of our total purchases, respectively. Purchases from our largest supplier in each year/period during the Track Record Period were RMB855.0 million, RMB863.0 million, RMB916.8 million and RMB192.1 million, respectively, accounting for 21.7%, 22.3%, 20.2% and 16.1% of our total purchases for the respective years/periods. The following tables set forth the details of our five largest suppliers in each year/period during the Track Record Period:

Year ended December 31, 2023

Supplier	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms[1]	Payment method
		(RMB'000)	*%*			
Haier Group	Raw materials, intelligent hardware	855,000	21.7	2017	30–270 days	Bank transfer, bank acceptance bill
Supplier A[2]	Raw materials (relays)	111,102	2.8	2020	270 days	Bank acceptance bill
Supplier B[3]	Raw materials (LED and LCD display components)	95,038	2.4	2019	270 days	Bank acceptance bill
Supplier C[4]	Raw materials (inductors and transformers)	81,864	2.1	2020	270 days	Bank acceptance bill
Supplier D[5]	Raw materials (chips, passive components and connectors, etc.)	71,661	1.8	2020	30 days	Bank transfer
	Total	**1,214,665**	**30.8**			

Year ended December 31, 2024

Supplier	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms[1]	Payment method
		(RMB'000)	*%*			
Haier Group	Raw materials, intelligent hardware	863,014	22.3	2017	30–270 days	Bank transfer, bank acceptance bill
Supplier A[2]	Raw materials (relays)	97,009	2.5	2020	270 days	Bank acceptance bill
Supplier C[4]	Raw materials (inductors and transformers)	76,893	2.0	2020	270 days	Bank acceptance bill
Supplier B[3]	Raw materials (LED and LCD display components)	65,175	1.7	2019	270 days	Bank acceptance bill
Supplier E[6]	Raw materials (chips, discrete components, resistors and capacitors)	59,507	1.5	2020	30 days	Bank transfer
	Total	**1,161,598**	**30.0**			

Year ended December 31, 2025

Supplier	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms[1]	Payment method
		(RMB'000)	*%*			
Haier Group	Raw materials, intelligent hardware	916,786	20.2	2017	30–270 days	Bank transfer and bank acceptance bill
Supplier C[4]	Raw materials (inductors and transformers)	86,800	1.9	2020	270 days	Bank acceptance bill
Supplier F[7]	Raw materials (chips)	82,398	1.8	2020	30 days	Bank transfer
Supplier A[2]	Raw materials (relays)	78,707	1.8	2020	270 days	Bank acceptance bill
Supplier G[8]	Raw materials (LCD display components)	77,889	1.7	2019	270 days	Bank acceptance bill
	Total	**1,242,580**	**27.4**			

Three months ended March 31, 2026

Supplier	Products/ services purchased	Purchase amount	% of total purchases	Year of commencement of business relationship	Credit terms[1]	Payment method
		(RMB'000)	*%*			
Haier Group	Raw materials, intelligent hardware	192,108	16.1	2017	30–270 days	Bank transfer and bank acceptance bill
Supplier F[7]	Raw materials (chips)	27,923	2.3	2020	30 days	Bank transfer
Supplier C[4]	Raw materials (inductors and transformers)	25,288	2.1	2020	270 days	Bank acceptance bill
Supplier H[9]	Raw materials (electrolytic capacitors)	24,167	2.0	2020	150 days	Bank acceptance bill
Supplier I[10]	Raw materials (printed circuit board)	23,734	2.0	2021	270 days	Bank acceptance bill
	Total	**293,220**	**24.5**			

Notes:

(1) Our suppliers generally grant us a credit term of three months, and payments are typically settled through six-month acceptance bills.

(2) Established in 1997, Supplier A is a private company that primarily engages in the sales of relay, with estimated revenue of RMB22.5 billion in 2025 and located in Xiamen, Fujian.

(3) Established in 1997, Supplier B is a private company that primarily engages in the sales of optocoupler devices and optoelectronic display modules, with revenue of RMB1.9 billion in 2024 and located in Xiamen, Fujian.

(4) Established in 2007, Supplier C is a private company that primarily engages in the sales of high-efficiency electromagnetic components, with revenue of RMB2.8 billion in 2025 and located in Qingdao, Shandong.

(5) Established in 2005, Supplier D is a private company that primarily engages in the wholesale distribution of electronic products and components, software-related technical services, international trade, logistics and technology development and consulting, with its group recording global revenue of RMB2,109.9 billion in 2025 and located in Shanghai, with headquarters in the United States.

(6) Established in 2002, Supplier E is a private company that primarily engages in the import-export services across the home appliance, communications and automotive electronics sectors, with revenue of RMB2.5 billion in 2024 and located in Shanghai.

(7) Established in 1921, Supplier F is a company listed in NASDAQ that primarily engages in the sales of technological solutions and electronic components, with revenue of RMB154.0 billion and located in Arizona, the United States.

(8) Established in 2004, Supplier G is a private company that primarily engages in the sales of integrated touch-display products, with revenue of RMB0.6 billion in 2025 and located in Xiamen, Fujian.

(9) Established in 1958, Supplier H is a company listed in Shenzhen Stock Exchange that primarily engages in the sales of electronic components, with revenue of RMB5.5 billion in 2025 and located in Nantong, Jiangsu.

(10) Established in 2007, Supplier I is a private company that primarily engages in the sales of printed circuit board, with revenue of RMB1.1 billion in 2025 and located in Huizhou, Guangdong.

Except for Haier Group, all of our top five suppliers in each year/period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates or any of our Shareholders (who owned or, to the knowledge of Directors, had owned more than 5% of our issued share capital) had any interest in any of our major suppliers in each year/period during the Track Record Period.

INFORMATION TECHNOLOGY

Information technology systems are critical to enhancing our competitiveness and operational efficiency. Built upon our COSMOPlat, we have established a comprehensive end-to-end IT infrastructure that supports key business functions, including order management, inventory management, production, quality control and operational management. Our IT team continuously develops and maintains these systems in line with business growth and, leveraging the technological capabilities of the COSMOMind, integrates artificial intelligence into various business scenarios through customized intelligent-agent applications covering solution design, business opportunity management, contract review, procurement, delivery and other operational processes. Our core systems include an ERP system for integrating and managing enterprise-wide business processes, an enterprise digital platform (EDSP) for customer management, opportunity tracking and project delivery management, a PLM system for managing product-related data throughout the product lifecycle, and an OA system for collaboration, knowledge sharing and administrative management. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

COMPETITION

China's market for platform-based industrial data intelligence solutions remained at an early stage of transition toward large-scale application in 2024 and was highly fragmented. According to Frost & Sullivan, in terms of revenue in 2025, the top three market participants accounted for only 3.8% of the market, and we ranked first with a market share of 1.7%. As demand from enterprises, industrial parks and industry customers for data governance, model management and cross-system collaboration continues to grow, competition in this market is expected to intensify. We also compete in the market for edge intelligent controllers, which is characterized by rapid product iteration, stringent requirements for hardware reliability and edge computing performance, and the need for adaptation to diverse downstream devices. In both segments, we face competition from domestic and international industrial platform providers, software companies, intelligent hardware manufacturers and AI technology companies, some of which have greater resources or longer operating histories. As the adoption of AI-enabled industrial platforms and intelligent edge controllers accelerates, industry concentration and differentiation based on technology, data assets and delivery experience are expected to increase. See "Industry Overview."

DATA PRIVACY AND INFORMATION SECURITY

During the Track Record Period and up to the Latest Practicable Date, our customers are enterprises rather than individuals, and our data intelligence solutions are generally deployed on customers' own on-premises infrastructure and operated within customer-controlled environments, with all data processing activities being carried out under customers' exclusive management. When we provide our data intelligence solutions to customers under such on-premises deployment model, the purposes, types and scope of data processing are determined and conducted upon customers' instructions and requirements, and all data processing takes place within customers' own environments and systems. In such cases, we do not collect, store, own or independently process customers' data. Upon delivery of our data intelligence solutions, customers obtain the datasets suitable for large model development or customized large model products.

In the course of identifying system malfunctions for enterprise customers and formulating corresponding remediation solutions, we develop an understanding of certain types of malfunctions and ways to resolve them. Such understanding represents the professional expertise and know-hows independently accumulated by us in the process of solution delivery, based on common malfunction characteristics, diagnostic methodologies, solution logics and applicable scenarios, and do not contain any proprietary information of specific enterprise customers, nor do they fall within any

confidential information obtained from customers pursuant to contractual confidentiality obligations. Such expertise and know-hows also further enhance the functionality of our COSMOPlat platform.

We may have limited access to certain data of our enterprise customers in connection with on-site solution deployment or operation and maintenance services, subject to customer authorization. The types of data involved depend on the deployment model selected by the customer. Under a SaaS deployment model, customer-related data associated with our solutions is stored in our private cloud center located in Qingdao, Shandong Province. In such cases, we act solely as a data storage service provider and do not access or process customer data unless authorized by the customer for operation and maintenance purposes. Upon customer authorization, we may provide operation and maintenance services for our data intelligence solutions, which may involve limited access to certain business data, operational data and audit logs of enterprise customers, none of which involve personal information. Such audit logs generally refer to system operation records generated in the course of using the relevant solution. We access such audit logs only when necessary for troubleshooting, fault diagnosis, access control review, system security monitoring, performance optimization or verification of system operation status. In respect of our IoT products, we do not collect data from users of our controllers for our own purposes.

We have established comprehensive internal control measures to safeguard data privacy and security. For customer data stored under the SaaS deployment model, we implement encryption measures and strictly restrict access. As a data processor entrusted with data storage, we do not access or process customer data without customer authorization. Where operation and maintenance services are required, we apply strict permission control mechanisms to ensure that employees are granted only the minimum access rights necessary and that relevant access is subject to approval, logging and monitoring. We have also adopted a series of internal policies for data we control, including policies on data security lifecycle management, data classification and grading, data desensitisation and encryption, and application system access management. Technical safeguards such as HTTPS, data loss prevention (DLP) tools and identity authentication mechanisms are implemented. We further conduct regular data security and information protection training for employees to ensure effective enforcement of these measures.

We recognize that the confidentiality, integrity and availability of our data are essential to our operations. We strictly adhere to evolving data security and privacy laws and regulations, ensuring that our business data does not violate laws and regulations regarding cybersecurity and data protection in major aspects, including the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》). We established internal policies and a series of procedures for effective information and cybersecurity management. Key among these internal policies and procedures are the following: (i) Network Security, Data Protection and Privacy. We employ firewalls, antivirus software and intrusion detection systems to protect our network infrastructure from external threats. The internal network must strictly comply with our information security standards and control requirements when connecting to the public internet in order to maintain network management security. We configure gateways with firewalls and deploy antivirus software on endpoint devices and we also regularly monitor systems, conduct virus scans and proactively assess threats to prevent cybersecurity incidents. We maintain a set of protocols for data handling and storage, including encryption, access controls and regular data backups. For example, we require approval from designated department personnel for access to relevant departmental files and shared folders. (ii) Security Audits, Employee Training and Disaster Recovery. We routinely perform cybersecurity penetration testing and vulnerability assessments to evaluate the robustness of our systems. Additionally, we conduct regular offensive and defensive security drills to enhance our security response capabilities. We promptly address any identified risks through corrective actions. We provide regular training programs to our employees on data security practices and responsibilities, enhancing overall security posture and awareness across our organization. We have developed a

comprehensive disaster recovery plan to ensure the recovery of critical IT systems and data, minimizing operational disruption. We verify backup integrity and conduct regular recovery tests to ensure the availability and reliability of data.

To enhance internal collaboration and operational efficiency, we allow relevant employees of our affiliated entity registered in Thailand, upon obtaining appropriate authorization, to access certain internal work systems of our Group deployed in Chinese Mainland to view modules such as project management and order management. In the course of such access, employees of the overseas affiliated entity may, within the scope of their authorized access, remotely view limited personal information of the responsible persons or contacts, such as project managers, approvers or system administrators, related to such internal projects or orders. The relevant data subjects are limited to our employees located in Chinese Mainland, and the types of personal information involved are limited to names, employee numbers, positions and work email addresses. No sensitive personal information, important data, customer personal information or personal information of suppliers, business partners or other third parties is involved. The scale of personal information provided overseas is very limited. During the Track Record Period, the total number of data subjects involved did not exceed 40 individuals without deduplication, and the number of data subjects involved during each year of the Track Record Period did not exceed 10 individuals. The relevant access was conducted on an ad hoc, as-needed basis through role-based remote online viewing. The above cross-border data arrangement is one-way from Chinese Mainland to Thailand, as Thai personnel remotely access Chinese Mainland-hosted internal project management and order management systems for internal group collaboration, project progress review and order information verification. There was no reverse transmission of personal information or other data from Thailand to Chinese Mainland under this arrangement. All original data accessed by the Thai affiliated entity is stored on servers located in Chinese Mainland, while the Thai affiliated entity conducts remote online viewing only.

Data collected from our overseas operations primarily relates to our manufacturing facility in Thailand. Such data primarily comprises local employee payroll, personnel and attendance data, including employee card check-in records. Personal information such as payroll data and personnel data of Thai employees, are stored in independent local systems in Thailand and are physically and technically isolated from Chinese Mainland systems, without outbound transmission. Pursuant to Article 5 of the Provisions on Facilitating and Regulating Cross-border Data Flows, where we cumulatively provide personal information, excluding sensitive personal information, of less than 100,000 individuals overseas in a given year, we are not required to apply for a security assessment for cross-border data transfer, enter into a standard contract for cross-border transfer of personal information, or obtain personal information protection certification.

Our PRC Legal Adviser with respect to data compliance matters has advised us that, based on the foregoing facts and the limited nature and scale of the data involved, the above arrangements comply with the applicable requirements under the Provisions on Facilitating and Regulating Cross-border Data Flows in relation to the cross-border provision of personal information and do not require a security assessment for cross-border data transfer. We have obtained Thai legal advice that, under the Personal Data Protection Act B.E. 2562 of Thailand and its applicable subordinate regulations, Thailand does not impose a special cross-border data security assessment, filing or prior approval requirement for the above remote access arrangement, and that such arrangement has not violated Thai data protection laws and regulations in any material respect. In addition, we have informed relevant employees, by publishing an Information System User Responsibility Undertaking through our internal employee system and obtaining their consent, that their personal information may be accessed and obtained by overseas affiliated entities within the above scope. In addition, we are not required to apply cybersecurity review in respect of our proposed **[REDACTED]** in Hong Kong. This is because Article 7 of the Cybersecurity Review Measures stipulates that to go public abroad, an online platform operator who possesses the personal information of more than 1 million users shall declare to the Office of Cybersecurity Review for cybersecurity review, and a listing in Hong Kong does not constitute such circumstance.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any incident relating to breach of confidential information, material data leakage, data breach or data loss, nor did we receive any third-party infringement claim with respect to data security that could cause a material adverse effect on our business, financial condition or results of operations.

Based on the foregoing internal control measures and their implementation during the Track Record Period and up to the Latest Practicable Date, our Directors are of the view that our data privacy and information security control framework is adequate and effective in safeguarding data and ensuring compliance with applicable laws and regulations in all material respects. Based on the facts and analysis mentioned above, nothing has come to the Joint Sponsors' attention in the course of conducting the due diligence work that would reasonably cause them to cast doubt on our Directors' view as disclosed in the foregoing.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ESG Governance

Our Company has established a three-tiered ESG governance system with well-defined responsibilities and collaborative mechanisms. As the highest ESG decision-making body, the Board comprehensively oversees and reviews ESG-related work proposals, including system formulation, objective setting and work implementation progress. The Board reviews and approves proposals to convene special committees, including proposals relating to the ESG Committee, in order to be informed of material ESG matters. The Board's ESG committee is a dedicated deliberative body responsible for studying major ESG issues, making recommendations and reporting to the Board. The ESG committee is responsible for studying and formulating the ESG strategic plan, management structure, system and implementation rules, identifying and monitoring ESG-related risks and opportunities that have a significant impact on our business and guiding management to take appropriate measures to address ESG-related risks and opportunities. The ESG Committee considers ESG-related proposals and reports to the Board on material ESG matters on an annual basis. The ESG execution team, which comprises relevant functional departments for each issue, serves as the executive level and is responsible for breaking down objectives and driving their implementation.

Based on the ESG governance framework, we keep consolidating the ESG risk management mechanism. With all levels working together to regularly analyze and assess ESG-related risks and opportunities, we formulate an effective ESG risk response strategy in accordance with our business features. We also conduct periodic identification and assessment of ESG material issues based on changes in industry trends, external developments and stakeholder expectations, so as to determine the priorities of our ESG management. The Board plays a key oversight and guiding role in the identification and prioritization of material ESG issues. Based on ESG issue identification and materiality assessments conducted by relevant departments, our Board reviews the results of such identification and assessments, and provides comments and recommendations on the scope of issues, assessment methodologies and outcomes, to ensure that such issues adequately reflect our business characteristics and the key concerns of stakeholders.

In determining the prioritization of material ESG issues, the Board exercises prudent judgment based on management's recommendations and a range of factors, including but not limited to industry sustainability disclosure practices, commonly identified ESG risks and opportunities within the industry, conclusions drawn from internal discussions and workshops, and, where appropriate, the views of external experts and professional advisers. On this basis, the Board confirms the final prioritization of material ESG issues to ensure alignment between ESG management priorities and our long-term strategy and sustainability objectives.

Guided by our corporate vision and core values, we have formulated the sustainable development strategy of empowering the platform ecosystem under digital intelligence; building a sustainable future together under green-driven growth. Our Directors are of the view that, during the Track Record Period and up to the Latest Practicable Date, we have not committed any material non-compliance with applicable ESG-related laws and regulations in the principal jurisdictions in which we operate, and that such compliance status would not have any material adverse effect on our business, financial condition or listing eligibility. In forming the above opinion, the Directors have taken into account our established and implemented compliance and internal control systems, including relevant policies and procedures covering environmental protection, employment practices, information security and business ethics; the results of internal compliance reviews and internal control assessments conducted during the relevant period; and the professional advice provided by external auditors and legal advisers in respect of our compliance status. The Directors have also relied on confirmations provided by management regarding our compliance with relevant laws and regulations. We listen to our stakeholders constantly and identify, assess and dynamically update our materiality database. We drive the ongoing creation of sustainable value by aligning management priorities with materiality distribution.

Environment

Environmental Targets

We have established measurable environmental targets covering emissions, energy and resource consumption, and greenhouse gas emissions. In setting these targets, we have considered the anticipated evolution of our business structure and operational scale through 2030 — particularly the projected moderate capacity expansion in production-related segments such as IoT products, and the continued growth in scale and revenue contribution of non-production businesses including data intelligence solutions — and their consequent implications for overall environmental performance. These factors constitute the principal assumptions for the target-setting process. We have also reviewed targets disclosed by operationally comparable peers and aligned our goals with prevailing environmental disclosure frameworks to ensure their appropriateness and comparability.

Based on the above assumptions and assessment, using 2025 as the base year, we aim to reduce the intensity of air emissions, hazardous waste generation, energy consumption, water consumption, and Scope 1 and Scope 2 greenhouse gas emissions by 5% by 2030. We are also committed to ensuring 100% compliant industrial air emissions and 100% compliant disposal of waste on an annual basis. To achieve the aforementioned targets, we continuously optimize our environmental management system, strengthen full-process control and the implementation of responsibilities and promote the continuous improvement of each target while maintaining compliance. Meanwhile, we actively encourage the application of green and carbon-reduction technologies alongside management innovation, fostering the in-depth integration of environmental protection measures into daily operations.

Emissions Management

We have formulated and implemented internal protocols to institutionalize and standardize emissions management. Our investments in environmental compliance management and environmental governance during the Track Record Period are set out in the following table.

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Environmental Protection-related Investments	RMB'000	8,890	15,290	20,230	310

Our operations and production do not involve high-pollution processes, nor do they generate large-scale emissions of exhaust or industrial wastewater, resulting in minimal environmental impact on surrounding areas. Non-hazardous waste generated from our operations primarily consists of plastics and cardboard, which are sorted and handed over to qualified third-party organizations for

recycling or compliant disposal. Hazardous waste primarily comprises discarded circuit boards, waste solvents and used oils, which are centrally stored in a dedicated hazardous waste storage area. The entire transfer and disposal process is entrusted to a compliant third-party organization to ensure full compliance with environmental protection requirements. During production, we utilize fully enclosed and semi-enclosed equipment to effectively capture exhaust emissions. These are then purified through dedicated exhaust treatment facilities before being discharged in compliance with regulatory standards.

Set out below is our emissions data during the Track Record Period:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Hazardous waste generated	tons	343.26	404.26[1]	461.23	119.13
Hazardous waste generation intensity	kg/'000s in revenue	0.063	0.073	0.072	0.081
Non-hazardous waste generated[2]	tons	278.07	188.49[3]	1,077.18[4]	262.61
Non-hazardous waste generation intensity	kg/'000s in revenue	0.051	0.034	0.169	0.178
Air emissions	tons	11.40	11.14	29.71[4]	16.25
Air emission intensity	kg/'000s in revenue	0.002	0.002	0.005	0.011

Notes:

(1) An increase in hazardous waste generated in 2024 was attributable to the higher production output at our factories in Hefei and Chongqing compared with the previous year.

(2) As domestic and kitchen waste generated from production and operational activities is centrally managed by the local industrial park, it is not possible to separately disaggregate such disposal data. Consequently, the volume of non-hazardous waste does not include domestic or kitchen waste. Moving forward, we will collaborate with the park's property management departments to refine the scope of data collection and enhance the completeness of our disclosures.

(3) In 2024, we implemented packaging optimization for certain products by replacing carton boxes with reusable shielding boxes. This led to a significant reduction in cardboard consumption and, consequently, a decrease in the total volume of non-hazardous waste generated during the year.

(4) In 2025, the increase in output at the Hefei and Chongqing factories, together with the commencement of operations at the Foshan factory, led to an increase in the total amount of non-hazardous waste and air emissions.

Resource Utilization

We have formulated the Energy Conservation Management System to standardize the management of our energy and resource usage. The Company's primary energy consumption stems from office electricity and on-site power usage. Through electricity management and assessment mechanisms, we encourage staff to implement energy-saving measures, requiring offices to promptly switch off lighting, air conditioning, photocopiers and other electrical equipment. We undertake energy-saving technical upgrades, adding photoelectric sensors to automated production lines to reduce lighting duration. Furthermore, our integrated energy management platform enables visualized monitoring of electricity usage, facilitating the implementation of energy-saving initiatives.

The production process of our products does not involve water resource usage. Our water consumption primarily stems from the domestic usage of our staff. We actively encourage water conservation among staff, while documenting and reporting discovered instances of wasteful water usage. This is integrated into relevant performance management systems to foster continuous improvements in our management cycle. We adhere to green production principles, continuously promoting the use of recyclable packaging. We are progressively phasing out paper-based product packaging to minimize single-use of packaging materials.

Set out below is our energy and resource usage data for the Track Record Period:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Total energy consumption[1]	MWh	48,868.00	52,150.50	42,618.93	14,190.99
Non-renewable energy sources	MWh	45,811.21	48,711.78[2]	36,539.87[3]	12,996.67
Renewable energy sources[4]	MWh	3,056.79	3,438.73	6,079.06	1,194.32
Energy consumption intensity	MWh/'000s in revenue	0.009	0.009	0.007	0.010
Water consumption	m^3	259,368.96	253,315.39	123,191.35[3]	15,607.67
Water consumption intensity	m^3/'000s in revenue	0.047	0.046	0.019	0.011
Packaging material consumption[5]	ton	1,019.68	1,047.58	1,518.39	497.41
Packaging material consumption intensity	kg/'000s in revenue	0.187	0.190	0.239	0.337

Notes:

(1) The energy consumed in the Company's operations primarily comprises natural gas, purchased electricity and steam. Comprehensive energy consumption is calculated in accordance with the *General Rules for Calculating Comprehensive Energy Consumption* (GB/T 2589–2020).

(2) Due to variations in regional energy supply cycles and flow rates, the heating duration was extended and consumption volume increased at certain operational sites in 2024, resulting in a rise in non-renewable energy consumption for the year.

(3) In 2025, following an adjustment to the Company's business structure, the purchased electricity and water consumption data no longer includes usage from the Qingdao mold factory. Consequently, the consumption of non-renewable energy and water consumption recorded a decrease compared to prior years.

(4) Renewable energy is sourced from photovoltaic power generation systems installed within the industrial parks for our own consumption.

(5) The packaging materials consumed in the Company's operations primarily comprise plastic, paper, metal and timber packaging. In 2025, the commencement of operations at the Foshan factory increased demand for plastic and paper packaging, resulting in a rise in total packaging material consumption.

Addressing Climate Change

Physical Risks

Extreme weather events may cause water and power outages, damage to office premises and production line disruption, which may adversely affect business operations. Such circumstances could impact employee attendance and equipment functionality, potentially leading to system failures and data loss, thereby negatively affecting service delivery and customer experience.

Transition Risks

As climate governance and resource management policies intensify under stricter regulations, we face heightened compliance thresholds and potential litigation or claims risks, which may drive up compliance costs. Further, growing customer demand for green products necessitates increased resource allocation toward green technologies and supply chain management, thereby elevating operational expenditures. We continue to strengthen climate risk management by enhancing resilience and responsiveness to climate change. Set out below is our greenhouse gas ("**GHG**") emissions data during the Track Record Period:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Scope 1 GHG emissions[1]	tCO_2e	97.72	100.28	113.74	28.12
Scope 2 GHG emissions[2]	tCO_2e	23,721.13	25,171.04	18,844.64	6,618.17
Scope 3 GHG emissions[3]	tCO_2e	11,718.75	12,019.98	9,706.70	2,949.94
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	23,818.85	25,271.32	18,958.38	6,646.29
GHG emissions intensity (Scope 1 + Scope 2)	$kgCO_2e$/'000s in revenue	4.362	4.594	2.979	4.506

Notes:

(1) Scope 1 GHG emissions primarily stem from natural gas combustion, with relevant calculation parameters and factors selected from the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial) (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission of the People's Republic of China.

(2) Scope 2 GHG emissions primarily stem from purchased electricity and steam. The emission factors of electricity are derived from the Announcement on the Release of Emission Factors of Carbon Dioxide from Electricity for 2023 (《關於發佈2023年電力二氧化碳排放因子的公告》) issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of the People's Republic of China. The emission factors of steam heating are derived from the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial) issued by the National Development and Reform Commission of the People's Republic of China. The significant decrease in Scope 2 greenhouse gas emissions in 2025 was attributable to the aforementioned fluctuations in energy consumption.

(3) Scope 3 GHG emissions encompass two major categories, namely fuel and energy activities and business travel. The Company will progressively enhance the coverage of data collection for Scope 3 GHG activities, thereby improving the transparency and completeness of GHG data disclosure.

Society

Employees

We strictly abide by laws and regulations and formulate and implement internal systems such as the Labor Contract Management Standard, holiday management manual and time management system to effectively protect the legitimate rights and interests of our employees. At the same time, we are resolutely eliminating forced labor and the use of child labor and effectively protecting the basic rights and interests of all workers. During the recruitment process, we also prohibit any form of discrimination based on gender, age, race, etc., and are committed to upholding fair and equitable employment opportunities.

Employee occupational health and safety is our core concern. The Company adheres to the relevant laws and regulations and has formulated internal management systems, such as the production safety responsibility system and the production safety accident management system, to protect the occupational health of employees, established clear accident reporting and handling procedures and regularly organizes safety emergency response drills and conducts two safety management compliance reviews annually to ensure the effective operation of its safety management system.

All of our factories in Chinese Mainland have obtained ISO 45001 Occupational Health and Safety Management System certification. We recorded zero workplace-related deaths and a zero fatality rate during the Track Record Period, with no major safety incidents occurring. Relevant employment data during the Track Record Period is set out below:

		Year ended December 31,			Three Months ended March 31,
		2023	2024	2025	2026
Number of employees		6,032	5,221	4,868	4,865
Number of employees by geographical region	Chinese Mainland	5,809	4,982	4,430	4,451
	Other regions	223	239	438	414
Number of employees by gender	Male	3,844	3,394	3,094	3,092
	Female	2,120	1,763	1,711	1,710
	Unknown[1]	68	64	63	63
Number of employees by age group	30 and below (inclusive)	1,927	1,790	1,901	1,854
	31 to 50	3,858	3,222	2,801	2,841
	above 50 (exclusive)	179	145	103	107
	Unknown[1]	68	64	63	63
Number of employees by professional background	R&D Personnel	1,427	1,180	1,173	1,177
	Sales Personnel	662	491	559	575
	Workers	3,166	2,914	2,652	2,630
	Others	777	636	484	483

Note:

(1) Due to applicable legal and regulatory requirements in certain overseas jurisdictions, some overseas employees did not provide age and gender information.

Supply Chain Management

We have established supplier management system documents such as the borderless access process for first-class resources, the self-interaction process and supplier TQRDC performance evaluation process to carry out responsible supply chain management. During the supplier selection process, we conduct qualification checks and credit rating evaluations and require relevant licenses or certifications from hazardous chemical suppliers. Meanwhile, based on our social responsibility compliance audit checklist, we incorporate key areas, such as business ethics, labor practices, occupational health and safety, environmental protection, fire safety, freedom of association and communication, into our supplier selection system. We also conduct comprehensive audits and assessments through a combination of on-site inspections and reviews of supporting documents.

Product Responsibility

Product safety has always been our core principle. To ensure compliance during the product manufacturing process, we strictly adhere to enterprise standards such as Q/HR 0801001 Electronic Controls for Household Appliances General Requirement in our product design and quality inspection. With the manufacturing execution system at our core, we integrate key aspects of the production process, such as environmental and equipment management and material flow control, and incorporate the intelligent analysis capabilities of artificial intelligence big data models to achieve end-to-end quality assurance from raw material warehousing to finished goods delivery, constructing a unified digital quality management system that covers production, quality, business, process, raw materials and personnel management, which fully supports our intelligent manufacturing and quality control.

Technology Ethics

We place a high priority on the compliance and ethical use of our artificial intelligence products, software services and solutions throughout their development, design and operation, and have established management and control mechanisms covering the stages of research and development, deployment and operation. During the R&D and pre-deployment stages, relevant AI products are required to complete filing procedures and pass security and compliance reviews, with clear identification of data sources and scope of use. Technical measures such as AI content guardrails and source code audits are adopted to mitigate risks of data misuse, algorithmic bias and improper application. During operation, we implement continuous monitoring and management over model usage through mechanisms including policy controls, filing reviews and log audits to prevent misuse.

At the same time, we have implemented data security and privacy protection measures. At the governance level, we have established AI compliance-related policies and guidelines, and conduct filing management, security and compliance reviews, and ongoing supervision of AI projects through internal committees. We also conduct regular training and standardize the use of AI products and service.

Information Security and Privacy Protection

As an enterprise operating in the industrial internet sector, we place paramount importance on information security, recognizing it as a fundamental pillar of our operational framework. We strictly adhere to the requirements under relevant laws and regulations. We have also formulated and implemented systems. This establishes a management system covering the entire data lifecycle, achieving full-process compliance control. In terms of management mechanisms, we have appointed a dedicated person responsible for cybersecurity to coordinate and advance the implementation of privacy protection work. We continuously enhance data classification and the hierarchical

management thereof, strengthen encryption protections during storage and transmission, conduct comprehensive information security awareness training for all staff at least once annually and implement an assessment mechanism to embed compliance consciousness. For oversight and response, we assess the impact of personal information processing activities on the system's privacy implementation based on the internal policies. Routine monitoring and analysis of critical system access logs is observed.

INTELLECTUAL PROPERTY

We rely on a combination of patent, trademark, copyright and other intellectual property protection laws in the jurisdictions in which we operate, fair trade practices, contractual arrangements and confidentiality procedures to establish and protect our proprietary technologies. As of March 31, 2026, in the Chinese Mainland, we had (i) 740 issued patents, (ii) 1,806 granted trademarks, (iii) 1,384 granted computer software copyrights and 17 copyright of work and (iv) 97 granted domain names. As of the same date, in overseas jurisdictions, we had (i) five patents and (ii) 79 trademarks. See "Appendix VI — Further Information about the Business — Intellectual Property."

We adopt a proactive approach to manage our intellectual property portfolio, implementing a comprehensive set of procedures for patent application, analysis, invalidation, operation, acquisition and asset evaluation. These strategies and procedures ensure that our intellectual property rights are effectively protected and managed throughout their entire lifecycle. Our legal department conducts regular oversight of our intellectual property assets and initiates appropriate actions whenever potential infringements are identified. We have implemented confidentiality measures that include requiring employees to enter into confidentiality agreements and adopting internal policies that specify the scope of service inventions. Upon termination of employment, we enter into non-compete agreements with certain core employees to protect proprietary information. Despite our precautions, we may be subject to risks associated with the alleged infringement of third-parties' intellectual property rights or the infringement of our intellectual property rights by third parties. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties.

EMPLOYEES

As of March 31, 2026, we had 4,451 full-time employees in the Chinese Mainland, 63 employees in New Zealand and 351 employees in Thailand, respectively. The following table sets forth a breakdown of our employees by function as of March 31, 2026.

Function	Number of Employees	Percentage of Employees (%)
Production	2,630	54.1
Research and development	1,177	24.2
Sales and marketing	575	11.8
Management and others	213	4.4
Supply chain management	156	3.2
Finance	114	2.3
Total	**4,865**	**100.0**

We strive to provide our employees with comprehensive social benefits, a diverse work environment and a wide range of career development opportunities. Attracting, retaining and motivating the right talent is crucial for the success of our business. We believe that our talent pool is one of our core strengths and competitive advantages. We recruit with high standards and well-defined procedures and through various methods, including campus recruitment, online recruitment and third-party recruiters, in order to select the best-fit personnel for the corresponding positions in response to our various talent demands. We enter into standard labor contracts with our

employees and confidentiality agreements and non-compete agreements with key management and professionals. We actively advance in the training and development programs for our employees to enhance their professional knowledge and keep abreast of the industry standards in their respective positions. We also provide tailored, ongoing training sessions by internal and external experts to employees to improve their technical skills in their practice areas and management skills training programs, including leadership training, to cadres in key positions. We have developed a pragmatic corporate culture that encourages teamwork, effectiveness, self-development and commitment to provide our customers with superior services. We also regularly organize activities to provide our employees with a deeper understanding of our culture. We uphold the core philosophy of "creating and sharing value together" and are committed to providing fair and equitable opportunities for all employees. We have established assessment criteria, career development pathways and development mechanisms tailored to different categories of employees, and conduct regular evaluations. We offer competitive compensation packages, typically determined based on employees' value contribution and performance. We conduct periodic performance reviews and reward high-performing employees through recognition, salary increases and promotions.

As required by the laws and regulations in the jurisdictions in the PRC, we participate in various employee social security plans that are administered by provincial and municipal governments, including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance and housing provident funds. We are required under PRC laws to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees.

During the Track Record Period, we did not make full contributions of social insurance and housing provident fund for certain employees based on their actual salary levels and failed to make such housing provident fund contributions for certain employees. Pursuant to PRC laws and regulations, in the event of under-contribution to social insurance, we may be required to pay the outstanding amount within a prescribed period and be subject to a daily overdue charge of 0.05% of the delayed payment amount. Failure to comply within the prescribed timeline may also lead to fines ranging from one to three times the overdue amount. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Similarly, if there is any failure to pay the full amount of housing provident fund as required, the competent housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is still not made within such time limit, the authorities may seek enforcement through the PRC courts. In addition, during the Track Record Period, we engaged third-party agencies to manage social insurance and housing provident fund contributions for certain employees. However, PRC regulations stipulate that employers must directly make these contributions from their own accounts rather than through third-party intermediaries. This could lead to additional payments for any outstanding contributions, late payment penalties, or enforcement actions by governmental authorities. The third-party human resources agencies confirmed that they had made the relevant social insurance and housing provident fund contributions for our employees in a timely manner during the Track Record Period. As of the Latest Practicable Date, we had terminated the arrangement of engaging third-party agencies to manage such contributions. The total shortfall of the social insurance and housing provident funds was RMB5.2 million, RMB5.4 million, RMB8.7 million and RMB8.7 million, respectively, in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, for which we have made full provisions.

The Supreme People's Court Interpretation (II) on Several Issues Concerning the Application of Law in Labour Dispute Cases, which became effective in September 2025, does not introduce new substantive obligations relating to social insurance or housing provident fund contributions. Instead, it aims to unify judicial standards in labour dispute cases across different jurisdictions. The interpretation applies to labour disputes and does not alter employers' statutory obligations under

the PRC Social Insurance Law, nor does it increase administrative penalties for failure to make full contributions. Accordingly, as advised by our PRC Legal Adviser, the interpretation does not materially change our compliance obligations in respect of social insurance and housing provident funds.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any notice from local governmental authorities regarding any shortfall, (ii) we did not incur any administrative penalties arising from any shortfall, (iii) we were not aware of any material employee complaints filed against us for any shortfall, (iv) we have made full provisions for the shortfall of social insurance and housing provident funds and (v) the Haier Corp and COSMO Digital Technology had undertaken that, if we are required to make up any past shortfall or incur any liabilities in connection with social insurance or housing provident fund contributions as demanded by the relevant authorities or employees, Haier Corp and COSMO Digital Technology will fully indemnify our Group for all related expenses, costs and losses primarily as part of their support for the Group's compliance and long-term development. Based on the foregoing and the advice of our PRC Legal Adviser, our Directors are of the view that our historical shortfall in social insurance and housing provident fund contributions would not have a material adverse impact on our business, financial position or results of operations. See "Risk Factors — Risks Relating to Our Business and the Industry — We may experience increases in employee salaries and benefits, shortage of labor or deterioration in labor relations, as well as potential non-compliance with labor-related laws and regulations in the PRC, all of which could adversely affect our business, financial condition and operating results."

Our employees in Chinese Mainland are currently represented by a labor union. Our employees in New Zealand and Thailand were not currently represented by labor unions as of the Latest Practicable Date. We believe we maintain a good working relationship with our employees and we have not experienced any material labour dispute or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

PROPERTIES

Our headquarters office is located in Qingdao, Shandong Province. As of the Latest Practicable Date, we primarily owned and leased properties in the Chinese Mainland, New Zealand and Thailand. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned 24 properties in the Chinese Mainland with an aggregate gross floor area of approximately 114,085 sq.m., which were primarily used for production and office purposes. As of the Latest Practicable Date, we had obtained the property ownership certificates for 14 of our owned properties. As of the Latest Practicable Date, we have not obtained the building ownership certificates for 10 of our owned properties we occupied and used, with an aggregate gross floor area of approximately 2,148 sq.m., accounting for less than 2.0% of our total owned properties, which were primarily used for substations, compressed air stations, storage rooms, warehouses, gatehouses, security rooms and waste disposal rooms. The relevant non-compliances arose primarily from historical circumstances, including limitations in obtaining certain planning and construction approvals at the time of development due to construction nature. As advised by our PRC Legal Adviser, pursuant to the relevant PRC laws and regulations, we, as the

holder of the subject properties, may face potential administrative penalties from regulatory authorities including orders to rectify violations within a specified period, mandatory demolition or fines.

As of the Latest Practicable Date, we have not been subject to any administrative penalties regarding this matter. Given that: (i) the total area of properties without ownership certificates represents less than 2% of all domestic properties owned by us and (ii) the Controlling Shareholders and ultimate controller have provided a written commitment to compensate for potential losses. As advised by our PRC Legal Adviser, (i) with regard to construction permits, where a construction project is commenced without obtaining the required construction permit or without approval of the relevant commencement application, the competent authority may order suspension of construction, require rectification within a prescribed time limit and impose a fine generally ranging from 1% to 2% of the relevant construction contract value, (ii) with regard to construction planning approvals, under applicable PRC laws and local regulations, where construction is carried out without the required construction planning permits or in violation of the approved planning conditions, the competent planning authority may order suspension of construction. Depending on the severity and impact on urban planning, such authority may further require rectification, demolition or confiscation of the unlawful buildings and impose fines, which are generally calculated as a percentage of the relevant construction or project cost, (iii) with regard to environmental protection matters, where the relevant environmental impact assessment documentation has not been duly approved prior to commencement of construction, the competent environmental authority may order rectification within a prescribed time limit. In cases where construction continues without rectification, the authority may order suspension of construction and impose administrative fines up to RMB100,000 and (iv) with regard to fire safety compliance, where construction is commenced without submission or approval of the required fire safety design, or where a building is put into use without passing the required fire safety acceptance, the competent authority may order rectification or suspension of construction or use, and may impose administrative fines up to RMB1,000 on the responsible personnel. As further advised by our PRC Legal Adviser, the maximum potential penalties that may be imposed on our Group in relation to those properties without ownership certificates are approximately RMB0.7 million in aggregate, comprising (i) up to RMB0.1 million in respect of construction permit non-compliance, (ii) up to RMB0.4 million in respect of construction planning non-compliance and (iii) up to RMB0.2 million in respect of environmental protection non-compliance. In respect of fire safety compliance, the relevant fines may be imposed on the responsible personnel for up to RMB1,000 per person, rather than on our Group. Our Directors are of the view that, those properties without ownership certificates will not have a material adverse effect on our business, financial condition, results of operations.

Leased Properties

As of the Latest Practicable Date, we leased 27 major properties in the Chinese Mainland with an aggregate gross floor area of approximately 161,472 sq.m., which were primarily used for production or office purposes. The leases generally have a term ranging from one to 20 years.

As of the Latest Practicable Date, we leased one property in New Zealand with an aggregate gross floor area of approximately 6,145 sq.m., which was primarily used as our local delivery center. As of the Latest Practicable Date, we leased two properties in Thailand with an aggregate gross floor area of approximately 5,425 sq.m., which was primarily used as our production base. The leases generally have a term ranging from three to eight years. As of the Latest Practicable Date, we had obtained valid title certificates from the relevant landlords of both the properties.

As of the Latest Practicable Date, eight of our major leased properties which primarily used for production or office purposes, in the Chinese Mainland had not completed the required lease registration with governmental authorities primarily due to (i) the inability of certain lessors to provide the required lease registration documents, or (ii) the competent authorities of the relevant jurisdictions where certain of our leased properties are located confirmed that they are unable to process lease registration for leased properties situated on industrial land and for the rooftops of

leased properties. As advised by our PRC Legal Adviser, a failure to register these lease agreements does not affect their legal validity. However, we may be required by the relevant local authorities to complete the registration within a specified period and may be subject to fines ranging from RMB1,000 to RMB10,000 per agreement provided that we fail to rectify within required time limits. The maximum aggregate penalty, if imposed, would be approximately RMB80,000, which our Directors believe would not have any material adverse impact on our business operations. Based on the foregoing and considering that, as of the Latest Practicable Date, we had not been required to register these leases by the authorities and had not been penalized for such non-registration, our Directors are of the view that the non-registration of the lease agreements will not have any material adverse effect on our business, financial condition or results of operations.

As of the Latest Practicable Date, we had not obtained the complete and valid property ownership certificates or sublease consents from the property owners for two major leased properties in the Chinese Mainland, which were primarily used for business operating and office purpose primarily because (i) one lessor was not the registered property owner and was unable to provide valid proof of ownership or authority to lease and (ii) the other lessor was unable to provide the ownership certificate of the relevant property or the construction project planning permit relating to such property. As a result, our leasehold interests may be affected, which could prevent us from continuing to use such properties. Taking into account (i) the relatively small proportion of such properties in our overall properties and (ii) given the readily replaceable nature of the property due to its standard usage, our Directors are of the view that such absence of valid title certificates or consents for such leased properties would not have any material adverse effect on our business, financial condition or results of operations.

As a contingency measure, we maintain ongoing communication with the relevant lessors to monitor, among others, the status of the property ownership certificates, the renewal of lease agreement. In parallel, we will relocate to ensure business continuity in the event relocation becomes necessary. For production activities, we are able to temporarily reallocate workloads to other facilities. For office functions, remote working arrangements and rapid office relocation can be implemented. In addition, there are alternative factory and office premises in the same or nearby regions that are readily available for lease under comparable commercial terms. The total expected relocation costs amounted to approximately RMB0.9 million. Our Directors are of the view that, with the market analysis of the Frost & Sullivan, given the mature industrial property market and the availability of comparable production and office facilities in the vicinity of our Group's existing operations, if relocation were required, our Group would be able to identify and secure alternative premises within a reasonable timeframe and without material disruption to its business operations.

Considering (i) Qingdao West Coast New Area Administrative Committee issued a Confirmation Letter on March 27, 2026, stating that from January 1, 2023 to the date of issuance of the confirmation, it has not imposed any accident-related administrative penalties or non-accident-related administrative penalties on Shandong COSMO Intelligent Carbon Technology Co., Ltd., (ii) Hefei Economic and Technological Development Zone Fire and Rescue Brigade issued a Confirmation Letter on April 1, 2026, stating that from January 1, 2023 to the date of issuance of the confirmation, COSMO Energy Technology (Hefei) Co., Ltd. has not been subject to any administrative penalties imposed by the Hefei Economic and Technological Development Zone Fire and Rescue Brigade for violations of laws, regulations or regulatory documents relating to fire safety administration, (iii) according to the Public Credit Reports, Shandong COSMO Intelligent Carbon Technology Co., Ltd. and COSMO Energy Technology (Hefei) Co., Ltd. have no records of administrative penalties relating to non-compliance in areas including workplace safety and fire safety, (iv) our Group has not carried out construction or major renovation works after leasing the relevant properties, no separate fire control acceptance procedures are required under applicable PRC laws, (v) during the Track Record Period and up to the Latest Practicable Date there have been no administrative penalties imposed on our Group in respect of production safety or fire safety matters in our owned or leased properties and (vi) there have been no production safety incidents during the Track Record Period and up to the Latest Practicable Date, as advised by

our PRC Legal Adviser, our Directors are of the view that our owned and leased properties comply with the applicable production safety and fire safety requirements in all material respects. In addition, our Group has established internal safety management measures, including production safety rules, emergency response plans, regular training and drills, and fire safety management systems.

Having taken into account the views of our PRC Legal Advisor and our Directors as described above, as well as the site visits conducted, the fact that we have not been subject to any administrative penalties in respect of production safety or fire safety matters in our owned or leased properties, and that there have not been any production safety incidents during the Track Record Period and up to the Latest Practicable Date, nothing has come to the attention of the Joint Sponsors in the course of conducting due diligence that would reasonably cause them to cast doubt on our Directors' views as stated above in any material respects that such properties do not pose any production safety and fire safety issues.

INSURANCE

We maintain insurance coverage over our daily operations. As of the Latest Practicable Date, we maintained various insurance policies relating to our business operations, including enterprise property insurance, motor vehicle insurance, export credit insurance and employers' liability insurance, which we believe have covered major risks in our daily operations. In line with general market practices, we do not maintain certain insurance that is not available in the jurisdiction in which we operate, or that is not generally required by law. We believe that our insurance coverage is adequate for our business and in line with general market practice. However, the risks related to our business and operations may not be fully covered by insurance. We will continue to review and assess our risk portfolio and make the necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

IMPACT OF U.S. SANCTION AND EXPORT CONTROL

During the Track Record Period and up to the Latest Practicable Date, we conducted export sales to overseas markets and procured certain raw materials and parts from overseas suppliers. The following table sets forth a breakdown of countries and regions where we procured raw materials and parts from during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,	
	2023		2024		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
Chinese Mainland	3,873,807	98.3	3,797,865	98.0	4,385,387	96.8	1,119,539	93.7
Hong Kong	16,626	0.4	1,007	0.0	108,442	2.4	51,175	4.3
New Zealand	21,139	0.5	50,994	1.3	16,209	0.4	11,003	0.9
Others	28,510	0.8	25,363	0.7	21,790	0.4	12,941	1.1
Total	**3,940,082**	**100.0**	**3,875,229**	**100.0**	**4,531,828**	**100.0**	**1,194,658**	**100.0**

Our products sold to overseas were produced in Chinese Mainland and Thailand during the Track Record Period. The following table sets forth a breakdown of Relevant Jurisdictions which imposed tariffs and trade restrictions on our products sold to during the Track Record Period:

	Year ended December 31,						Three Months ended March 31,	
	2023		2024		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
United States	287,139	100.0	273,060	99.6	307,103	96.7	53,731	99.7
European Union	113	0.0	1,141	0.4	10,268	3.2	118	0.2
United Kingdom	—	—	86	0.0	298	0.1	70	0.1
Total	**287,252**	**100.0**	**274,287**	**100.0**	**317,669**	**100.0**	**53,919**	**100.0**

Taking into account (i) the applicable tariff rates, the non-stacking application of Sections 301 forced labor tariffs and Section 323 tariffs, applicable exemptions, (ii) the fact that our direct exports to the United States accounted for approximately 5.8%, 5.4%, 4.8% and 3.6% of our total revenue in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, (iii) since the U.S. tariff announcement in February 2025 and up to the Latest Practicable Date, we have not experienced any material order cancellations attributable to the U.S. tariffs, nor has there been any material adverse change in our revenue, gross profit margin or overall results of operations attributable to the U.S. tariffs, our Directors are of the view that the U.S. tariffs have not had, and are not expected to have, any material adverse impact on our business operations or financial performance. Having taken into account the views of our International Sanctions Counsel and our Directors as described above, the insignificant historical amounts of revenue generated from direct exports to the United States that are subject to tariffs, nothing has come to the attention of the Joint Sponsors in the course of their due diligence which would reasonably cause them to cast doubt on our Directors' views that the U.S. tariffs have not had, and are not expected to have, any material adverse impact on our business operations and financial performance.

During the Track Record Period and up to the Latest Practicable Date, we had transactions with certain customers on the Entity List, CMIC List and UFLPA Entity List and certain suppliers on the Entity List and CMIC List.

During the Track Record Period, we had transactions with three customers included on the Entity List without a footnote. The aggregated amounts of revenue generated from these customers were nil, nil, approximately RMB0.2 million and RMB2.8 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, representing nil, nil, approximately 0.002% and 0.2% of our total revenue for the respective year/period. As advised by our International Sanctions Counsel, as our final products are not subject to the EAR, the transfer of such products to customers on the Entity List did not breach the EAR. If in the future our products become subject to the EAR for reasons such as increased controlled U.S.-origin content or as direct products of U.S.-origin technology, software, or manufacturing equipment, then we may be restricted from transacting with such customers.

During the Track Record Period, we procured parts or materials from eight suppliers included on the Entity List. The aggregated amounts of procurement from these suppliers were approximately RMB6.5 million, RMB1.0 million, RMB7.1 million and RMB2.4 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, each representing less than 0.2% of our total procurement amount for the respective year/period. The Entity List designation restricts any company from transferring items subject to the EAR to companies on the Entity List without an applicable license. It does not, however, prohibit companies from purchasing from companies on the Entity List. Thus, as advised by our International Sanctions Counsel, purchasing from Entity List suppliers during the Track Record Period did not breach the EAR. However, our suppliers that are on the Entity List may be restricted from obtaining U.S.-origin commodities, software and technology, which in turn may impair our ability to source goods from those suppliers to the extent non-U.S.-origin substitutes are not available.

During the Track Record Period, we sold intelligent controllers for home appliances to one related-party customer within Haier Group in Russia and one third-party customer in Belarus (the "**Russia and Belarus Sales**"). The aggregated amounts of the Russia and Belarus Sales were approximately RMB116.8 million, RMB170.0 million, RMB64.1 million and RMB6.1 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively, each representing approximately 2.3%, 3.4%, 1.0% and 0.4% of our total revenue for the respective year/period. These products were shipped from the PRC, settled in Renminbi, designed using PTC Creo computer-aided design (CAD) software, and incorporated certain U.S.-origin items and items procured from the United States, all of which were classified as EAR99. We plan to cease business dealings with the Russian customer after June 2026, and no further transactions will take place thereafter. We currently have no plan to cease our business dealings with the Belarusian customer

due to our long-standing cooperation history and commercial benefits derived therefrom. We have implemented measures to ring-fence the relevant risk exposure, including compliance screening and export credit insurance.

As advised by our International Sanctions Counsel: (i) we are not a Sanctioned Target and are not located, incorporated, organized or resident in a Sanctioned Country, nor do we qualify as a Sanctioned Trader; (ii) none of the items involved in the Russia and Belarus Sales were identified on the Common High Priority List; (iii) no customer involved in the Russia and Belarus Sales was identified as a sanctioned person based on screening of the relevant customers using a third-party screening vendor; (iv) the Russia and Belarus Sales did not violate applicable sanctions measures nor involve activities that would constitute secondary sanctionable conduct under applicable U.S. sanctions laws, including because none of the Russia and Belarus Sales customers was a named Sanctioned Target and we did not provide IT consultancy and design services or IT support services or cloud-based services for enterprise management software and design and manufacturing software to our Russian customer; and (v) during the Track Record Period, we did not conduct business in any Sanctioned Countries as defined for purposes of U.S. law and did not conduct business with any Sanctioned Targets that satisfied both the jurisdictional and substantive elements of U.S. primary sanctions. Based on the foregoing, our Directors are of the view that (i) our activities during the Track Record Period would not constitute Primary Sanctioned Activity or Secondary Sanctionable Activity under U.S. sanctions and (ii) the Russia and Belarus Sales did not have a material impact on our results of operations or financial position during the Track Record Period.

With respect to the U.S. outbound investment regime, our International Sanctions Counsel has advised that we are a "person of a country of concern" under the Outbound Investment Rule because we are an entity incorporated in, headquartered in, and with a principal place of business in the PRC, and the PRC is a "country of concern" under the Outbound Investment Rule. However, we do not engage, and do not plan to engage, in "covered activities" under the Outbound Investment Rule, we are not a "covered foreign person." We do not engage in, and do not plan to engage in, any covered activities related to quantum computing or semiconductor and microelectronics, and we are not a person identified on any of the sanctioned-person categories described in the definition of prohibited transaction. Although we engage in the development of AI systems, such activities do not involve the level of computing capability or the types of end uses that would fall within the scope of a prohibited transaction or a notifiable transaction. The estimated computing power used to train our AI models is approximately $1.17 \times 10\hat{}21$ computational operations, which is orders of magnitude lower than the $10\hat{}23$ computational operations threshold for notifiable transactions. Further, the AI systems we develop are not exclusively designed for, or intended to be used for, military, government intelligence or mass surveillance end uses, are not designed for military, government intelligence or mass surveillance end uses, and are not intended to be used for cybersecurity applications, digital forensics tools, penetration testing tools or the control of robotics systems. Accordingly, as advised by our International Sanctions Counsel, we are not a covered foreign person, and an investment by a U.S. person or its controlled foreign entity in us, including a purchase of Shares in the **[REDACTED]**, would not be prohibited or require notification to the U.S. Department of the Treasury under the Outbound Investment Rule.

After our Shares become publicly **[REDACTED]** on the Stock Exchange, purchases of our publicly **[REDACTED]** securities by subsequent purchasers, including U.S. persons, would generally fall within the publicly traded securities exception under the Outbound Investment Rule and therefore would not be prohibited or notifiable under the Outbound Investment Rule, provided that the relevant investment does not confer rights beyond standard minority shareholder protections. As advised by our International Sanctions Counsel, this conclusion would apply regardless of whether we were considered a covered foreign person. However, acquisition of an equity interest in a covered foreign person that is not yet publicly traded for the purpose of facilitating an initial public offering, such as a purchase with the intent to create a market or resell the security on a secondary market as part of an underwriting arrangement, would not itself fall within the publicly traded securities

exception. Services ancillary to initial public offerings that do not include the acquisition of an equity interest, including underwriting services that do not entail acquiring such an interest, would not be a covered transaction.

We have engaged International Sanctions Counsel in connection with the **[REDACTED]** and established sanction compliance guidelines and internal control measures to avoid sanction risks. In conjunction with the professional sanction lawyers currently engaged by our Company, a comprehensive identification of sanction risks in existing businesses has been conducted. In the future, we will strictly implement the aforementioned internal control measures on one hand, and on the other hand, engage legal advisers to provide compliance opinions as needed based on business development.

We have adopted and implemented group-level trade compliance policies and guidelines, and we identify and manage sanctions and export control risks through restricted-party screening, escalation procedures and ongoing monitoring of regulatory developments in relevant jurisdictions. Based on the advice of our International Sanctions Counsel, we are in compliance with applicable U.S. primary and secondary sanctions and export control laws during the Track Record Period and up to the Latest Practicable Date. Such conclusion was reached because (i) our business activities did not violate U.S. primary sanctions laws; (ii) the Russia and Belarus Sales did not violate applicable sanctions measures nor involve activities that would constitute secondary sanctionable conduct under applicable sanctions laws; (iii) our transactions with customers, suppliers and third-party payors on the CMIC List did not infringe the relevant sanctions measures, as CMIC designation only restricts U.S. persons from making direct or indirect investments in publicly traded securities of CMIC-listed entities; (iv) our transactions with entities on the Entity List did not breach the U.S. export control regime; and (v) the Russia and Belarus Sales did not infringe the EAR because the products involved in the Russia and Belarus Sales were not subject to the EAR nor listed on the Common High Priority List. On this basis, our Directors are of the view that (i) our internal control measures in relation to sanctions and export control risks are adequate and effective and (ii) sanctions-related matters have not had and are not expected to have any material adverse impact on our business operations, financial condition or results of operations. Based on the facts and analysis mentioned above and the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention in the course of conducting the due diligence work that would reasonably cause them to cast doubt on our Directors' view as disclosed above. Such due diligence work included but were not limited to (i) reviewing the group-level trade compliance policies and guidelines adopted by our Group; (ii) discussing with our management in relation to our internal control measures in relation to sanctions and export control risks as disclosed above; (iii) reviewing the internal control report prepared by our internal control consultant and performing due diligence with our internal control consultant; and (iv) reviewing draft memorandum in relation to international sanctions risk exposure prepared by the International Sanctions Counsel and performing due diligence with our International Sanctions Counsel.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may, from time to time, be subject to various legal or administrative claims and proceedings arising from the ordinary course of business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings that could have a significant adverse impact on our business, financial condition or operating results and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. As of the Latest Practicable Date, we were involved in three material ongoing legal proceedings as a defendant, all of which were sales contract disputes arising in the ordinary course of business. A first-instance judgment had been rendered in one of the proceedings, pursuant to which we were ordered to pay approximately RMB1.9 million, and we were preparing to appeal against such

judgment. The remaining two proceedings were at the first-instance trial stage, with claim amounts of approximately RMB3.0 million and RMB2.5 million, respectively. As advised by our PRC Legal Adviser, given that the above ongoing legal proceedings are contractual disputes and the aggregate claim amount involved represents only approximately 0.14% of our net assets as of March 31, 2026, such proceedings are not expected to have any material adverse impact on our business operations or financial performance. Taking into account the nature and claim amounts of the above proceedings, and based on the advice of our PRC Legal Adviser, the Directors are of the view that, these legal proceedings have not had and are not expected to have any material adverse impact on our business operations or financial performance.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities. As advised by our PRC Legal Adviser, and based on the New Zealand and Thai legal advice obtained, during the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material non-compliance incidents that resulted in fines, enforcement actions, or other penalties that could have a material adverse impact on our business, financial condition or results of operations and were in compliance with applicable laws and regulations in the relevant jurisdictions.

We have established internal control measures to ensure our ongoing compliance with applicable laws and regulations in jurisdictions where we have material operations. Our legal department is organized by business lines and is responsible for handling domestic and overseas legal matters, including providing pre-transaction legal review and advice on contracts and business models to ensure that our business operations comply with relevant local laws and regulations. In addition, we engage local legal advisers in jurisdictions where we have material overseas operations, including New Zealand and Thailand, to provide timely and jurisdiction-specific legal support. We also include contractual provisions in our material business agreements in key operating locations requiring compliance with applicable local laws and regulations. For overseas investments, acquisitions and the establishment of subsidiaries, we strictly implement due diligence procedures, including legal due diligence, to identify and manage compliance risks.

De-registration of Value-added Telecommunications Services Licence

Xingwen Zhijiao (Nanjing) Technology Co., Ltd. (行文智教(南京)科技有限公司) ("**Xingwen Zhijiao**"), a wholly-owned subsidiary of our Company, first obtained a value-added telecommunications services license (the "**ICP License**") for domestic-funded enterprises on November 6, 2019, solely in preparation for its potential operation of value-added telecommunications services, and renewed the license on September 12, 2024 upon expiry of the previous license from the same administration. Xingwen Zhijiao did not actually commence or conduct any value-added telecommunications business under such license or generate revenue therefrom at any time. Xingwen Zhijiao completed the de-registration of such value-added telecommunications services license on February 11, 2026.

Pursuant to the relevant PRC laws and regulations, entities engaging in value-added telecommunications services are required to obtain the applicable telecommunications business operating license. Domestic-funded enterprises and enterprises with foreign investment are subject to different qualification requirements and licensing procedures for value-added telecommunications services. In particular, where an enterprise has foreign shareholding (directly or on a see-through basis), it is required to typically apply for a foreign-invested enterprise license, unless otherwise provided. Separately, the applicable statutory foreign ownership cap for foreign-invested enterprises engaging in value-added telecommunications services is generally 50%, unless otherwise provided. Accordingly, the existence of foreign shareholding determines the applicable license type and approval procedure, while the 50% threshold is the foreign ownership cap applicable to foreign-invested telecommunications enterprises engaging in value-added telecommunications services.

As Xingwen Zhijiao had foreign shareholding on a see-through basis at the relevant times, Xingwen Zhijiao should have applied for an ICP License applicable to foreign-invested telecommunications enterprises, rather than the ICP License for domestic-funded enterprises which it had previously obtained and renewed. Such mismatch in license type constituted a non-compliance. For completeness, the foreign shareholding in Xingwen Zhijiao on a see-through basis did not exceed 50% at the relevant times when Xingwen Zhijiao obtained or renewed its ICP License. The relevant non-compliance therefore arose from Xingwen Zhijiao having obtained and renewed an ICP License for domestic-funded enterprises despite having foreign shareholding on a see-through basis, rather than from the foreign shareholding percentage exceeding the statutory foreign ownership cap applicable to foreign-invested enterprises engaging in value-added telecommunications services.

As advised by our PRC Legal Adviser, considering that (i) Xingwen Zhijiao had de-registered its ICP License on February 11, 2026 and did not actually commence or conduct any value-added telecommunications business under the ICP License it obtained, and therefore did not generate any illegal income from such business; (ii) according to the Public Credit Report for Enterprises issued by the Nanjing Public Credit Centre, as of the Latest Practicable Date, Xingwen Zhijiao had not been subject to any administrative penalty imposed by the competent authority in respect of such conduct, and had not received any opinions or feedback from the competent authority regarding any ongoing or potential claims, investigations or liabilities in respect of such non-compliance and (iii) upon inquiry of the Jiangsu Communications Administration, no cases of administrative penalties imposed by the Jiangsu Communications Administration for similar circumstances within the past two years were identified, our Directors are of the view that the above non-compliance and the de-registration of Xingwen Zhijiao's value-added telecommunications services license are not expected to have any material adverse effect on the business operations and financial condition of our Company.

Historical Non-compliant Practices Relating to Certain Services of COSMO Qingdao

During the Track Record Period, COSMO Qingdao was involved in the provision of certain blockchain information services and generative artificial intelligence-related functionalities as part of data intelligence solutions, but did not complete the requisite filing procedures in accordance with the applicable regulations within ten working days since the date of commencing such services. Such circumstances primarily arose from adjustments to our Group's business arrangements, changes in the relevant service models and actual operating entities, as well as the time required for internal compliance assessments and preparation of the relevant filing materials.

Provisions of Blockchain Information Services

COSMO Qingdao provided blockchain information services from June 2025 to March 2026, without completing blockchain information service filing procedure. The relevant service was provided on its blockchain service platform, an independently developed blockchain service platform for industrial enterprises. Through standardized interfaces provided by the blockchain service platform, users could embed blockchain capabilities into their own business operations without building complex blockchain systems from scratch. In March 2026, COSMO Qingdao took the entry point offline and undertook that it will not resume such service until completing the relevant filing procedures. Such blockchain information services did not generate any revenue or profit during the Track Record Period and up to the Latest Practicable Date, therefore, the suspension of service has not had and will not have material impact on the business operations and financial positions. COSMO Qingdao submitted a blockchain information service filing through the Blockchain Information Service Filing Management System on the official website of the Cyberspace Administration of China ("**CAC**") on January 14, 2026, and are awaiting the completion subject to the approval of the CAC as of the Latest Practicable Date.

Pursuant to Article 22 of the Blockchain Information Service Management Provisions, where a blockchain information service provider fails to complete the filing procedures in accordance with these provisions, the national and provincial, autonomous region, or municipal cyberspace administration offices shall, in accordance with their respective duties, order it to rectify within a prescribed time limit. If it refuses to rectify or the circumstances are serious, a warning shall be given, and a fine of not less than RMB10,000 but not more than RMB30,000 shall be imposed. Given that (i) COSMO Qingdao had proactively rectified the non-compliance and completed the filing in accordance with the law before being ordered by the competent authority to rectify within a prescribed time limit, it does not constitute a case of refusal to rectify or serious circumstances under the above provisions, thus no warning or fine will be imposed on COSMO Qingdao, (ii) COSMO Qingdao has, on January 14, 2026, submitted a blockchain information service filing through the Blockchain Information Service Filing Management System on the official website of the CAC, (iii) according to the Public Credit Report of Business Entities issued by the Shandong Social Credit Centre, as of the Latest Practicable Date, COSMO Qingdao has not been subject to any administrative penalty imposed by the competent authority in respect of such non-compliance, (iv) as of the Latest Practicable Date, COSMO Qingdao has not received any notice of any ongoing or potential claims, investigations, or liabilities in respect of such non-compliance and (v) COSMO Qingdao did not generate any revenue or profit from the provision of blockchain information services during the Track Record Period, our PRC Legal Adviser is of the view that (i) the risk of COSMO Qingdao being issued a warning or imposed a fine in relation to this matter is relatively low and (ii) the non-compliance matters do not have, and are not expected to have, a material adverse impact on our Group's business operations, financial position or future plans.

Provisions of Generative Artificial Intelligence-related Services

COSMO Qingdao provided generative artificial intelligence-related services from June 2025 to March 2026 without completing the required algorithm filing procedure. The relevant service consisted of an intelligent interaction engine entry point on COSMO Qingdao's official website, through which visitors could conduct industrial knowledge searches and obtain preliminary recommendations on industrial scenarios through natural language interactions. In March 2026, COSMO Qingdao took the entry point offline. Such generative artificial intelligence-related services did not generate any revenue or profit during the Track Record Period and up to the Latest Practicable Date, therefore, the suspension of services has not had and will not have material impact on the business operations and financial positions. COSMO Qingdao submitted a deep synthesis service algorithm filing through the Internet Information Service Algorithm Filing System on the official website of the CAC on March 6, 2026 and the filing was completed on May 6, 2026. Upon completion of the filing procedure on May 6, 2026, COSMO Qingdao resumed the generative artificial intelligence-related services on June 22, 2026.

Pursuant to Articles 24 and 31 of the Provisions on the Administration of Algorithm Recommendation Services in Internet Information Services, providers of algorithm recommendation services with the capability of public opinion attributes or social mobilization shall complete the filing procedures within ten working days from the date of providing the services. Where the filing procedures are not completed, the cyberspace administration, telecommunications, public security, and market regulation departments and other relevant authorities shall, in accordance with their respective duties, issue a warning or circulate a notice of criticism, and order rectification within a prescribed time limit. Where the provider refuses to rectify or the circumstances are serious, the provider shall be ordered to suspend information updates, and a fine of not less than RMB10,000 but not more than RMB100,000 shall be imposed. Where the conduct constitutes a violation of public security administration under the Interim Measures for the Administration of Generative Artificial Intelligence Services, public security administration penalties shall be imposed in accordance with the law. Where a crime is constituted, criminal liability shall be pursued in accordance with the law. Given that (i) COSMO Qingdao had proactively rectified the non-compliance and completed the filing in accordance with the law before being ordered by the competent authority to rectify within a prescribed time limit, it does not constitute a case of refusal to rectify or serious circumstances under

the above provisions, thus, COSMO Qingdao will not be ordered to suspend information updates or be subject to any fine, nor does it involve any violation of public security administration or criminal liability, (ii) COSMO Qingdao submitted a deep synthesis service algorithm filing through the Internet Information Service Algorithm Filing System on the official website of the CAC on March 6, 2026 and the filing was completed on May 6, 2026, (iii) according to the Public Credit Report for Enterprises issued by the Shandong Social Credit Centre, as of the Latest Practicable Date, COSMO Qingdao has not been subject to any administrative penalty imposed by the competent authority in respect of such conduct, (iv) as of the Latest Practicable Date, COSMO Qingdao has not received any notice of any ongoing or potential claims, investigations, or liabilities in respect of such non-compliance and (v) COSMO Qingdao did not generate any revenue or profit from the provision of generative artificial intelligence services, our PRC Legal Adviser is of the view that, (i) the risk of COSMO Qingdao being issued a warning or imposed a fine in relation to this matter is relatively low and (ii) the non-compliance matters have not had and are not expected to have, a material adverse impact on our Group's business operations, financial position or future plans.

Given (i) COSMO Qingdao's rectification of the above two non-compliance matters, (ii) the fact that the relevant blockchain information services and generative artificial intelligence-related services did not generate any revenue or profit during the Track Record Period and up to the Latest Practicable Date, (iii) the fact that COSMO Qingdao had not been subject to any administrative penalty by the competent authority in connection with the two non-compliance matters during the Track Record Period and as of the Latest Practicable Date, (iv) the fact that COSMO Qingdao had not received any notice of ongoing or potential claims, investigations or liabilities in connection with the above non-compliance matters as of the Latest Practicable Date, as advised by our PRC Legal Adviser, our Directors are of the view that the two non-compliance incidents have not had, and are not expected to have, any material adverse impact on our Group's business operations, financial position or future plans. In addition, our Group has further enhanced internal control and compliance management systems in respect of regulated internet information services. Should we intend to resume or commence any blockchain information services or generative artificial intelligence-related services in the future, we will duly complete the requisite filing and compliance procedures in accordance with applicable laws and regulations prior to providing such services.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks during our operations. Our Board is responsible for ensuring that our Group establishes and maintains appropriate and effective risk management systems and internal control systems, overseeing the management in the design, implementation and monitoring of such systems and ensuring that a review of the effectiveness of such systems is conducted regularly. We are committed to establishing and maintaining a robust set of risk management and internal control systems consisting of policies and procedures that are appropriate for our business operations and we are dedicated to continuously improving and implementing these systems to ensure our policies and implementation are effective and sufficient.

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, or will continue to adopt, among other things, the following risk management measures (i) establish an Audit Committee to review and supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see "Directors and Senior Management — Management and Corporate Governance — Board Committees — Audit Committee"; (ii) enhance our reporting and records system for factories, including centralizing their quality control and safety management systems and conducting regular inspections of the facilities; (iii) establish a set of emergency procedures in the event of major quality-related issues; and (iv) distribute employee handbooks to enhance employees' awareness of complying with laws and regulations. We have developed internal control policies and guidelines associated with our business processes. Our internal control measures aim to ensure comprehensive governance and ethical business conduct. To ensure that compliance culture is

embedded into everyday workflow and sets the expectations for individual behaviour across the organization, we regularly review our internal control policies and procedures, adopt strict accountability internally and conduct compliance training.

We have engaged an independent internal control consultant to review our risk management and internal control systems and to perform an internal control review covering selected areas of our internal controls in November 2025. The internal control review covered, among others, entity level controls and business process level controls. At the entity level, the internal control review covered key aspects of our internal control system, including control environment, risk assessment, control activities, information and communication and monitoring. At the process level, the internal control review covered selected business and operational processes with reference to the following areas, including (i) sales, accounts receivable and collection, (ii) procurement, accounts payable and payment, (iii) inventory management; production and costs, (iv) human resources and payroll, (v) asset management, (vi) cash and treasury management, (vii) insurance management, (viii) financial reporting and information disclosure, (ix) taxation management, (x) research and development management, and (xi) IT general controls. Based on the review, the internal control consultant provided recommendations in relation to certain internal control matters. We have implemented rectification and improvement measures in response to the findings and recommendations of the internal control consultant. The internal control consultant conducted selective sample checks on the implementation of the remedial measures and did not identify any further internal control deficiencies. Having considered the report prepared by our internal control consultant in January 2026, our Directors are of the view that the major recommendations provided by the internal control consultant have been implemented and that corresponding remedial actions have been taken to address the identified internal control matters. Our Directors consider that our internal control measures are adequate and effective to support our business operations and to ensure compliance with relevant laws and regulations going forward.

LICENSES, APPROVALS AND PERMITS

As advised by our PRC Legal Adviser, we had duly obtained the requisite licenses, permits, approvals and certificates that are material to our operations from applicable authorities and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date. The following table sets forth the material licenses, permits, approvals and certificates that we held as of the Latest Practicable Date:

Licenses/Permits/Approvals	Issuing Entity/Entities	Issuing Date	Expiry Date
High-Tech Enterprises Certificate	Qingdao Municipal Science and Technology Bureau, Qingdao Municipal Finance Bureau and Qingdao Tax Service	November 9, 2023	November 8, 2026
Value-Added Telecommunications Services License	Ministry of Industry and Information Technology of the People's Republic of China	November 13, 2025	November 13, 2030
Filing Certificate for the Graded Protection of Information System Security	Qingdao Municipal Public Security Bureau	December 19, 2018	Permanent
Registration Certificate of Customs Declaration Entity	Qingdao Customs	November 19, 2018	Permanent
Filing Certificate for Internet Information Service Algorithms	Cyberspace Administration of China	March 12, 2025	Permanent

Licenses/Permits/Approvals	Issuing Entity/Entities	Issuing Date	Expiry Date
Filing Certificate for Generative Artificial Intelligence Services	Cyberspace Administration of China	November 29, 2024	Permanent

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. As advised by our PRC Legal Adviser, provided that we continue to comply with the relevant provisions and conditions stipulated under applicable laws and regulations, the renewal of the licenses, permits, approvals and certificates required for our operations, including the High-Tech Enterprises Certificate is not expected to involve any material difficulties.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition regarding the quality and advanced technology used in our products and solutions. The following table sets forth the major awards and recognitions that we received during the Track Record Period and up to the Latest Practicable Date:

Year	Name of Award or Recognition	Awarding Authority
2026	Selected for the "2025 Typical Cases of Integrated Application of New-Generation Information Technology"	Ministry of Industry and Information Technology of the PRC
2025	Top ranking on the list of cross-industry and cross-domain platform certified by the Ministry of Industry and Information Technology for seven consecutive years from 2019 to 2025.	Ministry of Industry and Information Technology of the PRC
2025	Selected for the "14th Five-Year Plan Advanced Scientific and Technological Innovation Achievements in Light Industry"	China National Light Industry Council
2025	Selected for the "2025 Top Ten Scientific and Technological Advances in Intelligent Manufacturing"	International Coalition of Intelligent Manufacturing and Intelligent Manufacturing Alliance of CAST Member Societies
2025	Selected for the "2025 Outstanding Cases of Innovation and Development in Central SOE Industrial Chains"	China Enterprise Reform and Development Society
2025	Leader in IDC MarketScape: China Industrial Large Model and Intelligent Agent Solutions 2025 Vendor Assessment Report	International Data Corporation
2025	China's 500 Most Valuable Brands	World Brand Lab
2024	First-Class Award for Scientific and Technological Progress in Shandong Province	People's Government of Shandong Province
2024	First Prize in the "Data Element X Industrial Manufacturing" Track at the National Finals of the 2024 "Data Element X" Competition	National Data Administration
2024	Five-Star Certification for Industrial Internet Products (Highest Level)	China Industrial Internet Research Institute
2024	China's Most Socially Influential Startups 2024 by Fortune China	Fortune China

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Our Board consists of nine Directors, comprising two executive Directors, four non-executive Director and three independent non-executive Directors.

Our Board is responsible for, and has the general authority of, the management and operation of our Company. The powers and duties of our Board include convening general meetings and reporting our Board's work at the general meetings of our Company, determining our Group's business and investment plans, formulating proposals for profit distributions and exercising other powers, functions and duties as conferred by the Articles of Association.

DIRECTORS

The following table sets forth the information about the Directors:

Name	Age	Position	Time of joining the Group	Date of first appointment as a Director	Roles and responsibilities
Executive Directors					
Mr. Chen Lucheng (陳錄城)	57	Chairman of the Board and executive Director	April 2017	April 19, 2017	Overall strategic planning of our Group
Mr. Chai Jiqiang (柴紀強)	44	Executive Director, employee representative Director and general manager	October 2019	December 26, 2024	Overall operation and development of our Group
Non-executive Directors					
Mr. Zhou Yunjie (周雲傑)	59	Non-executive Director	November 2019	November 27, 2019	Participating in evaluation and approval of business plans, strategic and major decisions of Group through the Board
Mr. Zhan Bo (展波)	45	Non-executive Director	April 2020	April 26, 2020	Participating in evaluation and approval of business plans, strategic and major decisions of Group through the Board
Mr. Liu Chao (劉超)	47	Non-executive Director	January 2026	January 20, 2026	Participating in evaluation and approval of business plans, strategic and major decisions of Group through the Board
Mr. Jia Qiuran (賈秋然)	42	Non-executive Director	December 2022	December 13, 2022	Participating in evaluation and approval of business plans, strategic and major decisions of Group through the Board
Independent Non-executive Directors					
Ms. Kong Yu (孔昱)	56	Independent non-executive Director	December 2022	December 13, 2022	Providing independent opinion and judgment to our Board
Mr. Feng Guohua (馮國華)	57	Independent non-executive Director	December 2022	December 13, 2022	Providing independent opinion and judgment to our Board
Mr. Gu Chunyuan (顧純元)	67	Independent non-executive Director	December 2022	December 13, 2022	Providing independent opinion and judgment to our Board

Executive Directors

Mr. Chen Lucheng (陳錄城), aged 57, is our executive Director and chairman of the Board. Mr. Chen joined our Group in April 2017 and has been serving as our Director and chairman of the Board since then. Mr. Chen served as our general manager from April 2017 to January 2026. Mr. Chen has also been serving as the chairman of the board and general manager of COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. (卡奧斯工業智能研究院(青島)有限公司) since April 2017.

Prior to joining our Group, Mr. Chen served successively various senior positions at Haier Group, including the general manager of Hefei Haier Washing Machine Co., Ltd. (合肥海爾洗衣機有限公司) from September 2000 to February 2003, the general manager of Qingdao Haier Washing Machine Co., Ltd. (青島海爾洗衣機有限公司) from February 2003 to February 2008, the vice president (副總裁) and supply chain and procurement' s general manager of HSH from February 2008 to April 2017.

Mr. Chen obtained a bachelor's degree in mechanical design and manufacturing from Shandong Building Materials Industry College (山東建築材料工業學院) (now known as University of Jinan (濟南大學)) in the PRC in July 1992, and a master's degree in business administration from Peking University (北京大學) in the PRC in July 2015. Mr. Chen was recognized as a professor of engineering in engineering technology (工程技術正高級工程師) by the Human Resources and Social Security Department of Shandong Province (山東省人力資源和社會保障廳) in March 2021.

Mr. Chen's contributions to technological innovation and industrial digitalization have earned him numerous prestigious awards and honors. He was granted the State Scientific and Technological Progress Award (the Second Class Award) (國家科學技術進步二等獎) by the State Council (國務院) in November 2005, the Outstanding Mid-aged and Young Experts of Shandong Province (山東省有突出貢獻的中青年專家) by the People's Government of Shandong Province (山東省人民政府) in May 2009, the National Light Industry Enterprise Information Technology Professionals (全國輕工業企業信息化科技人才) by the China National Light Industry Council (中國輕工業聯合會) in September 2012, the IDC Digital Transformation Leading Figure (IDC數字化轉型領軍人物) in October 2020, the TaiShan Industrial Experts Programme (泰山產業領軍人才) by the People's Government of Shandong Province in January 2021, the Outstanding Science and Technology Worker of Shandong Province (山東省優秀科技工作者) by the Human Resources and Social Security Department of Shandong Province in January 2021, the Leading Figure in Digital Transformation of China's Light Industry (中國輕工業數字化轉型領軍人物) by the China National Light Industry Council in July 2022, the First Prize for Scientific and Technological Progress Award of Qingdao City (青島市科技進步一等獎) by the People's Government of Qingdao City (青島市人民政府) in November 2022, the First Prize for Scientific and Technological Progress Award of Shandong Province (山東省科技進步特等獎) by the People's Government of Shandong Province in May 2024.

Beyond his corporate responsibilities and accolades, Mr. Chen continues to play a key role in advancing the industry. Mr. Chen is a member of National Leading Group for the Industrialization and Informatization Integration Management System (國家兩化融合管理體系工作領導小組成員), an executive committee member (執行委員) of Industrial Internet Expert Committee (工業互聯網專家諮詢委員會), a vice chairman (副理事長) of Alliance of Industrial Internet (工業互聯網產業聯盟), an honorary executive director (名譽執行主任) of National Industrial Internet Platform Innovation and Cooperation Center (國家工業互聯網平台創新合作中心), a deputy director (副主任委員) of Industrial Digitalization Committee (產業數字化專委會) of China Industrial Control Systems Cyber Emergency Response Team (國家工業信息安全發展研究中心), a country adviser (國別顧問) for Fourth industrial evolution alliance (第四次工業革命產業聯盟) of United Nations Industrial Development Organization (聯合國工業發展組織), a member of China Expert Committee (中國專家委員會) for IEC Systems Committee Smart Manufacturing (IEC智能製造系統委員會), a member of China National Technical Committee for Industrial Automation Systems and Integration (SAC/TC159) (全國自動化系統與集成標準化技術委員會(SAC/TC159)), a member of China National Technical Committee for Integration of Informatization and Industrialization

Management (SAC/TC573) (全國信息化和工業化融合管理標準化技術委員會(SAC/TC573)), a deputy leader (副組長) of the Digital Transformation Standards Working Group of Manufacturing Industry China National Technical Committee for Information Technology (TC28/WG35) (全國信息技術標準化技術委員會製造業數字化轉型標準工作組(TC28/WG35)), and the chairman of Qingdao Big Data Development Promotion Association (青島市大數據發展促進會理事長).

Mr. Chai Jiqiang (柴紀強), aged 44, is our executive Director and general manager. Mr. Chai joined our Group in October 2019. Mr. Chai has been serving as our Director since December 2024 and our employee representative Director since December 2025. Mr. Chai served as our deputy general manager from November 2023 to January 2026, during which he was responsible for our marketing, operations, and procurement, and has been serving as our general manager since January 2026.

From August 2005 to July 2008, Mr. Chai served as a manager of COSMOPlat Energy. From July 2008 to September 2012, Mr. Chai served as the general manager of the Wuhan branch of COSMOPlat Energy. From September 2012 to January 2024, Mr. Chai served as the general manager of COSMOPlat Energy. During his tenure, he was responsible for the overall operation and management of COSMOPlat Energy and oversaw its business and operational affairs.

Mr. Chai obtained a bachelor's degree in engineering in automation from Taiyuan University of Technology (太原理工大學) in the PRC in July 2005, and an executive master of business administration from Xi'an Jiaotong University (西安交通大學) in the PRC in July 2016. Mr. Chai is currently studying for a doctor's degree in energy and power engineering (engineering in automation) in Tianjin University (天津大學), the PRC. Mr. Chai was certified as a senior engineer in power engineering (電力工程高級工程師) by Qingdao Engineering Senior Professional Technique Qualification Evaluation Committee (青島市工程技術職務資格高級評審委員會) in January 2020.

Non-executive Directors

Mr. Zhou Yunjie (周雲傑), aged 59, is our non-executive Director. Mr. Zhou has been serving as our Director since November 2019.

Since July 1988, Mr. Zhou has been serving successively senior positions at Haier Corp, including the chief of the sales division (銷售處處長), director of plant No. 2 (二廠廠長), general manager of the quality department (質量部長), deputy general manager and general manager from July 1988 to July 1999, a trainee vice president (見習副總裁), vice president (副總裁), senior vice president (高級副總裁), chief marketing officer (首席市場官), executive vice president (執行副總裁), deputy chairman of the board (董事局副主席), alternative president (輪值總裁) and president (總裁) from July 1999 to November 2021, and the chairman of the board (董事局主席) and chief executive officer (首席執行官) since November 2021. From June 2013 to December 2020, Mr. Zhou also served as the chairman of the board (董事局主席) and chief executive officer (行政總裁) of HEG.

Mr. Zhou has been serving as a non-executive director of Bank of Qingdao Co., Ltd. (青島銀行股份有限公司), a company listed on the Stock Exchange (Stock Code: 3866) and the Shenzhen Stock Exchange (Stock Code: 002948), since June 2015, and a director of Qingdao Haier Biomedical Co., Ltd. (青島海爾生物醫療股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688139), since July 2018.

Mr. Zhou obtained a bachelor's degree in engineering from Huazhong University of Technology (華中理工大學) (now known as Huazhong University of Science and Technology (華中科技大學)) in the PRC in July 1988, a master's degree in corporate management from Ocean University of Qingdao (青島海洋大學) (now known as Ocean University of China (中國海洋大學)) in the PRC in July 1999, and a doctor's degree in business administration from Xi'an Jiaotong University (西安交通大學) in the PRC in January 2006. Mr. Zhou was recognized as a professor of

engineering (正高級工程師) by the Human Resources and Social Security Department of Shandong Province in January 2019. Mr. Zhou obtained the fund qualification certificate issued by the Asset Management Association of China (中國證券投資基金業協會) in December 2017.

Mr. Zhan Bo (展波), aged 45, is our non-executive Director. Mr. Zhan has been serving as our Director since April 2020.

From July 2002 to November 2013, Mr. Zhan served several positions at Haier Corp, including the financial director for Haier Corp China region from July 2002 to June 2006, the financial director for Haier Corp Europe Region from June 2006 to May 2010, and the financial director for global sales platform of Haier Corp from May 2010 to November 2013. From November 2013 to March 2019, Mr. Zhan served as the chief financial officer of HEG. Since March 2019, Mr. Zhan has been serving successively senior positions at Haier Corp, including the chief financial officer from March 2019 to July 2020, the chief operating officer and vice president (副總裁) from July 2020 to November 2021, a director of the board (董事局董事) and vice president (副總裁) from November 2021 to December 2025, and a director of the board (董事局董事) and senior vice president (高級副總裁) since December 2025.

Mr. Zhan has been serving as the chairman of the Board and non-independent director of Shanghai STEP Electric Corporation (上海新時達電氣股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002527), since July 2025.

Mr. Zhan obtained a bachelor's degree in auditor from Tianjin University of Finance and Economics (天津財經大學) in the PRC in July 2002, and a master's degree in business administration from University of International Business and Economics (對外經濟貿易大學) in the PRC in June 2015. Mr. Zhan was recognized as a senior engineer (高級工程師) by the Human Resources and Social Security Bureau of Qingdao City (青島市人力資源和社會保障局) in October 2021. Mr. Zhan obtained the fund qualification certificate issued by the Asset Management Association of China (中國證券投資基金業協會) in July 2019.

Mr. Liu Chao (劉超), aged 47, is our non-executive Director. Mr. Liu has been serving as our Director since January 2026.

From April 2006 to March 2016, Mr. Liu served at the Asia-Pacific information management department of Emerson Electric Co., a company listed on the New York Stock Exchange (Stock Code: EMR). From March 2016 to October 2016, Mr. Liu served at Ramaxel Technology (Shenzhen) Limited (記憶科技(深圳)有限公司). From October 2016 to January 2020, Mr. Liu served at Huawei Technologies Co., Ltd. (華為技術有限公司). Since February 2020, Mr. Liu has been serving as the chief information officer of Haier Corp.

Mr. Liu obtained a bachelor's degree in engineering of automatic control from Harbin Engineering University (哈爾濱工程大學) in the PRC in July 2001, and a master's degree in computer science and technology from Harbin Engineering University (哈爾濱工程大學) in the PRC in April 2006. Mr. Liu was recognized as a senior engineer (高級工程師) by the Human Resources and Social Security Bureau of Qingdao City in August 2021.

Mr. Jia Qiuran (賈秋然), aged 42, is our non-executive Director. Mr. Jia has been serving as our Director since December 2022.

Since August 2018, Mr. Jia has been serving as an investment director and deputy general manager of the investment department of CCT Fund Management Co., Ltd. (誠通基金管理有限公司).

Mr. Jia obtained a bachelor's degree and a master's degree in engineering from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in July 2006 and January 2009, respectively, and a doctor's degree in finance from Renmin University of China (中國人民大學) in the PRC in June 2012.

Independent Non-executive Directors

Ms. Kong Yu (孔昱), aged 56, is our independent non-executive Director. Ms. Kong has been serving as our independent Director since December 2022.

From May 1994 to June 2022, Ms. Kong successively served as an auditor, manager and partner at PricewaterhouseCoopers ZhongTian LLP (普華永道中天會計師事務所(特殊普通合夥)).

Ms. Kong has been serving as an independent director of Shenzhen Mindray Bio-Medical Electronics Co., Ltd. (深圳邁瑞生物醫療電子股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 300760), since July 2023.

Ms. Kong obtained a bachelor's degree in international economics from Peking University (北京大學) in the PRC in July 1991. Ms. Kong is a member of Chinese Certified Public Accountants (non practicing) and a lifetime member of the Association of Chartered Certified Accountants.

Mr. Feng Guohua (馮國華), aged 57, is our independent non-executive Director. Mr. Feng has been serving as our independent Director since December 2022.

From March 2011 to February 2012, Mr. Feng served as the chief executive officer and executive director of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司), a company listed on the Stock Exchange (Stock Code: 268). From December 2012 to April 2015, Mr. Feng served as a vice president of IBM (China) Company Limited. From May 2015 to April 2016, Mr. Feng served as a senior vice president of Hanergy Holding Group Limited (漢能控股集團有限公司) (now known as Jinjiang Hydropower Group Co., Ltd. (金江水力發電集團有限公司)). From April 2016 to September 2020, Mr. Feng served as a vice president of Microsoft China Ltd. (微軟(中國)有限公司). From November 2020 to March 2022, Mr. Feng served as the chief executive officer and executive director of Man Wah Holdings Limited (敏華控股有限公司), a company listed on the Stock Exchange (Stock Code: 1999). From October 2020 to June 2025, Mr. Feng served at Shanghai Jahwa United Co., Ltd. (上海家化聯合股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600315), including in the roles of an independent director from October 2020 to November 2021 and as an independent non-executive director from November 2021 to June 2025.

Mr. Feng has been serving as an independent non-executive director of Wison Engineering Services Co. Ltd. (惠生工程技術服務有限公司), a company listed on the Stock Exchange (Stock Code: 2236), since December 2015.

Mr. Feng obtained a bachelor's degree in engineering from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 1990. Mr. Feng also completed the advanced management program of Harvard Business School in May 2009.

Mr. Gu Chunyuan (顧純元), aged 67, is our independent non-executive Director. Mr. Gu has been serving as our independent Director since December 2022.

Mr. Gu has been working more than 30 years at ABB. From 2014 to 2018, Mr. Gu served as the chairman and president of ABB (China) Limited (ABB(中國)有限公司). From 2017 to 2019, Mr. Gu served as the AMEA region president and member of group executive committee of ABB Ltd, a company listed on the SIX Swiss Exchange (Stock Code: ABBN). Since 2020, Mr. Gu has been serving as the chairman of board of ABB (China) Limited.

Mr. Gu has been serving as a director of NXP Semiconductors N.V., a company listed on the National Association of Securities Dealers Automated Quotations (Stock Code: NXPI), since 2022, and an independent non-executive director of CLP Holdings Limited (中電控股有限公司), a company listed on the Stock Exchange (Stock Code: 00002), since October 2020.

Mr. Gu obtained a bachelor's degree in engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in January 1982, and a doctor's degree in engineering from the Royal Institute of Technology in Sweden in April 1987. Mr. Gu is a member of the Royal of Swedish Academy of Engineering Sciences.

SENIOR MANAGEMENT

The Group's senior management team is responsible for the day-to-day management and operation of its business. The following table sets forth the information about the senior managements:

Name	Age	Position	Time of joining the Group	Date of first appointment as a member of senior management	Roles and responsibilities
Executive Directors					
Mr. Chen Lucheng (陳錄城).	57	Chairman of the Board and executive Director	April 2017	April 19, 2017	Overall strategic planning of our Group
Mr. Chai Jiqiang (柴紀強).	44	Executive Director, employee representative Director and general manager	October 2019	November 2, 2023	Overall operation and development of our Group
Ms. Xie Haiqin (謝海琴).	52	Deputy general manager	February 2019	December 13, 2022	In charge of intelligent manufacturing business of our Group
Mr. Feng Xingzhi (馮興智).	49	Deputy general manager	February 2023	November 2, 2023	Overall product management and facilitating technology initiatives of our Group
Ms. Xian Chunyan (咸春燕).	45	Chief financial officer	August 2020	December 13, 2022	Overall management of finance of our Group
Mr. Liu Ming (劉明)	45	Secretary to the Board	February 2025	March 12, 2025	Overall management of investments and securities business of our Group

Mr. Chen Lucheng (陳錄城) is the Chairman of the Board and an executive Director. See "— Directors — Executive Directors" in this section for his biographical details.

Mr. Chai Jiqiang (柴紀強) is our executive Director, employee representative Director and general manager. See "— Directors — Executive Directors" in this section for his biographical details.

Ms. Xie Haiqin (謝海琴), aged 52, is our deputy general manager and a professor of engineering (正高級工程師). Ms. Xie joined our Group in February 2019 and has been serving as our deputy general manager since December 2022.

Prior to joining our Group, Ms. Xie served successively various senior positions at Haier Group, including an engineer, project manager, senior manager, and division director of planning and development center (規劃發展中心) of Haier Corp from August 1996 to December 2006, the chief information officer of Haier Corp from January 2007 to February 2013, and a director and general manager of Hch Technology Entrepreneurship Development Co., Ltd. (海創匯科技創業髮展股份有限公司) from February 2014 to November 2016.

Ms. Xie is a project leader of the national key R&D program under the Ministry of Science and Technology. Ms. Xie led her team to win the SAIL Star honor at the World Artificial Intelligence Conference, and personally received several honors such as IDG China's Top 5 Outstanding CIOs, "Innovation Model" (創新榜樣) recognized by the Organization Department Shandong Provincial Party Committee (山東省委組織部), an Advanced Individual in Shanghai's Urban Digital Transformation (上海市城市數字化轉型先進個人), and an Industrial Internet Pioneer of the Year (工業互聯網年度先鋒人物).

Ms. Xie obtained a bachelor's degree in computer science from South-Central Minzu University (中南民族大學) in the PRC in June 1996, a master's degree in business administration from Beijing Jiaotong University (北京交通大學) in the PRC in July 2010, and a master's degree in strategic management from London Business School in the United Kingdom in February 2018. Ms. Xie is currently studying for a doctor's degree in engineering in Shanghai Jiao Tong University (上海交通大學), the PRC.

Mr. Feng Xingzhi (馮興智), aged 49, is our deputy general manager. Mr. Feng joined our Group in February 2023.

Mr. Feng has over 20 years of experience in the information technology industry. From June 2011 to June 2020, Mr. Feng served at Huawei Technologies Co., Ltd. (華為技術有限公司). From August 2020 to June 2021, Mr. Feng served at Shenlan Artificial Intelligence Technology (Shanghai) Co., Ltd. (深蘭人工智慧科技(上海)股份有限公司). From June 2021 to June 2022, Mr. Feng served as the chief technology officer and general manager of the industry product R&D center (行業產品研發中心) of Meiyun Zhishu Technology Co., Ltd. (美雲智數科技有限公司). From August 2022 to January 2023, Mr. Feng served as the chief technology officer of Guangzhou Sie Consulting Co., Ltd. (廣州賽意資訊科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300687).

Mr. Feng obtained a bachelor degree of engineering in measuring technology and instrument, a master degree of engineering in mechanical engineering and a doctor degree of engineering in computer science and technology from National University of Defense Technology (國防科學技術大學) (now known as National University of Defense Technology (中國人民解放軍國防科技大學)) in the PRC in July 2000, December 2002 and December 2007, respectively. Mr. Feng has the Open Group Togaf™ 9 Certification. Mr. Feng was granted 2025 Pioneer in Digital Transformation of Light Industry (AI Empowerment Capability) (2025年度輕工業數位化轉型"領航者"(人工智慧賦能能力)) by the China Light Industry Information Center (中國輕工業信息中心) in September 2025.

Ms. Xian Chunyan (咸春燕), aged 45, is our chief financial officer. Ms. Xian joined our Group in August 2020 and has been serving as our chief financial officer since then.

From August 2006 to August 2012, Ms. Xian served as an auditor executive of Ernst & Young LLP (UK). From November 2012 to June 2017, Ms. Xian served as the senior financial manager of HEG. From June 2017 to May 2019, Ms. Xian served as the chief financial officer of Haichuanghui Holdings Limited (海創匯控股有限公司). From June 2019 to July 2020, Ms. Xian served as a senior financial manager of Haier Corp.

Ms. Xian obtained a bachelor's degree in accounting from Beijing Jiaotong University (北京交通大學) in the PRC in July 2001, a master's degree and a doctor's degree in accounting from Heriot-Watt University in the United Kingdom in November 2003 and July 2007, respectively. Ms. Xian obtained the Chartered Accountant from the Institute of Chartered Accountants of Scotland (ICAS) in October 2009.

Mr. Liu Ming (劉明), aged 45, is our secretary to the Board. Mr. Liu joined our Group in February 2025 and has been serving as our secretary to the Board since March 2025.

From March 2011 to March 2020, Mr. Liu served as the IRD of the securities department of HEG. From April 2020 to January 2025, Mr. Liu served as the secretary to the board of RRS Supply Chain Technology Co., Ltd. (日日順供應鏈科技股份有限公司).

Mr. Liu obtained a bachelor's degree in finance and computer science from Ocean University of China (中國海洋大學) in the PRC in June 2003, and a master's degree in accounting from Macquarie University in Australia in April 2010. Mr. Liu obtained the CPA qualification from CPA Australia in May 2011.

JOINT COMPANY SECRETARIES

Mr. Liu Ming (劉明) is our secretary to the Board and joint company secretary. See "— Senior Management" in this section for his biographical details.

Ms. Ye Jiahong (葉嘉紅) is our joint company secretary. She is an assistant manager of TMF Hong Kong Limited. Ms. Ye has nearly seven years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies.

Ms. Ye is an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She holds a bachelor of arts degree in English (Business Management) and a master of arts degree in computer-assisted translation.

OTHER INFORMATION

Rule 3.09D of the Hong Kong Listing Rules

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on January 19, 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Hong Kong Listing Rules.

Rule 3.13 of the Hong Kong Listing Rules

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Hong Kong Listing Rules, (ii) he or she had no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Hong Kong Listing Rules as of the Latest Practicable Date, and (iii) that there were no other factors that may affect his or her independence at the time of his/her appointments.

Rule 8.10(2) of the Hong Kong Listing Rules

Each of the Directors (other than the independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she was not interested in any business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business under Rule 8.10(2) of the Hong Kong Listing Rules.

Other Confirmations

None of the Directors and senior management of our Company is related to the other Directors or senior management of our Company. Save as disclosed in this section, (i) none of the Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this document; (ii) to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Hong Kong Listing Rules.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Strategy and Investment Committee

The Board has established the Strategy and Investment Committee with written terms of reference. The primary duties of the Strategy and Investment Committee are to advise on, supervise and make recommendations to our Board on the long-term development strategies, major investments and financing proposals of our Company. The Strategy and Investment Committee comprises Mr. Chen Lucheng, Mr. Chai Jiqiang, Mr. Zhou Yunjie, Mr. Zhan Bo, Mr. Liu Chao, Mr. Jia Qiuran, Ms. Kong Yu, Mr. Feng Guohua and Mr. Gu Chunyuan, with Mr. Chen Lucheng as the chairperson.

Audit Committee

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Hong Kong Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group and provide advice and comments to the Board. The Audit Committee comprises, Ms. Kong Yu, Mr. Zhan Bo and Mr. Gu Chunyuan, with Ms. Kong Yu as the chairperson. Ms. Kong Yu possesses appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules).

Nomination Committee

The Board has established the Nomination Committee with written terms of reference in compliance with Rules 3.27A of the Hong Kong Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession and to review. The Nomination Committee comprises Mr. Feng Guohua, Mr. Chen Lucheng and Ms. Kong Yu, with Mr. Feng Guohua as the chairperson.

Remuneration and Appraisal Committee

The Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rules 3.25 of the Hong Kong Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The Remuneration and Appraisal Committee comprises Mr. Gu Chunyuan, Mr. Chen Lucheng and Mr. Feng Guohua, with Mr. Gu Chunyuan as the chairperson.

ESG Committee

The Board has established the ESG Committee with written terms of reference. The primary duties of the ESG Committee are to oversee ESG governance, monitor ESG-related performance and targets and adjust ESG strategies of our Company. The ESG Committee comprises Mr. Feng Guohua, Mr. Chai Jiqiang and Mr. Gu Chunyuan, with Mr. Feng Guohua 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 the Shareholders. To accomplish this, our Company expects to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the **[REDACTED]**.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining its competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

The Board currently consists of 1 female and 8 male Directors ranging from 41 to 67 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to relevant industry experience. They obtained degrees in various majors including automatic control, engineering, business administration and corporate management. Taking into account the Group's existing business model and specific needs, as well as the diverse background of the Directors, the composition of the Board satisfies the board diversity policy.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. The Nomination Committee will monitor and evaluate the implementation of the board diversity policy from time to time to ensure its ongoing effectiveness, and will propose any necessary amendments as required, recommending such amendments to the Board for consideration and approval. The Nomination Committee will also include a summary of the board diversity policy in the annual reports of our Company.

REMUNERATION

The Directors and senior management of our Company receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation and other benefits in kind.

For the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026, the aggregate amount of remuneration of our Directors recorded in the profit or loss amounted to RMB7.8 million, RMB7.7 million, RMB9.2 million and RMB2.5 million, respectively. None of the Directors waived or agreed to waive any emolument during the Track Record Period.

Under the arrangements in force as of the date of this document, our Company estimates the total remuneration payable to, and benefits in kind receivable by, the Directors by the Group for the year ending December 31, 2026 to be approximately RMB9.2 million.

The five highest paid individuals of the Group for the years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026 included one, two, two and two Directors, respectively. During the same year, the aggregate amount of remuneration for the remaining individuals among the five highest paid individuals was RMB11.9 million, RMB11.6 million, RMB8.6 million and RMB2.4 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, the Directors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or received by, the Directors, former Directors or the five highest paid individuals for the loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

Save as disclosed above, no other payments have been made or are payable by the Group to the Directors in respect of the Track Record Period.

COMPLIANCE ADVISER

Our Company has appointed Maxa Capital Limited as the Compliance Adviser pursuant to Rule 3A.19 of the Hong Kong Listing Rules. The Compliance Adviser will provide our Company with guidance and advice as to compliance with the requirements under the Hong Kong Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Hong Kong Listing Rules, the Compliance Adviser will, amongst other things, advise our Company in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;

(iii) where the Group proposes to use the **[REDACTED]** of the **[REDACTED]** in a manner different from that detailed in this document or where the business activities, development or results of the Group deviate from any forecast, estimate, or other information in this document; and

(iv) where the Hong Kong Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Hong Kong Listing Rules.

The term of appointment of the Compliance Adviser shall commence on the **[REDACTED]** and is expected to end on the date on which our Company complies with Rule 13.46 of the Hong Kong Listing Rules in respect of its financial results for the first full financial year commencing after the **[REDACTED]**.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Haier Corp was entitled to exercise approximately 78.04% of the voting rights in our Company, among which (i) approximately 10.83% was held by Haier Corp as a direct Shareholder, (ii) approximately 49.11% was held by COSMO Digital Technology, which is indirectly wholly owned by Haier Corp through COSMO Holdings, and (iii) approximately 18.10% in aggregate was held by other subsidiaries or controlled entities of Haier Corp (including HSH (as to approximately 9.68%), Hefei Washing Machine (as to approximately 5.41%), HEG (as to approximately 1.80%) and Haichuang Zhilian (as to approximately 1.20%). See "History, Development and Corporate Structure — Corporate Structure" for further details.

Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Haier Corp will, directly and indirectly through its subsidiaries or controlled entities, be entitled to exercise approximately **[REDACTED]**% of the voting rights in our Company. Accordingly, Haier Corp, COSMO Holdings, COSMO Digital Technology, Hefei Washing Machine, Smart Home Appliances, Qingdao Washing Machine, HEG, HSH, Haichuang Zhilian, Qingdao Haichuang, Haier Venture Capital, Haier Finance Holding and Qingdao Haironghui constitute a group of our Controlling Shareholders under the Listing Rules.

CLEAR BUSINESS DELINEATION

Our Business

We are a provider of industrial intelligence products and solutions in China. We focus on the integration of artificial intelligence, IoT, big data and other advanced technologies with industrial applications. Leveraging our independently developed COSMOPlat industrial internet platform and a unified "platform + software + hardware" technology architecture, we provide IoT products and data intelligence solutions to enable intelligent manufacturing and digital transformation for customers across various industry verticals.

Business of our Controlling Shareholders

Apart from the interests in our Group, Haier Group is primarily engaged in manufacturing-oriented and consumer-facing businesses, including (i) research, development, manufacturing and sales of home appliances and the provision of smart-home services, (ii) healthcare-related businesses such as research, development, manufacturing and sales of medical equipment and the provision of medical services, and (iii) selected digital economy businesses such as industrial robots, automobile retail and aftermarket services and digital financial services.

Clear Delineation of Business

Our Group's businesses are technology-empowerment and solution-oriented in nature, with its core value proposition being the provision of industrial software, platform services and integrated hardware-software solutions that support industrial intelligence transformation. Our Group does not engage in the manufacturing or sale of end-consumer products, nor does it derive revenue from consumer appliance sales or related services. In contrast, the Controlling Shareholders' smart-home and healthcare businesses are product-centric, focusing on the R&D, manufacturing and commercialization of tangible products and related consumer or medical services. Even where industrial intelligence are applied within the Controlling Shareholders' operations, such technologies are ancillary to its principal manufacturing or service businesses and are not offered to third parties as standalone industrial intelligence products and solutions.

Our Group's customers primarily comprise industrial enterprises, industrial parks and governmental entities, and its revenue is mainly generated from provision of IoT products and data intelligence solutions. The Controlling Shareholders' customers, on the other hand, are predominantly end consumers, hospitals, medical institutions or automobile consumers, and its

revenue is derived from product sales and consumer-oriented or industry-specific services. Accordingly, the two groups differ materially in their target customers, application scenarios, revenue models and commercial objectives.

In light of above, our Directors are of the view that there is a clear delineation between our Group and Haier Group. Our Controlling Shareholders do not have any interests in any business (apart from the business of our Group) that competes or is likely to compete, directly or indirectly, with our principal business, which is required to be disclosed under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**, taking into consideration the factors below.

Management Independence

Our business is managed and conducted by our Board and senior management. Upon **[REDACTED]**, our Board will consist of nine Directors, comprising two executive Directors, four non-executive Directors and three independent non-executive Directors. For more details, see "Directors and Senior Management." The table below sets forth the overlapping director/management between our Company and our Controlling Shareholders:

Name	Position in our Company	Major positions in our Controlling Shareholders
Zhou Yunjie. . .	Non-executive Director	Chairman of the board of directors and chief executive officer of Haier Corp
Zhan Bo	Non-executive Director	Director of the board and senior vice president of Haier Corp
Liu Chao	Non-executive Director	Chief information officer of Haier Corp

Our Directors consider that we are able to carry on our business independently from our Controlling Shareholders and their respective close associates from a management perspective for the following reasons:

(a) despite holding positions as director or senior management in Haier Group, Zhou Yunjie, Zhan Bo, and Liu Chao are our non-executive Directors and are not involved in the day-to-day management and operations of our business. They are primarily responsible for participating in evaluation and approval of business plans, strategic and major decisions of our Group as members of our Board. Save as disclosed above, none of our Directors and senior management (including our chairman of the Board and executive Director, Mr. Chen Lucheng, who is responsible for overall strategic planning of our Group, and our executive Director, employee representative Director and general manager, Mr. Chai Jiqiang, who is responsible for overall operation and development of our Group) hold any position in our Controlling Shareholders or their respective close associates, and are capable to contribute sufficient time and efforts to manage the daily operations of our Group;

(b) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(c) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as our Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she is required to declare the

nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and the interested Director shall abstain from voting and shall not be counted towards the quorum for the voting;

(d) upon the **[REDACTED]**, we will have three independent non-executive Directors with extensive experience in their respective areas of expertise to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions and in the best interests of our Company and our Shareholders as a whole. Certain matters of our Company must always be referred to the independent non-executive Directors for review and approval; and

(e) our Company has adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See" — Corporate Governance" below for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Operational Independence

We do not rely on our Controlling Shareholders and their respective close associates for our daily operations. We make and implement operational decisions independently of our Controlling Shareholders. We have our own organizational structure with self-governing departments specializing in various aspects in relation to our business development, including but not limited to sales and marketing, financing, human resources, administration, internal audit and legal and compliance which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our businesses.

We are in possession of all relevant licenses, certificates, facilities, intellectual property rights and approvals and permits from the relevant regulatory authorities necessary to carry on and operate our principal businesses. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We also have sufficient capital, facilities, equipment and employees, administrative and corporate governance infrastructure, to operate the business independently.

We have entered into a number of partially exempt or non-exempt continuing connected transactions with Haier Corp and its associates. For the three years ended December 31, 2025 and the three months ended March 31, 2026, our revenue attributable to Haier Corp and its associates amounted to approximately RMB3,634.4 million, RMB3,450.6 million, RMB3,563.7 million and RMB851.0 million, representing approximately 72.8%, 68.1%, 56.1% and 57.7% of our total revenue, respectively. See "Connected Transactions" for details of and the reasons for entering into these transactions. Our business relationship with Haier Corp and its associates is in the best interests of our Company and Shareholders as a whole and will not give rise to any undue reliance on our Controlling Shareholders. For details, see "— Our Relationship with Haier Group" below.

Based on the above, our Directors are of the view that our Group is able to operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

We have an independent financial system and make financial decisions according to our Group's own business needs. We have our own internal control and accounting systems and an independent finance department in charge of our treasury function and making financial decisions independently based on our Group's needs. Our Company maintains bank accounts independently and does not share any bank account with our Controlling Shareholders. Our Company makes tax

registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently from our Controlling Shareholders and their respective close associates. We do not rely on our Controlling Shareholders and their respective close associates for financing.

In addition, we are capable of obtaining financing from Independent Third Parties, if necessary, without relying on any guarantee or security provided by our Controlling Shareholders or their respective associates. As of the Latest Practicable Date, there were no outstanding loan or balance of non-trade nature due to or from, or guarantee provided by or granted to our Controlling Shareholders or their respective associates to facilitate our financings.

Based on the above, our Directors believe that we are capable of carrying on our business independently from, and do not place undue reliance on our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

OUR RELATIONSHIP WITH HAIER GROUP

Incubated by Haier Corp's industrial internet initiatives, we have maintained a long-term and stable business relationship with Haier Group since our inception in 2017. For the three years ended December 31, 2025 and the three months ended March 31, 2026, our revenue attributable to Haier Group amounted to approximately RMB3,607.4 million, RMB3,421.1 million, RMB3,468.8 million and RMB828.7 million, representing approximately 72.2%, 67.5%, 54.6% and 56.2% of our total revenue, respectively, and our purchases attributable to Haier Group amounted to approximately RMB855.0 million, RMB863.0 million, RMB916.8 million and RMB192.1 million, representing approximately 21.7%, 22.3%, 20.2% and 16.1% of our total purchases, respectively. The concentration reflects the historical development of our business. Despite the concentration, our business relationship with Haier Group is in the best interests of our Company and Shareholders as a whole and will not give rise to any undue reliance on our Controlling Shareholders for the following reasons:

(1) Mutually beneficial and complementary business relationship

Our Directors consider that the transactions between our Group and Haier Group are mutually beneficial and complementary and are entered into for genuine commercial reasons in the ordinary and usual course of business for the following reasons:

Benefits to our Group

Provision of products and services to Haier Group

Supporting product optimization and delivery capabilities. Haier Group operates across multiple industry sectors, including but not limited to home appliance manufacturing, healthcare and new energy, and have extensive and diversified demand for industrial intelligence and IoT-related products and services. According to Frost & Sullivan, cooperating with conglomerate like Haier Group provides real-world application environments for validating product stability and reliability under complex conditions. This cooperation provides timely feedback to optimize product performance and solution design, while helping us build replicable, modular models for rapid cross-industry promotion. By cooperating with Haier Group, we are able to deploy our solutions across a broad range of operational scenarios. This hands-on implementation experience enables us to optimize our product functions and solutions, refine our standardized delivery capabilities, and drive the productization of our replicable and scalable solutions. Also, this strategic partnership enables us to broaden and deepen our service coverage along the industrial chain, deepens our understanding of digital transformation needs along the industrial value chain, paving the way for further expansion into upstream and downstream markets. Finally, as a leading conglomerate that places strong emphasis on digital and intelligent upgrades, Haier Group maintains standardized supplier management, stringent quality standards and demand for technology-driven solutions, which encourages us to continuously explore and apply new technologies and helps us maintain the competitiveness of our products and services.

Facilitating customer acquisition and market expansion. As set out above, our cooperation with Haier Group provides us with proven reference cases and valuable implementation experience in complex manufacturing and operational environments. These experiences and successful project cases enhance our market recognition and competitiveness when expanding to independent third-party customers. Such cooperation also deepens our understanding of digital transformation needs across the long home appliance industry chain, including cost reduction, efficiency enhancement and product quality improvement, and supports our expansion into upstream and downstream participants.

Supporting revenue generation and business development. Haier Group place strong emphasis on digital and intelligent upgrades and maintain sustained demand for industrial intelligence and IoT-related products and services. Leveraging our product capabilities and project implementation experience, we have continued to provide products and services to Haier Group in connection with its digital and intelligent transformation. The continuous application of our products and services in various business scenarios of Haier Group enables us to secure stable project opportunities and revenue sources, and supports the continued development of our relevant business lines.

Procurement of materials and equipment from Haier Group

Enhancing our procurement efficiency and securing more competitive commercial terms. Haier Group has a mature supply chain system and procurement management capabilities, which allow us to benefit, to a certain extent, from the bargaining power arising from their scaled procurement and obtain more competitive prices, more favorable payment terms and other commercial terms. In addition, certain members of Haier Group possess relevant license and certification, established procurement channels and operational advantages for the procurement of certain products and equipment, which enable us to improve supply coordination and, where applicable, benefit from more efficient import/export, customs clearance or inspection arrangements. Taken together, these factors improve our procurement efficiency and assist us in reducing our procurement costs.

Leveraging reliable product and solution supply. Haier Group has a diversified industrial presence, and certain of the group members are leading enterprises in their respective industries. The quality and performance of their products and equipment have been widely validated by the market, and they are able to provide products and equipment that meet our business needs on a stable basis. As such, our procurement from such entities is supported by reasonable commercial grounds and business needs.

Benefits to Haier Group

Established capabilities, integrated offerings and continuous support for complex industrial scenarios. As disclosed in the section headed "Business," we are a provider of industrial intelligence products and solutions in China and ranked first in China's platform-based industrial data intelligence solutions market by revenue in 2025 with a market share of 1.7%, according to Frost & Sullivan. Our robust platform, manufacturing, customization, and service capabilities, coupled with our extensive delivery experience, enable us to support the needs of large-scale and complex industrial scenarios, and meet the procurement, operational and ongoing service needs of Haier Group in different regions. As a global provider of platform-based industrial data intelligence solutions with a deep understanding of mass customization models, we have supported HSH in establishing 13 Lighthouse Factories in the home appliance sector, covering a wide range of product lines, including air conditioners, washing machines, refrigerators and water purifiers. To facilitate the intelligent upgrading of these factories, we have developed and deployed a variety of agent applications tailored to different industrial scenarios. Taking a Lighthouse Factory in Qingdao as an example, leveraging COSMOPlat, we apply AI technologies across the manufacturing process, build a full-scenario intelligent decision-making system, and provide five major data intelligence solutions. These solutions facilitate the development of end-to-end smart factories and help address common challenges in intelligent upgrading. As a result, the order response cycle was reduced from 15 days to 7 days, the defect recognition rate of AI-enabled appearance inspection reached 99.9%, and the

energy consumption per unit product decreased by 40%. We have also consistently maintained a leading position within Haier Group's comprehensive TQRDC (technology, quality, responsiveness, delivery, and cost) supplier evaluation system.

In addition, our integrated offerings cover both IoT products and data intelligence solutions. Our IoT products have been applied in household appliances, commercial equipment and medical refrigeration scenarios, and our data intelligence solutions have been deployed in intelligent factory construction, process optimization and carbon management scenarios within Haier Group. Our one-stop, scenario-specific platform-based products and services enable Haier Group to avoid the inconvenience caused by engaging multiple vendors and mitigate data fragmentation across different systems, thereby facilitating system interoperability and customized support across different stages of their digital and intelligent transformation.

Industrial digitalization and intelligence projects typically involve multiple stages of implementation and ongoing operational support. Our Group is well positioned to provide continuous support throughout these stages based on our integrated product portfolio, project delivery experience and customized service capabilities. For example, our BaaS engine supports rapid iteration and on-demand deployment, enabling our solutions to adapt to the evolving business needs of Haier Group and to expand with their business ecosystems without repeated redevelopment.

Solutions aligned with operational requirements. Through long-term cooperation, our Group has developed a good understanding of Haier Group's operational requirements, quality standards and delivery needs. For certain solutions, as they have been continuously developed and optimized based on Haier Group's long-standing intelligent manufacturing practices and are natively compatible with their manufacturing processes, quality standards and operational workflows, such solutions generally require minimal further adaptation and can shorten implementation cycles, improve deployment efficiency and reduce repeated development and coordination costs. Furthermore, during our long-term cooperation, our respective teams have interacted closely, enabling us to respond to their needs more efficiently and provide ongoing operational support in a timely manner and achieve a higher problem resolution rate. This is supported by our localized service arrangements and proximity to Haier Group's operational scenarios. Taking smart energy services as an example, we have deployed a localized service team of nearly 200 personnel stationed at various industrial parks of Haier Group to provide around-the-clock operational and maintenance support. In addition, our six manufacturing centers are all located in the industrial parks where Haier Group's relevant factories are situated, which allows us to stay close to their production and operational scenarios, enhance supply and service responsiveness, and provide more efficient delivery and coordination support. We have successfully empowered the digital transformation of over 100 companies, and delivered over 500 data intelligence projects for Haier Group during the Track Record Period.

We are an indispensable supplier of Haier Group in many business scenarios. Haier Group cooperates with over 30 controllers suppliers and over 2,200 data intelligence solution service providers in the sub-categories of products and services supplied by our Group to Haier Group. Although Haier Group cooperates with a number of suppliers and service providers in the relevant product and service categories, we are commercially significant to Haier Group.

With respect to controllers, we are the largest controller supplier to Haier Group. According to Frost & Sullivan, edge intelligent controllers are developed based on a standardized core hardware platform, with targeted adjustments to peripheral hardware parameters, interface layouts and electrical wiring configurations in accordance with customers' specific technical specifications, functional requirements and end-product structural design. Accordingly, in the ordinary course of business, controller suppliers generally undergo a multi-stage product introduction and verification process consisting of sample delivery, testing and validation, pilot production and small-batch orders before their products qualify for large-scale procurement. During the course of our cooperation with Haier Group, we participate in the front-end design and development of Haier Group's relevant products and provide customized controllers based on Haier Group's

requirements. Such front-end participation enables us to align our controllers with Haier Group's product design, functional specifications and production requirements at an early stage, and therefore places us in a better position to develop and manufacture controller products that meet Haier Group's requirements. In addition, having regard to the scale of Haier Group's production and its stringent requirements on product quality, delivery certainty and supply chain stability, our stable and reliable supply of controllers is important to Haier Group's ordinary production and operations.

With respect to data intelligence solutions, our commercial significance primarily lies in, among others, the extensive deployment, deep integration and customization of our products and solutions in Haier Group's production and operational systems. For example, as of March 31, 2026, certain of our data intelligence solutions have achieved full coverage of Haier Group's domestic industrial parks and factories. In addition, we have undertaken all 19 fully automatic inner drum production lines for HSH's washing machines and are the core service provider of non-standard automated integrated production lines for HSH. Through years of cooperation with Haier Group, our Group has established an integrated energy service infrastructure for Haier Group's major domestic industrial parks, and currently owns and operates the relevant integrated energy pipeline networks, power transformation and distribution stations and energy management system platforms. Such infrastructure is deeply embedded in Haier Group's production energy supply system to support its manufacturing operations.

It would be difficult, disruptive and costly for Haier Group to replace our systems or adapt to systems provided by other service providers. Taking our energy management system as an example, it has been deployed across all of Haier Group's domestic industrial parks and factories, covering approximately 9,000 on-site metering devices and approximately 360,000 data collection points. Replacement of such system would involve a substantial amount of replacement and adaptation work, including not only replacement or adaptation of relevant hardware (such as instruments and meters), but also migration of historical time-series data, development of interfaces with peripheral systems, system testing, verification, onboarding and run-in processes. As such, there are significant operational constraints for Haier Group to replace us with other energy service providers, and its continued cooperation with us would ensure Haier Group to maintain its stable business operation and help Haier Group avoid such additional time costs, re-verification costs and implementation risks that may arise from switching suppliers.

(2) Fair and reasonable terms and tendering practices

The transactions between our Group and Haier Group are conducted on normal commercial terms that are fair, reasonable, and comparable to those of independent third parties. Specifically, regarding the pricing terms:

- **For the procurement of products, equipment and services by us:** our purchases from Haier Group primarily comprise standardized products and services. Accordingly, there is no material difference in the price of such purchases as compared to those sourced from independent third-party suppliers.
- **For the provision of products and solutions:** although the price for our sales of IoT products and data intelligence solutions to Haier Group may differ from that offered to independent third-party customers, such differences are primarily attributable to the customization nature of the relevant products and solutions rather than the identity of the customer, and such price remains fair and reasonable. Our Group adopts the same pricing policy for Haier Group and independent third-parties customers. The prices are determined through standard tendering procedures or arm's length commercial negotiations, taking into account factors such as the varying scope of solutions, specific technical requirements, and the prevailing competitive landscape. We ensure that such pricing is conducted strictly on normal commercial terms and in accordance with the arm's length principle.

For further details on the specific pricing policies of our connected transactions, please refer to the section headed "Connected Transactions" in this document. Other terms of these transactions are normal commercial terms comparable to those applicable to independent third parties.

In addition, the method of securing orders by our Group from Haier Group has historically been conducted in a fair and transparent manner and in line with industry practices.

For the provision of IoT products and data intelligence solutions, our Group secures orders primarily through participation in tendering processes, regardless of whether the counterparty is a connected person or an independent third party.

For the procurement of products, equipment and services, during the supplier onboarding phase, our Group conducts strict qualification reviews, multi-dimensional capability assessments, and on-site inspections to select qualified suppliers that meet our quality, cost, and delivery requirements. These suppliers are then categorized by product/service type and added to a reserve pool of qualified suppliers. During the bidding process, competitive suppliers are selected for specific cooperations through a comprehensive evaluation of their proposals and quotations. During the course of cooperation, our Group implements dynamic monitoring, utilizing information platforms to track and evaluate suppliers in a timely manner across multiple dimensions, including TQRDC.

Furthermore, as a leading industrial conglomerate, Haier Group, to the best of our Directors' knowledge, has established comprehensive internal control and corporate governance procedures to ensure that its procurement and project engagement (whether or not our Group is involved) are conducted in a fair, transparent and market-oriented manner. For instance, it generally adopts tendering process, standardized service protocols and management policies which equally apply to its related parties and independent-third-party suppliers for products and services of similar nature.

(3) Long-term and stable strategic business relationship

We were incubated by Haier Corp's industrial internet initiatives, and our products and solutions were initially developed and deployed within Haier Group's manufacturing and operational scenarios. Since our inception in 2017, we have maintained a long-term and stable business relationship with Haier Group. In support of such long-term and stable cooperation, we have entered into framework agreements with Haier Group, pursuant to which specific transactions are implemented through individual transaction agreements. The duration of such framework arrangements varies depending on the nature of the relevant products or services. In relation to sales of IoT products, the relevant framework agreements generally have a term of 12 months and are automatically renewed upon expiry unless either party provides a written notice of non-renewal at least 30 days prior to the expiration date. In relation to provision of data intelligence solutions, for certain services (such as enterprise value-added serveices), the framework agreements generally have a term of 36 months, while for other services (such as green manufacturing solutions and intelligent manufacturing solutions), the agreements are generally entered into on a project basis, with agreement terms varying depending on the relevant service scope, implementation requirements and delivery schedule. During the Track Record Period and up to the Latest Practicable Date, there had been no incidents of failure to renew framework agreements with Haier Group that were subject to automatic renewal. For project-based agreements, such agreements are generally entered into for specific projects and will naturally expire upon completion of the relevant projects in accordance with their terms, and therefore do not involve renewal in the same manner as framework agreements. During the Track Record Period and up to the Latest Practicable Date, there had also been no material reduction, delay or cancellation of orders from Haier Group. Accordingly, our Directors consider that our Group's cooperation with Haier Group has remained stable.

In addition, as described in "— Benefits to Haier Group" above, we are an indispensable supplier of Haier Group in many business scenarios and our relevant products and solutions have been well suited to their business processes and operational needs. Such cooperation does not relate to a single project or short-term arrangement, but has been continuously embedded into Haier Group's production operations, park management and related business processes. Given our

significant share in Haier Group's controller procurement, the broad deployment of our data intelligence solutions across its industrial parks and factories, and the fact that certain of our products and solutions are customized and integrated with Haier Group's existing management and operational systems, this years-long historical foundation helps ensure the stability of our cooperation with Haier Group. Continued cooperation with us also helps Haier Group avoid the additional costs and implementation risks that may arise from switching suppliers.

Furthermore, we will remain a consolidated subsidiary of Haier Corp after the **[REDACTED]**. In view of our deeply rooted historical foundation, our mutually dependent relationship with Haier Group, and our continued structural affiliation with Haier Group following the **[REDACTED]**, our Directors are of the view that our business relationship with Haier Group is unlikely to materially adversely change or terminate. Based on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention in the course of conducting the due diligence work that would reasonably cause them to cast doubt on our Directors' view above that our business relationships with Haier Corp are mutually dependent and unlikely to materially adversely change or terminate in any material respects.

(4) Ability to effectively mitigate risk exposure arising from the reliance

Revenue generated from independent third-party customers continued to increase

We have evolved into a provider of industrial intelligence products and solutions in China offering IoT products and data intelligence solutions. To strategically mitigate customer concentration risks and diversify our revenue streams, we have actively and successfully expanded our independent third-party customer base. We have not acquired or secured independent third-party customers through the support of/referral from Haier Group during the Track Record Period. Our independent third-party customers are developed and acquired through our own business development and customer acquisition efforts, without the support of Haier Group.

To expand our independent third-party customer base, we have dedicated substantial and continuous efforts across business development, sales and marketing, productization and industry expansion. Firstly, we have strengthened our business development efforts by establishing industry teams covering key verticals such as home appliances, machinery and equipment and electronics, as well as regional teams covering major industrial clusters in China, supported by a sales force of over 580 personnel as of March 31, 2026. We have also established an extensive global sales and marketing network covering overseas countries and regions to explore business opportunities with potential customers.

Furthermore, we have continued to broaden our sales channels through a combination of online and offline initiatives to expand our customer reach and improve customer acquisition efficiency. Online, we have established a comprehensive digital marketing platform covering our entire business offerings and launched services such as an online digital diagnostic assistant to effectively reach a broader base of small and medium-sized enterprise customers. Offline, we actively participate in supply-demand matchmaking conferences and influential industry exhibitions to acquire customers.

In addition, we have continued to enhance the productization of our core platform capabilities. Building on our experience accumulated from benchmark projects, we have accelerated the conversion of our BaaS engine and other underlying capabilities into commercially available software products, applications and industry solutions, and improved the cross-industry reusability of such offerings through modularized and component-based deployment strategies. Leveraging our service experience in the home appliance industry, we have also gradually expanded into other discrete manufacturing sectors, including machinery and equipment, electronics and automotive, and have accumulated increasingly mature products and solutions for such sectors.

These efforts have supported the continued expansion of our independent third-party customer base and enabled us to establish business relationships with a number of quality independent customers. With our business development and expansion, our ability to accommodate different business needs, as well as our continuous sales, marketing and customer acquisition efforts, revenue contribution from our independent third-party customers has also been increasing steadily in a continuous trend. For the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026, revenues derived from independent third-party customers amounted to approximately RMB1,359.1 million, RMB1,618.9 million, RMB2,787.4 million and RMB623.9 million, respectively, recording a compound annual growth rate of approximately 43.2% from 2023 to 2025, representing approximately 27.2%, 31.9%, 43.9% and 42.3% of our Group's total revenue. This reflects our diversified revenue mix and growing ability to develop independently in the market.

Independent R&D Capabilities

We possess independent research and development capabilities and are able to independently conduct product and technological development without reliance on Haier Group.

We have an independent R&D organization and R&D team. As of the Latest Practicable Date, we had more than 1,100 R&D personnel, representing approximately 25.0% of our total workforce, including approximately 200 personnel with master's degrees or above, and there was no overlap between our R&D personnel and those of Haier Group. We have also established an independent R&D system covering the full process from market insight and demand analysis to technology development and product design, and all R&D projects are internally initiated, reviewed and approved by us.

In addition, we have developed an independent intellectual property portfolio. As of the Latest Practicable Date, our Group had independently applied for over 2,700 intellectual property rights, including over 1,300 patents and over 1,400 computer software copyrights, and had led or participated in the formulation of 19 international standards and over 100 national or industry standards, covering core technology areas such as industrial internet, mass customization, industrial vision, digital twins, large models and intelligent control.

We will continue to strengthen our independent R&D capabilities and advance the upgrading and iteration of our products and technologies.

Procurement capabilities and supplier diversification

On the procurement side, we have developed our own import procurement capabilities, and have also established a tiered supplier resource pool with more than 7,000 qualified suppliers of various types. As of the Latest Practicable Date, we have established cooperation mechanisms with approximately 50 core suppliers, who, to our knowledge, are independent from Haier Group, which have helped secure the supply of key materials, improve supply responsiveness and reduce reliance on any single supplier. Core suppliers refer to suppliers with whom we have established in-depth strategic cooperation and which may be given priority in participating in the allocation of our procurement quotas, new product development and design, and other key business initiatives. We select core suppliers based on a combination of quantitative and qualitative criteria, including, where applicable and depending on the type and level of the relevant suppliers, technical capability indicators, financial indicators such as minimum average annual revenue thresholds for the latest two years ranging from RMB50 million to RMB300 million, product and delivery capabilities such as at least two to five successful delivery cases with industry-leading customers, industry position, ect.

According to Frost & Sullivan, such long-term partnerships facilitate bulk purchasing and stable demand planning, reducing procurement costs and enhancing cost efficiency. In addition, close collaboration with core suppliers supports joint R&D, iterative product optimization and customized controller development, thereby improving product competitiveness and ensuring reliable delivery. The products supplied by Haier Group primarily comprise raw materials,

intelligent hardware and other similar categories, which are generally standard materials and components used in industrial manufacturing and intelligent controller industries, rather than specialized products with high patent barriers or proprietary manufacturing processes, and there are sufficient suppliers in the market with mass production capabilities and qualified product quality to provide similar products and services on comparable terms and quality. Our Directors also consider, as confirmed by Frost & Sullivan, that alternative suppliers offering similar products and services on comparable terms and quality are generally available in the market, which further reduces the risk of material supply chain disruption.

(5) In line with market practice of industry

Our relatively high customer and supplier concentration is primarily driven by the following factors:

Strategic focus on benchmark customers. The productization and practical deployment of industrial internet technologies depend heavily on access to massive real-world industrial scenarios to accumulate industry know-how and validate platform capabilities. In our early stage of development, we strategically focused on serving Haier Group, a conglomerate client. This model allows us to accumulate extensive practical experience in discrete manufacturing, establish a strong market reputation, and create a demonstration effect that lays a solid foundation for subsequent expansion into other industries. According to Frost & Sullivan, it is a common practice and industry norm for industrial intelligence platform enterprises incubated by major manufacturing groups to initially rely on their parent group's internal demand and scenario resources.

High customer stickiness driven by customization. Industrial data intelligence solutions are deeply integrated into the customers' core operations. Consequently, customers generally incur substantial adaptation, validation, and implementation costs when switching suppliers. This high switching cost translates into strong customer stickiness and a high willingness for repeat purchases, which naturally sustains a concentrated core customer base over time.

Economies of scale and supply chain stability. The procurement of IoT products typically involves significantly larger and more stable volumes per customer. To ensure supply chain stability, key customers generally prefer to establish deep, long-term cooperative relationships with their core suppliers. Our IoT products have obtained the trust of leading industry players, including HSH.

Frost & Sullivan is of the view that our Group's customer and supplier concentration is in line with the industry norm, with core supporting basis as follows: first, high customer concentration is a general business model in the industry, a trend further reinforced by the high entry barriers of industrial data intelligence solutions which demand deep industry know-how and penetration into clients' R&D, production, and process optimization — resulting in high switching costs for clients who, once successfully onboarded, rarely change providers and often expand procurement to other industrial scenarios, factories, or subsidiaries. Second, high supplier concentration is a common practice in the industry, as the highly concentrated upstream market pattern and strict access requirements for industrial-grade products determine that manufacturers generally centralize procurement on a small number of leading qualified suppliers, which is consistent with the supply chain structure of mainstream manufacturers without deviation from the conventional industry level.

Notwithstanding the foregoing, our Directors recognize that our business is subject to potential risks associated with customer concentration, fluctuations in sales and possible supply chain disruption, which include loss of major customers, failure to secure comparable new business, price increases, supply delays and quality issues, etc. For details, see "Risk Factors" in this document. To address such potential risks, we have adopted various measures on both the sales and procurement sides. For details, see "— (4) Ability to effectively mitigate risk exposure arising from the reliance" in this section.

Based on the above, our Directors believe that we are able to operate independently of Haier Group.

CORPORATE GOVERNANCE

Our Company and Directors are committed to upholding and implementing good corporate governance and recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders. Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders and their respective close associates:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders and/or their respective close associates has a material interest, our Controlling Shareholders and/or their respective close associates will abstain from voting on the resolutions and shall not be counted in the quorum in the voting;

(b) in accordance with our Articles of Association which will come into effect upon **[REDACTED]**, among others, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(c) our Company has established internal control mechanisms to identify connected transactions. Upon the **[REDACTED]**, if our Group enters into connected transactions with our Controlling Shareholders and their respective close associates, we will comply with the applicable Listing Rules;

(d) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors. The independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Group and our Controlling Shareholders. We believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere with the exercise of their independent judgment in any material manner, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. See the section headed "Directors and Senior Management" for details of the independent non-executive Directors;

(e) where our Directors reasonably request the advice of independent professionals or advisers, such as financial advisers, valuers or legal advisers, the appointment of such independent professionals or advisers will be made at our Company's expenses;

(f) we have appointed Maxa Capital Limited as our Compliance Adviser to provide us with advice and guidance in respect of compliance with the applicable laws and regulations and the Listing Rules, including various requirements relating to Directors' duties and corporate governance; and

(g) we have established our Strategy and Investment Committee, Audit Committee, Nomination Committee, Remuneration and Appraisal Committee and ESG Committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders, and to protect minority Shareholders' interests after the **[REDACTED]**.

CONNECTED TRANSACTIONS

Upon **[REDACTED]**, certain transactions between us and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

As of the Latest Practicable Date, Haier Corp, directly and indirectly, was entitled to exercise approximately 78.04% of the voting rights of our Company. Immediately following the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), Haier Corp will continue to, directly and indirectly, control approximately **[REDACTED]**% of the voting rights of our Company. Haier Corp, together with its associates as defined under Rule 14A.13 of the Listing Rules, are therefore our connected persons by virtue of Rules 14A.07(1) and 14A.07(4) of the Listing Rules.

We have entered into certain transactions in the ordinary and normal course of our business with Haier Corp and its associates which will constitute continuing connected transactions upon the **[REDACTED]**.

SUMMARY OF OUR CONNECTED TRANSACTIONS

No.	Nature of Transaction	Applicable Listing Rules	Waiver sought
Partially exempt Continuing Connected Transaction			
1.	Property Leasing Framework Agreement	14A.35, 14A.76(2) and 14A.105	Announcement requirement
Non-exempt Continuing Connected Transactions			
2.	Services Procurement Framework Agreement	14A.35, 14A.36, 14A.46, 14A.81, 14A.82(1) and 14A.105	Announcement, circular and independent Shareholders' approval requirements
3.	Materials and Equipment Procurement Framework Agreement	14A.35, 14A.36, 14A.46, 14A.81, 14A.82(1) and 14A.105	Announcement, circular and independent Shareholders' approval requirements
4.	Products and Services Provision Framework Agreement	14A.35, 14A.36, 14A.46 and 14A.105	Announcement, circular and independent Shareholders' approval requirements

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTION

1. Property Leasing Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the "**Property Leasing Framework Agreement**"), pursuant to which, our Group (as lessee) would, from time to time, lease properties from Haier Corp and/or its associates (as lessor) for office, staff apartment and warehouse uses for which the lessee will pay rent to the lessor.

The term of the Property Leasing Framework Agreement will commence from the **[REDACTED]** to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will, in the ordinary and usual course of business, enter into separate underlying agreements setting out the specific terms and conditions for the property lease according to the principles provided in the Property Leasing Framework Agreement. For the avoidance of doubt, all specific agreements entered into prior to the date of the Property Leasing Framework Agreement (to the extent which cover leases

which will continue to be in force after the **[REDACTED]**) shall be treated as specific agreements made pursuant to the Property Leasing Framework Agreement as from the **[REDACTED]**. If there is any conflict between any provision of a specific agreement and the relevant provision(s) of the Property Leasing Framework Agreement, the provision(s) of the Property Leasing Framework Agreement shall prevail.

Reasons for the transaction

We have been leasing certain properties from Haier Corp and/or its associates for office, staff apartment and warehouse uses. The relevant leased properties are mainly located within the relevant industrial parks of Haier Corp, which helps reduce logistics and delivery costs, which is in the best interests of our Group and our Shareholders as a whole.

Our Group is not bound and will not be bound to lease properties exclusively from Haier Corp and/or its associates. We currently also lease properties from independent third-party property owners. Going forward, we will continue to use our best effort to identify the most suitable premises, and we expect to lease properties from independent third-party property owners if the terms and conditions of the lease and/or the location or infrastructure of the properties offered by independent third-party property owners are more favorable to us.

Pricing terms

The rents payable by us during the leasing term are determined after arm's length negotiations between the relevant parties, with reference to the rents of comparable properties of similar functions in the surrounding area, normal commercial terms of this type of transactions with Independent Third Parties, and the rental prices offered by Haier Corp and/or its associates to other lessees within the same industrial park. We will obtain fee quotes from at least three independent third-party lessors or publicly available rents (where applicable) to ensure the terms under the Property Leasing Framework Agreement are fair and reasonable and are no less favourable than those offered by Independent Third Parties.

Accounting treatment

In accordance with IFRS 16, as the leases under the Property Leasing Framework Agreement are short-term leases with lease terms of 12 months or less at the commencement date, the lease payments associated with those leases are recognized as our expenses (instead of acquisition of right-of-use assets under IFRS 16).

Historical amounts

The historical transaction amounts paid by our Group to Haier Corp and/or its associates for property leasing (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB6.9 million, RMB3.7 million, RMB6.7 million and RMB1.6 million, respectively.

Annual caps

The maximum amount payable by our Group to Haier Corp and/or its associates for property leasing for each of the years ending December 31, 2026, 2027 and 2028 is not expected to exceed RMB8.5 million, RMB9.5 million and RMB11 million, respectively.

The proposed annual caps are determined based on:

(i). the historical transaction amounts and the existing lease agreements currently in force under the short-term property leasing arrangements between our Group and Haier Corp and/or its associates;

(ii). the estimated additional leasing demand of our Group for the three years ending December 31, 2028 to meet our business needs. With the expansion of our business needs, our demand in manpower and required office, staff apartment and warehousing space will increase; and

(iii). subject to regular adjustments based on actual needs and market prices, the unit prices and terms of existing properties leased by our Group from Haier Corp and/or its associates are expected to remain relatively stable for the three years ending December 31, 2028.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2. Services Procurement Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the "**Services Procurement Framework Agreement**"), pursuant to which our Group would procure from Haier Corp and/or its associates certain services as we may require from time to time. Such services mainly include:

- logistics services; and
- other comprehensive services (collectively "**Other Comprehensive Services**"), mainly including:

  (1). catering services;

  (2). travel agency services; and

  (3). miscellaneous services, such as product certification and testing services, insurance agency services, etc.

The term of the Services Procurement Framework Agreement will commence from the **[REDACTED]** to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will enter into separate underlying agreements which will set out specific terms and conditions for the procurement of the relevant services according to the principles provided in the Services Procurement Framework Agreement.

Reasons for the transaction

Our Group has a long-term and stable business relationship with Haier Corp and/or its associates. Haier Corp and/or its associates are familiar with our business process and needs, quality standards and operational requirements, and are able to provide relevant services we need on a constant basis. Our Directors believe that maintaining a stable and quality business relationship with Haier Corp and/or its associates will facilitate our current and future business operations.

In terms of logistics services, a subsidiary of Haier Corp is a supply chain management solution and scenario-based logistics service provider. Leveraging its digitalized operational management capabilities, it is able to connect and coordinate warehousing resources, transportation capacity and other logistics infrastructure and service resources, and has

established a logistics service network covering multiple regions across China. As such, this subsidiary of Haier Corp is able to provide our Group with integrated warehousing and logistics services.

In terms of catering services and travel agency services, Haier Corp and/or its associates are able to provide us with more convenient services by consolidating and coordinating common resource demands. Our Group is therefore able to leverage on Haier Group's resources in a more cost-efficient manner, while also benefiting from Haier Group's centralized procurement platform to reduce our costs.

In terms of miscellaneous services such as product certification and testing services and insurance agency services, through our long-term cooperation with Haier Corp and its associates, they are able to offer customized services based on our Group's business needs.

Based on our previous experience in business dealings with Haier Corp and its associates, we believe that they are capable of effectively satisfying our demands for the relevant services in a stable and quality manner, which is in the interests of our Group and our Shareholders as a whole.

Pricing terms

The fees to be paid by our Group to Haier Corp and/or its associates pursuant to the Services Procurement Framework Agreement shall be determined after arm's-length negotiations with reference to the historical prices paid by our Group to Independent Third Parties for procuring services of the same or similar type and/or the fee quotations offered by Independent Third Parties for services of the same or similar type, nature and quality. The transaction shall be conducted on normal commercial terms and prices and terms shall be fair and reasonable and be no less favorable than those offered to our Group by Independent Third Parties. We regularly collect and review quotations from at least two independent third-party service providers for services of the same type, nature and quality for comparison and reference. In the event that there are no appropriate Independent Third Parties providing similar services, Haier Corp and its associates shall provide referencing information about the fees, terms, service costs and market prices of the same or similar services provided by them to Independent Third Parties.

Specifically, we have adopted the following mechanisms based on the types of services procured:

- **Logistics services:** The pricing for logistics services is determined through a mechanism of "tender-based admission combined with annual fees comparison."
    - *Initial admission:* When initially selecting a logistics service provider, we generally initiate a tendering process by inviting bids from at least three qualified service providers (including both connected persons and Independent Third Parties). We evaluate the bids based on a comprehensive assessment of competitive pricing, service quality, and reliability (i.e., comparing service fees for comparable quality, comparing service quality for comparable service fees, and comparing service standards where both quality and service fees are comparable) to select the most competitive service provider.
    - *Ongoing monitoring and renewal:* For subsequent cooperations, upon renewal of the contracts with connected persons, we will collect quotations from at least two independent service providers. The service fees will then be determined through comparison of service fees and arm's-length negotiations with the connected persons to ensure that the pricing remains fair and reasonable.

- **Other Comprehensive Services (including catering, travel agency, and miscellaneous services):** The pricing is determined with comprehensive reference to prevailing market prices and the actual costs incurred by Haier Corp and/or its associates, following the principle of fairness and reasonableness.

  - *Market price comparison:* Generally, the pricing is benchmarked against the prevailing market rates for services of a similar nature, type, and quality provided by Independent Third Parties. Our Group will periodically collect and review quotations from at least two independent service providers for comparison purposes. We will ensure that the final service fees negotiated with the connected persons is not higher than the quotations obtained from Independent Third Parties.

  - *Cost-plus basis:* If the service is specialized or there is a lack of sufficient comparable market transactions, a cost-plus pricing mechanism will be applied. The service fees will be determined based on the actual costs incurred by Haier Corp and/or its associates in providing the relevant services (such as relevant operational and administrative expenses), plus a reasonable profit margin. Such profit margin shall not exceed the market average profit margin for similar services.

The exact service fees paid by us and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Services Procurement Framework Agreement.

Historical amounts

The historical transaction amounts paid by our Group to Haier Corp and/or its associates for the services procurement (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB141.9 million, RMB119.4 million, RMB138.9 million and RMB34.8 million, respectively.

Annual caps

The maximum amount payable by our Group to Haier Corp and/or its associates for the services procurement for each of the years ending December 31, 2026, 2027 and 2028 is not expected to exceed RMB160 million, RMB175 million and RMB190 million, respectively.

The proposed annual caps are determined based on:

(i). the historical amounts of the transactions between our Group and Haier Corp and/or its associates during the Track Record Period in respect of the provision of relevant services;

(ii) it is expected that the service procurement amounts of our Group for the years 2026 to 2028 will increase at a CAGR of approximately 9%, primarily driven by the expected growth in our sales, which in turn is expected to increase our demand for logistics services and Other Comprehensive Services;

(iii) in respect of logistics services, as our business coverage continues to expand geographically, our sales and distribution network is expected to further enlarge. As a result, our shipment volume, delivery frequency and warehousing and distribution requirements are expected to increase, which will in turn lead to higher demand for logistics services and the related service fees;

(iv) in respect of catering and travel agency services, as our business further expands, our manpower requirements are expected to increase, which is expected to drive up our demand for catering services (including staff meals and related arrangements) and travel-related services (including business travel booking and related administrative support), and accordingly increase the related service fees; and

(v). other factors including but not limited to the expected increase in market prices of the relevant services due to the increase in costs and expenses relating to raw materials (such as fuel, energy, power and food ingredient), labour and others as well as market trends.

3. Materials and Equipment Procurement Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the "**Materials and Equipment Procurement Framework Agreement**"), pursuant to which our Group would procure from Haier Corp and/or its associates certain materials and equipment as we may require from time to time.

Pursuant to the Materials and Equipment Procurement Framework Agreement, items to be purchased by our Group from Haier Corp and/or its associates mainly include:

(1). products and materials (the "**Materials to Procure**"), which mainly comprise electronic raw materials (mainly consist of imported chips used in the controllers) for our production use; and

(2). equipment or assets procured, manufactured and/or owned by Haier Corp and/or its associates (the "**Equipment to Procure**") for our internal use.

The term of the Materials and Equipment Procurement Framework Agreement will commence from the **[REDACTED]** to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will enter into separate underlying agreements which will set out specific terms and conditions for the procurement of the relevant products and materials according to the principles provided in the Materials and Equipment Procurement Framework Agreement.

Reasons for the transaction

Our Group and Haier Corp and/or its associates have a long-term and stable business relationship. Haier Corp and/or its associates are familiar with our business process and needs, quality standards and operational requirements, and are able to supply the products and materials needed by us on a constant basis. Our Directors believe that maintaining a stable and quality business relationship with Haier Corp and/or its associates will facilitate our current and future business operations.

(i) Materials to Procure

The purchase of Materials to Procure from Haier Corp and/or its associates mainly relates to electronic raw materials required by our Group in our ordinary and usual course of business. A subsidiary of Haier Corp holds certain license and certification and has extensive experience in handling import and export operations and customs clearance procedures. Accordingly, our Group procured certain imported raw materials through this company to enhance procurement efficiency and convenience.

In addition, this company serves as a centralized procurement platform within Haier Group for certain strategically important materials and maintains strategic reserves of such materials. Through centralized and large-scale procurement, it is able to enhance its bargaining power with suppliers and secure more competitive pricing and commercial terms, thereby enabling our Group to benefit from potential cost efficiencies.

(ii) Equipment to Procure

The purchase of Equipment to Procure from Haier Corp and/or its associates could be categorized into: (i) recurring procurement of equipment and ancillary services, and (ii) project-based procurement.

(a). Recurring procurement of equipment and ancillary services

Our Group has procured certain equipment and ancillary services from Haier Corp and/or its associates on a recurring basis, including but not limited to air conditioning, computers and ancillary maintenance services. Under such recurring transactions, our Group is able to utilize the resources and production advantages of Haier Corp and its associates to obtain the Equipment to Procure at preferential prices and terms and suitable specifications that meet our requirements.

(b). Project-based procurement

Project-based procurement was entered into primarily to support our Group's business development and operational needs at different times, including, among others:

- procurement of photovoltaic equipment (mainly includes rooftop photovoltaic systems used for energy-saving retrofits in industrial parks), which were mainly driven by our Group's demand for energy efficiency improvement and operational optimization needs; and
- procurement of large-scale imported equipment, such as odd-form insertion machines and SMT pick-and-place machines.

Pricing terms

The procurement amount to be charged by Haier Corp and/or its associates under the Materials and Equipment Procurement Framework Agreement shall be negotiated by the parties at arm's length basis on normal commercial terms and will be fair and reasonable and no less favorable than those offered to our Group by Independent Third Parties for comparable equipment and materials of similar quantity and quality at the relevant time.

Generally, the price of the materials/equipment under the Materials and Equipment Procurement Framework Agreement should be determined after arm's-length negotiations with reference to (i) the historical prices of such materials/equipment offered by Independent Third Parties, and/or (ii) the fee quotations obtained from Independent Third Parties for materials/equipment of the same or similar type and quality. In the event that there are no appropriate Independent Third Parties providing similar materials/equipment for comparison and referencing purposes, Haier Corp and its subsidiaries/associates shall provide referencing information about the fees, terms, and market prices of the same or similar materials/equipment provided by them to Independent Third Parties.

Specifically, we have adopted the following mechanisms based on different categories of procurement:

- **Materials to Procure:** The price will generally be determined based on the lower of:

  (i). the actual cost incurred by Haier Corp and/or its associates (for example, the winning bid price or actual procurement price obtained by Haier Group through its centralized procurement platform) plus a commission rate of around 1%, which is intended to cover relevant operational and administrative expenses incurred by the relevant member of Haier Group; and

  (ii). the prevailing market price for similar materials.

Alternatively, where the relevant materials are procured through a tender process conducted by our Group, the purchase price shall be determined based on the final bid price through a bidding process involving at least three qualified suppliers.

- **Equipment to Procure:** The price will be determined through one of the following mechanisms:

  (i). Tendering mechanism: Similar to the procurement of materials, for equipment, our Group conducts a bidding process involving at least three qualified suppliers to determine the final bid price; or

  (ii). Valuation-based negotiation with market reference: For specialized equipment where the tendering mechanism is inappropriate, the price will be based on factors such as the source of the equipment, depreciation, net asset value, and relevant procurement and administrative costs. To ensure fairness, such negotiated prices should be benchmarked against the prevailing market price, which will be determined with reference to (a) historical prices paid by our Group to Independent Third Parties for equipment of similar type and quality; and (b) quotations obtained from at least two Independent Third Parties for comparable equipment.

Historical amounts

The historical transaction amounts paid by our Group to Haier Corp and/or its associates for the materials and equipment procurement (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB997.8 million, RMB903.2 million, RMB1,114.7 million and RMB200.7 million, respectively.

Annual caps

The maximum amount payable by our Group to Haier Corp and/or its associates for the materials and equipment procurement for each of the years ending December 31, 2026, 2027 and 2028 is not expected to exceed RMB1,200 million, RMB1,250 million and RMB1,350 million, respectively.

The proposed annual caps are determined with reference to:

(i). historical transaction amounts in respect of the transactions contemplated under the Materials and Equipment Procurement Framework Agreement, which demonstrated a CAGR of approximately 6% from 2023 to 2025. The proposed annual caps for the years 2026 to 2028 are calculated based on an expected CAGR of 6%, which is consistent with the historical CAGR during the Track Record Period;

(ii). the existing contract value and the expected growth in our business scale and procurement volume. As our Group's sales continue to grow, our demand for materials and equipment for production and operation is expected to increase correspondingly;

(iii). our proactive optimization of procurement structure. While the procurement volume will naturally increase, the estimated CAGR of 6% over the next three years is notably lower than our Company's expected overall revenue growth rate. This reflects our strategy to continuously strengthen our import procurement capabilities and proactively source materials and equipment from high-quality external suppliers; and

(iv). potential price movements of key raw materials. Given that electronic raw materials are subject to market price volatility, the annual caps incorporate a reasonable buffer to accommodate potential fluctuations in unit prices and foreign exchange/settlement timing.

4. Products and Services Provision Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the "**Products and Services Provision Framework Agreement**"), pursuant to which our Group would provide to Haier Corp and/or its associates IoT products and data intelligence solutions from time to time. Specifically, our Group would provide to Haier Corp and/or its associates (i) variable-frequency controllers and system controllers; and (ii) intelligent manufacturing solutions, green manufacturing solutions and enterprise value-added services.

The term of the Products and Services Provision Framework Agreement will commence from the **[REDACTED]** to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will enter into separate underlying agreements which will set out specific terms and conditions for the provision of the relevant products and services according to the principles provided in the Products and Services Provision Framework Agreement.

Reasons for the transaction

Haier Corp has established a diversified industrial ecosystem with extensive operations across multiple sectors, including home appliance manufacturing, healthcare and new energy, and has accumulated a broad range of application scenarios and resources in areas such as IoT and intelligent manufacturing. By providing products and services to Haier Corp and/or its associates, our Group is able to leverage on such industrial scenarios to facilitate the development, testing and validation of our solutions in real business environments, thereby accelerating the standardization and productization of our technologies and solutions.

Our Group has developed industrial internet and digital intelligence capabilities and has accumulated relevant experience and a proven track record through long-term cooperation with Haier Corp and/or its associates. They are familiar with our products and service offerings, delivery capabilities and quality standards, and our Group is able to provide stable and reliable support for their intelligence transformation and operational needs.

Based on our previous experience in business cooperations with Haier Corp and its associates, we believe that our Group is capable of effectively satisfying their demands for products and services at prices and terms no less favorable to those we offered to Independent Third Parties. Our Directors believe that maintaining a stable and quality business relationship with Haier Corp will facilitate our current and future business operations, and that the transactions contemplated under the Products and Services Provision Framework Agreement are conducted on normal commercial terms, mutually beneficial and in the best interests of our Group and the Shareholders as a whole.

Pricing terms

The fees to be charged by our Group for the sales of products and provision of services to Haier Corp and/or its associates under the Products and Services Provision Framework Agreement will be determined on normal commercial terms. Our Group ensures that the pricing

and terms are fair and reasonable and are no less favorable to our Group than the prevailing terms offered to Independent Third Parties for products and services of similar type, nature, quality and timeframe.

The transaction prices/fees will be determined through one of the following mechanisms:

- **Tendering mechanism:** Where our Group obtains orders from Haier Corp and/or its associates through a tender and bidding process, our Group will participate in such process in accordance with Haier Group's internal supplier management procedures. Under such procedures, at least three qualified suppliers will generally be invited, and the bidding proposals will be evaluated on a comprehensive basis taking into account factors such as design, quality, responsiveness, delivery capability and cost. Through such competitive tender mechanism, the final pricing is determined on a fair and impartial basis.

- **Market pricing and cost-plus mechanism:** For transactions where the tendering process is not applicable, the price will generally be determined on a cost-plus basis with reference to the prices at which same or similar products or services are provided by our Group to Independent Third Parties in our ordinary and usual course of business and on normal commercial terms. The cost base will include, as applicable, materials, manufacturing overheads or reasonable labour costs incurred by our Group, together with other reasonable and necessary expenses.

Historical amounts

The historical transaction amounts paid by Haier Corp and/or its associates to our Group for the products and services provision (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB3,634.4 million, RMB3,450.6 million, RMB3,563.7 million and RMB851.0 million, respectively.

Annual caps

The maximum amount payable by Haier Corp and/or its associates to our Group for the products and services provision for each of the years ending December 31, 2026, 2027 and 2028, is not expected to exceed RMB4,000 million, RMB4,400 million and RMB4,800 million, respectively.

The proposed annual caps under the Products and Services Provision Framework Agreement have been determined with reference to, among others:

(i) historical transaction amounts incurred under the relevant transactions between our Group and Haier Corp and/or its associates during the Track Record Period;

(ii) the existing contract value and ongoing project arrangements currently in place between our Group and Haier Corp and/or its associates, including the expected delivery schedule and the estimated transaction amounts under such existing contracts which will continue after the **[REDACTED]**. Specifically, as of March 31, 2026, our Group had an outstanding backlog of RMB623.6 million from Haier Group for data intelligence solutions ongoing projects. Based on the expected delivery schedule and contract arrangements, such orders are expected to be progressively delivered in 2026 and 2027; and

(iii) the expected growth in demand from Haier Corp and/or its associates, taking into account their business development plan and increasing needs for intelligence transformation. Specifically:

- **the projected growth in demand at a CAGR of 8% from 2026 to 2028 for IoT Products.** The growth is primarily driven by HSH's accelerated overseas layout in emerging markets, including Southeast Asia, the Middle East and Africa, as well as the enhancement of our overseas supply capabilities. Key developments of Haier Corp and its associates, such as driving our product demand include the operation of the Haier Thailand Air Conditioning Industrial Park (with planned annual capacity of 6 million sets) in September 2025, the foundation laying of the Haier Indonesia Refrigerator Base (with planned annual capacity of 1 million units) in November 2025, and the expected completion of the Haier Egypt Ecological Park Phase II by the end of 2026, are expected to drive their continuing demand for our IoT products. Furthermore, the construction of our Thailand production base will further enhance our overseas supply capacity and production competitiveness, enabling us to better support Haier Corp and its associates' overseas production layout and increasing demand for our IoT products. Such projected growth in demand is also supported by the expected development of the relevant underlying market. According to Frost & Sullivan, the market size of edge intelligent controllers in China's home appliance sector is expected to grow at a CAGR of 12.9% from 2026 to 2030. As our IoT products are primarily applied in home appliance and related intelligent control scenarios, the growth of such market segment supports the projected demand for our IoT products.

- **the projected growth in demand at a CAGR of 17% from 2026 to 2028 for Data Intelligence Solutions.** The growth is primarily supported by the increasing demand for AI, intelligent manufacturing, green manufacturing and energy/carbon management solutions from Haier Corp and its associates. Specifically, in the domestic market, as Haier Group continues to advance the digital transformation of its multiple factories and industrial parks, its demand for data intelligence solutions is expected to further increase. Such demand is expected to be driven by the further deployment of data intelligence solutions across Haier Group's factories and industrial parks, as well as the increasing demand for our data intelligence solutions in connection with the intelligent and green upgrades of factories and industrial parks where our solutions have already been deployed. Further, as Haier Group continues to expand its production layout and implement more factory projects in overseas market, our experience accumulated from serving Haier Group's domestic factories is expected to facilitate the replication and deployment of our data intelligence solutions to support its overseas projects, thereby driving the growth of our orders and sales amount. For instance, in August 2025, GE Appliances, part of Haier Group's global home appliance business, announced that it would invest over USD3.0 billion over the next five years in its U.S. operations to digitally upgrade 11 manufacturing plants. Such operational upgrade has contributed to and is expected to further increase Haier Corp and its associates' demand for our data intelligence solutions. Taking into account the above and the expected growth in overall market of industrial data intelligence solutions in China, our Directors consider that the projected growth in demand from Haier Corp and/or its associates at a CAGR of 17% for the data intelligence solutions is reasonable.

CONNECTED TRANSACTIONS

WAIVER APPLICATION

In respect of the Property Leasing Framework Agreement, since the highest of all applicable percentage ratios (other than the profit ratio) calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the transactions contemplated thereunder are exempt from the circular and independent shareholders' approval requirements, but are subject to the announcement, annual review and reporting requirements under Chapter 14A of the Listing Rules.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under the Listing Rules in respect of the transactions under the Property Leasing Framework Agreement provided that the total amount of the transactions under the agreement for each of the three years ending 31 December 2026, 2027 and 2028 will not exceed the relevant proposed annual caps set forth above. Our Group will comply with all other requirements under Chapter 14A of the Listing Rules with respect to the Property Leasing Framework Agreement and the transactions contemplated thereunder.

In respect of the Services Procurement Framework Agreement and the Materials and Equipment Procurement Framework Agreement, as both agreements are entered into by our Company with Haier Corp, and the transactions contemplated thereunder are similar in nature, such transactions should be aggregated pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules. Since the applicable percentage ratios (other than the profit ratio), when calculated on an aggregate basis, are more than 5%, the transactions contemplated thereunder are subject to the announcement, circular, independent shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

In respect of the Products and Services Provision Framework Agreement, since the applicable percentage ratios (other than the profit ratio) calculated in accordance with Rule 14.07 of the Listing Rules are more than 5%, the transactions contemplated there under are subject to the announcement, circular, independent shareholders' approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement, circular and independent shareholders' approval requirement under the Listing Rules in respect of the transactions under the Services Procurement Framework Agreement, the Materials and Equipment Procurement Framework Agreement and the Products and Services Provision Framework Agreement, provided that the total amount of the transactions under each agreement for each of the three years ending 31 December 2026, 2027 and 2028 will not exceed the relevant proposed annual caps set forth above. Our Group will comply with all other requirements under Chapter 14A of the Listing Rules with respect to the Services Procurement Framework Agreement, the Materials and Equipment Procurement Framework Agreement and the Products and Services Provision Framework Agreement and the transactions contemplated thereunder.

If any terms of the transactions subject to the waiver are altered or if we enter into any new agreements with any connected persons (within the meaning of the Listing Rules) in the future, we shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless we apply for and obtain a separate waiver from the Stock Exchange.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on continuing connected transactions referred to above, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

CONNECTED TRANSACTIONS

CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the continuing connected transactions set out above have been and will continue to be carried out in our ordinary and usual course of business of our Company and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE JOINT SPONSORS

The Joint Sponsors are of the view (i) that the aforesaid partially exempt and non-exempt continuing connected transactions have been and will continue to be carried out in the ordinary and usual course of business of our Group, and on normal commercial terms or better, are fair and reasonable and in the interests of our Group and our Shareholders as a whole; and (ii) that the proposed annual caps of in respect of the aforesaid partially exempt and non-exempt continuing connected transactions are fair and reasonable, and in the interests of our Group and our Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to ensure that connected transactions of our Group will be conducted on normal commercial terms, are fair and reasonable, and are no less favourable than terms available to Independent Third Parties, and to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- *Pre-transaction validation and approval:* Before entering into specific underlying contracts, our designated pricing or business departments will compare the proposed terms against historical non-connected transaction prices or collect quotations from at least two Independent Third Parties for similar transactions (where available). This is to ensure that the terms offered to Haier Corp and/or its associates are not more favorable than those available to Independent Third Parties. Furthermore, connected Directors will strictly abstain from voting on relevant board resolutions, and our independent non-executive Directors will provide prior written confirmation regarding the necessity, reasonableness, and pricing fairness of the contemplate transactions.

- *Ongoing monitoring:* Our Group has implemented an information technology-based tracking mechanism to dynamically monitor the ongoing execution of each continuing connected transaction. This ensures real-time control and strict compliance with the respective proposed annual caps. We have also put in place a series of internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules; and

- *Post-transaction review:* Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Hong Kong Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, immediately following the completion of the **[REDACTED]**, the conversion of **[REDACTED]** Shares into H Shares and assuming the **[REDACTED]** is not exercised, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly interested in 5% or more of the nominal value of any class of the Company's share capital carrying rights to vote in all circumstances at general meetings of the Company:

		As of the Latest Practicable Date			Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
Name of Shareholder	Type of Shares	Nature of interest[1]	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares	Number of Shares	Approximate percentage of shareholding in the relevant type of Shares	Approximate percentage in the total issued share capital of the Company[2]
Haier Corp [3]	[REDACTED]	Beneficial owner	165,408,050	10.83%	[REDACTED]	[REDACTED]	[REDACTED]
		Interest in controlled corporation	1,025,999,411	67.21%	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	Interest in controlled corporation	—	—	[REDACTED]	[REDACTED]	[REDACTED]
COSMO Holdings[3]	[REDACTED]	Interest in controlled corporation	749,733,359	49.11%	[REDACTED]	[REDACTED]	[REDACTED]
COSMO Digital Technology [3]	[REDACTED]	Beneficial owner	749,733,359	49.11%	[REDACTED]	[REDACTED]	[REDACTED]
HSH [3]	[REDACTED]	Beneficial owner	147,720,641	9.68%	[REDACTED]	[REDACTED]	[REDACTED]
		Interest in controlled corporation	110,202,181	7.22%	[REDACTED]	[REDACTED]	[REDACTED]
Smart Home Appliances[3]	[REDACTED]	Interest in controlled corporation	82,651,636	5.41%	[REDACTED]	[REDACTED]	[REDACTED]
Hefei Washing Machine[3]	[REDACTED]	Beneficial owner	82,651,636	5.41%	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) All interest stated are long positions.

(2) The calculation is based on the total number of (i) **[REDACTED]** Shares in issue, (ii) **[REDACTED]** H Shares converted from **[REDACTED]** Shares, and (iii) **[REDACTED]** H Shares to be issued under the **[REDACTED]** immediately following the completion of the **[REDACTED]** and the conversion of **[REDACTED]** Shares into H Shares (assuming that the **[REDACTED]** is not exercised).

(3) As of the Latest Practicable Date, Haier Corp is, by virtue of Part XV of by the SFO, interested in an aggregate of 1,191,407,461 Shares of our Company through (i) direct holding of 165,408,050 Shares, (ii) 749,733,359 Shares held by its indirect wholly-owned subsidiary COSMO Digital Technology (through COSMO Holdings), (iii) 147,720,641 Shares held by HSH, a subsidiary of Haier Corp, (iv) 82,651,636 Shares held by Hefei Washing Machine, an indirect non-wholly-owned subsidiary of HSH (through Smart Home Appliances), (v) 27,550,545 Shares held by HEG, a wholly-owned subsidiary of HSH, and (vi) 18,343,230 Shares held by Haichuang Zhilian, the general partner of which is a non-wholly-owned subsidiary of Haier Corp. For further details of the relationship among them, see "History, Development and Corporate Structure" and "Relationship with our Controlling Shareholders."

(4) After the **[REDACTED]**, the **[REDACTED] [REDACTED]** Shares held by Haichuang Zhilian will be converted to H Shares.

Save as disclosed above and in "Statutory and General Information — Disclosure of Interests" in Appendix VI to this document, the Directors are not aware of any person who will, immediately following the **[REDACTED]** (and the **[REDACTED]** of any additional Shares pursuant to the **[REDACTED]**), have an interest or short position in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of the Group.

SHARE CAPITAL

This section presents certain information regarding our Company's share capital before and upon completion of the **[REDACTED]**.

BEFORE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB1,526,631,611, comprising 1,526,631,611 **[REDACTED]** Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following the completion of the **[REDACTED]** and the conversion of certain **[REDACTED]** Shares into H Shares, assuming that the **[REDACTED]** is not exercised, the issued share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company (%)
[REDACTED] Shares in issue	**[REDACTED]**	**[REDACTED]**
H Shares converted from **[REDACTED]** Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

Immediately following the completion of the **[REDACTED]** and the conversion of certain **[REDACTED]** Shares into H Shares, assuming that the **[REDACTED]** is fully exercised, the issued share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the total share capital of the Company (%)
[REDACTED] Shares in issue	**[REDACTED]**	**[REDACTED]**
H Shares converted from **[REDACTED]** Shares	**[REDACTED]**	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00**

RANKING

Upon the completion of the **[REDACTED]** and conversion of certain **[REDACTED]** Shares into H Shares, the Company would have only one class of Shares, consisting of H Shares and **[REDACTED]** Shares. H Shares and **[REDACTED]** Shares are all ordinary Shares in the share capital of the Company. However, except for certain qualified domestic institutional investors in the PRC, 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 the 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. **[REDACTED]** Shares and H Shares will rank *pari passu* with each other in all other 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 the Company in Renminbi, Hong Kong dollars or in the form of Shares.

SHARE CAPITAL

CONVERSION OF [REDACTED] SHARES INTO H SHARES

If any of the **[REDACTED]** Shares are to be converted, **[REDACTED]** and traded 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 **[REDACTED]** Shares into H Shares as set forth below, the Company can apply for the **[REDACTED]** of all or any portion of the **[REDACTED]** 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 on the **[REDACTED]**. As the **[REDACTED]** of additional Shares after the **[REDACTED]** on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for **[REDACTED]** at the time of the Company's **[REDACTED]** in Hong Kong. Any application for **[REDACTED]** of the converted shares on the Stock Exchange after the Company's initial **[REDACTED]** is subject to prior notification by way of announcement to inform the Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant **[REDACTED]** Shares will be withdrawn from the **[REDACTED]** Share register, and the Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the **[REDACTED]** to issue H Share certificates. Registration on the **[REDACTED]** of the 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 General Rules of **[REDACTED]** and the **[REDACTED]** in force from time to time.

Until the converted Shares are re-registered on the **[REDACTED]** of the Company, such Shares would not be **[REDACTED]** as H Shares. For details of the existing Shareholders' proposed conversion of certain **[REDACTED]** Shares into H Shares, see "History, Development and Corporate Structure — Capitalization of Our Company" in this document.

RESTRICTIONS ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, the Shares issued prior to the **[REDACTED]** shall not be transferred within one year from the **[REDACTED]**.

Shares transferred by the Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in the Company. The Shares that the aforementioned persons hold in the Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in the Company.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS' GENERAL MEETING IS REQUIRED

For details of circumstances under which the Shareholders' general meeting is required, see "Summary of the Articles of Association" in Appendix V to this document.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the **[REDACTED]** of H Shares on the Stock Exchange. The Company has obtained such approval at the Shareholders' general meeting held on January 20, 2026.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Subject to the completion of the **[REDACTED]**, pursuant to the Shareholders resolutions of the Company, the Board was granted with (a) a general mandate to allot and issue 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 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 issued shall not exceed 20% of the number of the Shares in issue as of the date of the resolution granting the general mandate; and (b) a general mandate to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as of the date of the resolution granting the general mandate.

For details of the general mandates to issue and repurchase Shares, see "Statutory and General Information — 1. Further Information about the Group — D. Resolutions of the Shareholders" in Appendix VI to this document.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with our Historical Financial Information, including the notes thereto, defined in the accountants' report in Appendix IA and Appendix IB to this document. Our Historical Financial Information has been prepared in accordance with IFRS.

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. In evaluating our business, you should carefully consider the information provided in this document, including, but not limited to, the sections headed "Risk Factors," "Forward-Looking Statements" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a provider of industrial intelligence products and solutions, comprising Internet of Things ("**IoT**") products (variable-frequency controllers and system controllers) and data intelligence solutions. Our products and solutions are dedicated to the intelligent transformation of our customers in various industrial sectors.

BASIS OF PREPARATION

Our Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). See Note 2.1 to the Accountants' Report in Appendix IA to this document for material accounting policy information. The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing our Historical Financial Information, we have adopted all applicable new and revised IFRS Accounting Standards for the Track Record Period, except for any new or revised standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 2.2 to the Accountants' Report in Appendix IA to this document. Our Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Key Factors

Our results of operations and financial condition have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

Our Ability to Sustain Technological Innovation and Competitive Edge

Research and development are crucial to our sustained business growth as our competitiveness depends on our ability to develop and implement new technologies and production techniques to address the evolving needs of our customers. Our long-term research and development foundation and continuous innovation efforts not only strengthen our ability to respond to evolving customer needs with agility and innovation but also enable us to maintain our related expenses at a reasonable level. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB422.4 million, RMB373.2 million, RMB420.5 million, RMB90.6 million and RMB104.2 million, respectively, which accounted for 8.5%, 7.4%, 6.6%,

7.2% and 7.1% of our total revenue for the same years/periods, respectively. Our research and development expenses over time reflect our sustained commitment to innovation and our strategic decision to continuously invest in strengthening our technological capabilities, as well as our ongoing efforts to optimize our operational management system, refine research and development processes and balance innovation with cost discipline.

Our Solution Offerings

During the Track Record Period, we derived our revenue primarily from the provision of IoT products and data intelligence solutions. Revenue growth during the Track Record Period was primarily driven by continuous upgrades to our products and solutions with enhanced features, improved commercialization of proprietary technologies and deeper penetration into existing customers and verticals. As our products and solutions become more sophisticated and our brand recognition strengthens, we are able to offer customized solutions tailored to industry-specific needs, further expanding our market share. Our future success will depend on our ability to broaden industry coverage, enhance the scalability and intelligence of our platform and deliver cost-efficient solutions that empower customers to achieve sustainable growth in the era of industrial digitalization.

Our Ability to Expand Customer Base and to Enhance Long-term Relationships with Existing Customers

Our growth depends significantly on our ability to expand our customer base and to enhance long-term relationships with existing customers. The expansion of our customer base is a key driver of our revenue growth. During the Track Record Period, we primarily sold our solutions to customers across sectors such as home appliances, machinery equipment, electronics, automotive and energy and chemicals. We strive to maintain stable and long-term business relationships with our customers by delivering customer-centric solutions. We have been and will continue to provide end-to-end services to our benchmark customers, where we typically deploy dedicated expert teams and make longer-term resource commitments. While such engagements require higher upfront investment, they enable us to accumulate deep industry know-how, refine our methodologies and strengthen our capabilities across full-process scenarios. As our experience and technical capabilities deepen, we are able to progressively standardize and modularize certain service components, allowing us to scale these solutions more efficiently to a broader customer base. This dynamic drives both the expansion of our customer coverage and the sustainable development of our business. Furthermore, our scalable platform architecture and solution design allow us to replicate successful models across different customers and verticals efficiently. This capability accelerates customer acquisition and supports rapid expansion into new industries, reinforcing our position as a trusted partner in intelligent transformation.

Our Ability to Grow Our Overseas Business and to Deepen Our Market Penetration

International markets form an integral part of our long-term growth strategy. While continuing to capture growth opportunities in China, we actively develop our business in overseas markets by leveraging our rapid response capabilities and cost-efficient solutions to tap into regional market potential. During the Track Record Period, revenue from customers outside Chinese Mainland accounted for 12.5%, 14.0% and 12.1% of our total revenue in 2023, 2024 and 2025, respectively. Revenue from customers outside Chinese Mainland accounted for 14.1% and 11.6% of our total revenue in the three months ended March 31, 2025 and 2026, respectively. Looking ahead, we plan to accelerate our global expansion, with a particular focus on overseas markets such as the Americas and Asia. Building on our factory in Thailand, we intend to explore asset-light partnership models to establish solution delivery capabilities in new countries and regions, serving both local customers and Chinese customers with overseas operations. Through these initiatives, we aim to enhance product competitiveness in overseas markets, strengthen brand reputation and drive sustainable growth in our international business.

Our Ability to Maintain and Improve Operating Efficiency

Our profitability depends in part on our ability to manage costs and optimize our operating efficiency. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred selling and distribution expenses of RMB315.4 million, RMB285.0 million, RMB311.5 million, RMB65.2 million and RMB75.6 million, respectively, representing 6.3%, 5.6%, 4.9%, 5.2% and 5.1% of our total revenue during the same years/periods, respectively. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our administrative expenses amounted to RMB396.2 million, RMB340.7 million, RMB305.7 million, RMB68.7 million and RMB79.2 million, representing 7.9%, 6.7%, 4.8%, 5.5% and 5.4% of our total revenue during the same years/periods, respectively. We have managed to improve operational efficiency by maintaining a streamlined operational workforce and implementing cost management practices. Simultaneously, we have sought to enhance the management of our operating expenses through detailed budget management and performance monitoring, enabling us to manage overhead costs effectively. While we expect that the absolute amounts of our research and development expenses, selling and distribution expenses and administrative expenses will continue to increase along with our business growth in the future, we are committed to further enhancing our operational efficiency through economies of scale, optimized resource allocation and continuous investment in employee training and development.

General Factors

Our business and results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are beyond our control, including (i) the development of macroeconomic conditions in the Chinese Mainland and overseas markets; (ii) the evolution of industrial intelligence technologies; (iii) the ongoing market demand among industrial enterprises for intelligent transformation; (iv) relevant laws and regulations, government policies and initiatives; and (v) international trade policies, geopolitical developments, trade protection measures, export controls and economic or trade sanctions.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See Notes 2.3 and 3 to the Accountants' Report in Appendix IA to this document for details of our material accounting policy information and key sources of estimation uncertainty, which are critical and/or involve the most important estimates and judgments we have used in preparing our Historical Financial Information.

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

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

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Continuing operations										
Revenue	4,993,539	100.0	5,069,457	100.0	6,351,148	100.0	1,252,618	100.0	1,474,914	100.0
Cost of sales	(4,103,086)	(82.2)	(4,150,308)	(81.9)	(5,223,222)	(82.2)	(1,032,404)	(82.4)	(1,215,491)	(82.4)
Gross profit	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**
Other income and gains	242,681	4.9	184,514	3.7	164,827	2.6	29,639	2.4	29,902	2.0
Selling and distribution expenses	(315,419)	(6.3)	(284,980)	(5.6)	(311,515)	(4.9)	(65,190)	(5.2)	(75,613)	(5.1)
Administrative expenses	(396,220)	(7.9)	(340,729)	(6.7)	(305,735)	(4.8)	(68,698)	(5.5)	(79,169)	(5.4)
Research and development expenses	(422,398)	(8.5)	(373,191)	(7.4)	(420,517)	(6.6)	(90,639)	(7.2)	(104,215)	(7.1)
Impairment losses on financial and contract assets, net	(4,655)	(0.1)	(16,468)	(0.3)	(35,858)	(0.6)	(3,367)	(0.3)	(2,169)	(0.1)
Other expenses	(15,036)	(0.3)	(8,413)	(0.2)	(19,543)	(0.3)	(1,578)	(0.1)	(4,863)	(0.4)
Finance costs	(8,856)	(0.2)	(9,349)	(0.2)	(10,932)	(0.2)	(2,384)	(0.2)	(3,294)	(0.2)
Share of profits of associates	27,534	0.6	14,829	0.3	14,129	0.2	4,098	0.3	5,737	0.4
(Loss)/Profit before tax from continuing operations	**(1,916)**	**(0.0)**	**85,362**	**1.7**	**202,782**	**3.2**	**22,095**	**1.8**	**25,739**	**1.7**
Income tax expense	(18,903)	(0.4)	(10,603)	(0.2)	(29,667)	(0.5)	(6,370)	(0.5)	(6,348)	(0.4)
(LOSS)/PROFIT FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS	**(20,819)**	**(0.4)**	**74,759**	**1.5**	**173,115**	**2.7**	**15,725**	**1.3**	**19,391**	**1.3**
Discontinued Operation										
(Loss)/profit for the year/period from a discontinued operation	(61,902)	(1.3)	(9,623)	(0.2)	47,386	0.7	47,386	3.7	—	—
(LOSS)/PROFIT FOR THE YEAR/PERIOD	**(82,721)**	**(1.7)**	**65,136**	**1.3**	**220,501**	**3.5**	**63,111**	**5.0**	**19,391**	**1.3**
Attributable to:										
Owners of the parent	(74,752)		61,827		175,389		61,670		18,735	
Non-controlling interests	(7,969)		3,309		45,112		1,441		656	
	(82,721)		65,136		220,501		63,111		19,391	

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit for the year/period from continuing operations (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards.

The following table reconciles our (loss)/profit for the year/period from continuing operations presented in accordance with IFRS Accounting Standards to adjusted profit from continuing operations for the year/period (non-IFRS measure):

	Year ended December 31,			Three Months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
				(Unaudited)	
(Loss)/profit for the year/period from continuing operations	(20,819)	74,759	173,115	15,725	19,391
Adjusted by:					
Equity-settled share-based payment expenses	28,654	31,685	39,316	8,656	11,115
[REDACTED] expenses	—	—	8,357	—	8,661
Adjusted profit for the year/period from continuing operations (non-IFRS measure)	**7,835**	**106,444**	**220,788**	**24,381**	**39,167**

We define adjusted profit for the year/period from continuing operations (non-IFRS measure) as profit for the year/period from continuing operations, excluding equity-settled share-based payment expenses and **[REDACTED]** expenses. Equity-settled share-based payment expenses are non-cash in nature and mainly represent the arrangement that we receive services from employees and others providing similar services as consideration for our equity instruments. Equity-settled

share-based payment expenses are not expected to result in future cash payments. The **[REDACTED]** expenses are composed of (i) **[REDACTED]** and (ii) non **[REDACTED]**-related expenses, which consist of fees and expenses of legal advisers and Reporting Accountants and other fees and expenses. We believe that adjusted profit for the year/period from continuing operations (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. We also believe that this non-IFRS measure facilitates comparisons of operating performance from year to year and period to period, as well as company to company, by eliminating potential impacts of certain items. However, our non-IFRS measure does not have a standardized meaning prescribed by IFRS Accounting Standards, and our presentation of adjusted profit for the year/period from continuing operations (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit for the year/period from continuing operations (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

Revenue

Revenue by Business Segment

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

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Variable-frequency controllers	930,591	18.6	1,197,763	23.6	1,409,049	22.2	282,195	22.5	330,211	22.4
System controllers	3,149,770	63.1	2,722,306	53.7	3,008,727	47.4	697,246	55.7	758,491	51.4
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Intelligent manufacturing solutions	580,936	11.6	701,153	13.8	838,703	13.2	156,425	12.5	140,210	9.5
Green manufacturing solutions	18,839	0.4	74,982	1.5	705,779	11.1	27,556	2.2	132,537	9.0
Regional industrial internet solutions	63,241	1.3	89,818	1.8	75,023	1.2	19,939	1.6	25,810	1.7
Enterprise value-added services	250,162	5.0	283,435	5.6	313,867	4.9	69,257	5.5	87,655	6.0
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

The following table sets forth the sales volume and average selling price by types of our IoT products, primarily our intelligent controllers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	('000 Units)	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*
Variable-frequency controllers	14,234	65.4	18,966	63.2	21,354	66.0	3,805	74.2	4,791	68.9
System controllers	81,714	38.5	73,836	36.9	91,741	32.8	19,499	35.8	21,257	35.7
Total	**95,948**		**92,802**		**113,095**		**23,304**		**26,048**	

During the Track Record Period, the sales volume of our variable-frequency controllers continued to increase, reflecting our efforts in maintaining customer orders and advancing product upgrades. The average selling price of variable-frequency controllers decreased from RMB65.4 per unit in 2023 to RMB63.2 per unit in 2024, primarily due to our strategic pricing initiatives aimed at strengthening relationships with major customers and driving sales volume growth. The average selling price increased from RMB63.2 per unit in 2024 to RMB66.0 per unit in 2025, mainly due to a higher contribution from upgraded products with enhanced functionalities. These upgraded products generally featured stronger durability, more stable operation, better energy efficiency,

faster response to changes in operating conditions and broader compatibility with different end-products and usage scenarios, which better addressed customer needs and resulted in a more favourable product mix. The average selling price decreased from RMB74.2 per unit as of March 31, 2025 to RMB68.9 per unit as of March 31, 2026, mainly because certain major customers in the household appliances industry adjusted their procurement based on the application requirements in their end products, which led to a higher proportion of sales of certain lower-priced controllers. To a lesser extent, the decrease also reflected strategic pricing initiatives of certain products to drive sales volume growth.

The average selling price of system controllers decreased from RMB38.5 per unit in 2023 to RMB36.9 per unit in 2024, and further decreased to RMB32.8 per unit in 2025, primarily driven by (i) our proactive expansion of our independent customer base in 2024, during which initial pricing offered to new customers was relatively lower to facilitate market penetration and customer acquisition, and (ii) the increased contribution in 2025 from newly acquired customers in the small home appliance sector, whose demand was mainly for relatively lower-priced controllers with simpler specifications and lower functional requirements, thereby diluting the overall average selling price. The average selling price of system controllers remained relatively stable at RMB35.8 per unit and RMB35.7 per unit as of March 31, 2025 and 2026, respectively. During the same period, the sales volume of system controllers experienced a slight decrease from 2023 to 2024, mainly because newly acquired customers in 2024 were still in the initial cooperation stage and had not yet reached large sales scale. The sales volume subsequently rebounded from 2024 to 2025 and continued to increase for the three months ended March 31, 2026 as compared to the same period in 2025, reflecting increased order volumes from customers in the small home appliance sector as their demand ramped up.

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographical locations of customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Chinese Mainland	4,369,170	87.5	4,360,500	86.0	5,582,071	87.9	1,075,775	85.9	1,304,350	88.4
Overseas	624,369	12.5	708,957	14.0	769,077	12.1	176,843	14.1	170,564	11.6
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

The following table sets forth a breakdown of our revenue from IoT products and data intelligence solutions by geographical locations of customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Chinese Mainland	3,561,146	71.3	3,269,960	64.5	3,729,068	58.8	838,512	67.0	928,569	62.9
Overseas	519,215	10.4	650,109	12.8	688,708	10.8	140,929	11.2	160,133	10.9
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Chinese Mainland	808,024	16.2	1,090,540	21.5	1,853,003	29.1	237,263	18.9	375,781	25.5
Overseas	105,154	2.1	58,848	1.2	80,369	1.3	35,914	2.9	10,431	0.7
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

Revenue by Type of Customers

The following table sets forth a breakdown of our revenue from IoT products and data intelligence solutions by Haier Group versus independent customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Customers within Haier Group	3,251,926	65.1	2,882,042	56.9	3,044,204	47.9	698,043	55.7	717,006	48.6
Independent Customers	828,435	16.6	1,038,027	20.4	1,373,572	21.7	281,398	22.5	371,696	25.2
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Customers within Haier Group	355,426	7.1	539,023	10.6	424,645	6.7	84,414	6.7	111,704	7.6
Independent Customers	557,752	11.2	610,365	12.1	1,508,727	23.7	188,763	15.1	274,508	18.6
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

During the Track Record Period, sales of our IoT products are primarily conducted to customers in the Chinese Mainland, with overseas markets representing a smaller but consistent portion, and are mainly generated from customers within the Haier Group, while sales to independent customers have increased in recent years. By contrast, during the Track Record Period, our data intelligence solutions were mainly sold to customers in the Chinese Mainland, with revenue largely derived from independent customers, and overseas sales currently accounting for a relatively limited portion of this business line.

During the Track Record Period, revenue generated from customers outside the Haier Group increased both in absolute amount and as a proportion of our IoT products revenue while revenue from customers within the Haier Group accounted for a decreasing proportion of our IoT products revenue, declining from 79.7% in 2023 to 73.5% in 2024, further to 68.9% in 2025 and further to 65.9% in the three months ended March 31, 2026. Such changes were primarily attributable to our proactive business strategy to expand our independent customer base, which resulted in a gradual dilution of the revenue contribution from customers within the Haier Group.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by business segment for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**3,524,564**	**85.9**	**3,409,231**	**82.1**	**3,874,573**	**74.2**	**855,608**	**82.9**	**956,871**	**78.7**
Variable-frequency controllers	793,244	19.3	1,033,423	24.9	1,235,354	23.7	245,027	23.7	287,017	23.6
System controllers	2,731,320	66.6	2,375,808	57.2	2,639,219	50.5	610,581	59.2	669,854	55.1
Data Intelligence Solutions	**578,522**	**14.1**	**741,077**	**17.9**	**1,348,649**	**25.8**	**176,796**	**17.1**	**258,620**	**21.3**
Intelligent manufacturing solutions	453,957	11.1	565,507	13.7	668,045	12.9	127,127	12.3	99,855	8.3
Green manufacturing solutions	16,018	0.4	62,129	1.5	567,606	10.8	23,758	2.3	114,853	9.4
Regional industrial internet solutions	47,592	1.2	52,482	1.3	43,332	0.8	10,533	1.0	12,714	1.0
Enterprise value-added services	60,955	1.4	60,959	1.4	69,666	1.3	15,378	1.5	31,198	2.6
Total	**4,103,086**	**100.0**	**4,150,308**	**100.0**	**5,223,222**	**100.0**	**1,032,404**	**100.0**	**1,215,491**	**100.0**

The following table sets forth a breakdown of our cost of sales by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Raw materials	3,082,459	75.1	2,946,146	71.0	3,357,696	64.3	745,256	72.1	845,489	69.5
Hardware and software costs	381,349	9.3	589,093	14.2	1,147,251	22.0	138,842	13.4	187,659	15.4
Employee salaries and benefits	366,770	8.9	331,346	8.0	332,080	6.4	78,453	7.6	79,322	6.5
Depreciation and amortization expenses	79,099	1.9	94,822	2.3	96,422	1.8	22,587	2.2	26,467	2.2
Others[(1)]	193,409	4.8	188,901	4.5	289,773	5.5	47,266	4.7	76,554	6.4
Total	**4,103,086**	**100.0**	**4,150,308**	**100.0**	**5,223,222**	**100.0**	**1,032,404**	**100.0**	**1,215,491**	**100.0**

Note:

(1) Others primarily include outsourced processing fees, energy and power costs, transportation costs, repair and maintenance expenses and lease expenses.

Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin by Business Segment

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*
							(Unaudited)			
IoT Products	**555,797**	**13.6**	**510,838**	**13.0**	**543,203**	**12.3**	**123,833**	**12.6**	**131,831**	**12.1**
Variable-frequency controllers	137,347	14.8	164,340	13.7	173,695	12.3	37,168	13.2	43,194	13.1
System controllers	418,450	13.3	346,498	12.7	369,508	12.3	86,665	12.4	88,637	11.7
Data Intelligence Solutions	**334,656**	**36.6**	**408,311**	**35.5**	**584,723**	**30.2**	**96,381**	**35.3**	**127,592**	**33.0**
Intelligent manufacturing solutions	126,979	21.9	135,646	19.3	170,658	20.3	29,298	18.7	40,355	28.8
Green manufacturing solutions	2,821	15.0	12,853	17.1	138,173	19.6	3,798	13.8	17,684	13.3
Regional industrial internet solutions	15,649	24.7	37,336	41.6	31,691	42.2	9,406	47.2	13,096	50.7
Enterprise value-added services	189,207	75.6	222,476	78.5	244,201	77.8	53,879	77.8	56,457	64.4
Total	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**

Gross Profit and Gross Profit Margin by Geographical Region

The following table sets forth a breakdown of our gross profit and gross profit margin from IoT products and data intelligence solutions by geographical locations of customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*
							(Unaudited)			
IoT Products	**555,797**	**13.6**	**510,838**	**13.0**	**543,203**	**12.3**	**123,833**	**12.6**	**131,831**	**12.1**
Chinese Mainland	471,687	13.2	364,585	11.1	418,435	11.2	92,118	11.0	102,565	11.0
Overseas	84,110	16.2	146,253	22.5	124,768	18.1	31,715	22.5	29,266	18.3
Data Intelligence Solutions	**334,656**	**36.6**	**408,311**	**35.5**	**584,723**	**30.2**	**96,381**	**35.3**	**127,592**	**33.0**
Chinese Mainland	329,710	40.8	400,760	36.7	576,174	31.1	91,074	38.4	125,056	33.3
Overseas	4,946	4.7	7,551	12.8	8,549	10.6	5,307	14.8	2,536	24.3
Total	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**

The gross profit margin of our IoT products sold to customers in Chinese Mainland decreased from 13.2% in 2023 to 11.1% in 2024 and remained relatively stable at 11.2% in 2025, primarily due to strategic pricing initiatives implemented in 2024, under which relatively lower pricing was offered to strengthen relationships with key customers in Chinese Mainland and drive sales volume growth, thereby resulting in a lower overall gross profit margin. The gross profit margin of our IoT products sold to customers in Chinese Mainland remained relatively stable at 11.0% in the three months ended March 31, 2025 and 2026, respectively.

The gross profit margin of our IoT products sold to customers located overseas increased from 16.2% in 2023 to 22.5% in 2024, primarily due to increased procurement by our existing overseas customers and a decrease in pilot production costs for products supplied to such customers as cooperation deepened. The gross profit margin subsequently decreased to 18.1% in 2025, and decreased from 22.5% in the three months ended March 31, 2025 to 18.3% in the three months ended March 31, 2026, mainly attributable to our further expansion into new overseas customer base and new industries, including small home appliances, where initial production and market development costs were relatively higher and sales volumes had not yet scaled up.

The gross profit margin of our data intelligence solutions provided to customers located in Chinese Mainland decreased from 40.8% in 2023 to 36.7% in 2024, primarily driven by the strong contribution from our intelligent manufacturing solutions in the relevant period, which generally carry a relatively lower gross margin compared to our regional industrial internet solutions and enterprise value-added services, which was mainly attributable to higher customer requirements for customized solutions associated with additional costs in acquiring industry know-how and developing customized components. The gross profit margin decreased from 36.7% in 2024 to 31.1% in 2025, and decreased from 38.4% in the three months ended March 31, 2025 to 33.3% in the three months ended March 31, 2026, primarily due to an increase in revenue from provision of green manufacturing solutions, which generally have lower gross profit margin in line with the continued development of our solutions.

The gross profit margin of our data intelligence solutions provided to customers located overseas was relatively lower than that of customers in the Chinese Mainland, primarily because our overseas data intelligence solutions business was still at a relatively earlier expansion stage, which required the accumulation of industry-specific experience and localized market and operational capabilities, resulting in relatively higher costs compared to our more mature domestic operations. As we continue to expand our overseas data intelligence solutions business, we intend to improve cost efficiency through the accumulation of industry know-how and regional experience, which may in turn support an improvement in gross profit margin over time.

Gross Profit and Gross Profit Margin by Type of Customers

The following table sets forth a breakdown of our gross profit and gross profit margin from IoT products and data intelligence solutions by Haier Group versus independent customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**555,797**	**13.6**	**510,838**	**13.0**	**543,203**	**12.3**	**123,833**	**12.6**	**131,831**	**12.1**
Customers within Haier Group	441,576	13.6	373,459	13.0	372,115	12.2	86,815	12.4	84,309	11.8
Independent Customers	114,221	13.8	137,379	13.2	171,088	12.5	37,018	13.2	47,522	12.8
Data Intelligence Solutions	**334,656**	**36.6**	**408,311**	**35.5**	**584,723**	**30.2**	**96,381**	**35.3**	**127,592**	**33.0**
Customers within Haier Group	166,861	46.9	197,569	36.7	134,549	31.7	31,118	36.9	40,616	36.4
Independent Customers	167,795	30.1	210,742	34.5	450,174	29.8	65,263	34.6	86,976	31.7
Total	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**

Gross profit margin of our IoT products provided to customers within the Haier Group decreased from 13.6% in 2023 to 13.0% in 2024 and 12.2% in 2025. Gross profit margin of our IoT products provided to customers within the Haier Group decreased from 12.4% in the three months ended March 31, 2025 to 11.8% in the three months ended March 31, 2026, primarily due to the adoption of relatively competitive pricing offered to existing customers. Gross profit margin of our IoT products provided to independent customers decreased from 13.8% in 2023 to 13.2% in 2024 and 12.5% in 2025, primarily due to our proactive expansion of the customer base. In particular, for newly acquired customers, we typically adopt an initial cooperation approach involving small-batch pilot projects during the early stage of engagement, which generally carry lower margins. Gross profit margin of our IoT products provided to independent customers remained relatively stable at 13.2% and 12.8% in the three months ended March 31, 2025 and 2026, respectively.

Gross profit margin of our data intelligence solutions provided to customers within the Haier Group decreased from 46.9% in 2023 to 36.7% in 2024, and further decreased to 31.7% in 2025, primarily driven by the strong contribution from our intelligent manufacturing solutions in the relevant period, which generally carry a relatively lower gross margin compared to our regional industrial internet solutions and enterprise value-added services. The relatively lower gross margin of intelligent manufacturing was mainly attributable to higher customer requirements for customized solutions, which required us to incur additional costs in acquiring industry-specific know-how and developing and producing customized components. Gross profit margin of our data intelligence solutions provided to customers within the Haier Group remained relatively stable at 36.9% and 36.4% in the three months ended March 31, 2025 and 2026, respectively.

Other Income and Gains

Our other income and gains mainly consisted of (i) government grants, which mainly represented asset-related and income-related grants, (ii) bank interest income, (iii) finance lease interest income, (iv) dividend income from equity investments at fair value through other comprehensive income, (v) investment income from financial assets at fair value through profit or loss, (vi) gains on lease modification/termination, (vii) fair value gains on financial assets at fair value through profit or loss and (viii) foreign exchange gains, net. Our government grants primarily comprise (i) asset-related government grants and (ii) income-related government grants. Asset-related grants refer to grants obtained by us for the purpose of purchasing, constructing, or otherwise forming long-term assets. The specific criterion for classifying a grant as asset-related is that it is used for the acquisition or formation of long-term assets. Income-related grants are typically designed to compensate for expenses or losses to encourage research and development activities, as well as supporting business operations and growth. There are no material unfulfilled conditions or contingencies attached to these government grants. During the Track Record Period, the government grants received by us are generally one-off in nature. In recent years, the relevant government authorities have implemented various incentive policies to support the enterprise development and we will continue to apply for such grants in the future. As of March 31, 2026, government grants received by us and recognized as deferred income and other payables are expected to be gradually recognized as other income in future periods. See Note 5, 30 and 34 to the Accountants' Report in Appendix IA to this document.

Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Employee salaries and benefits	225,758	71.6	208,800	73.3	218,625	70.2	48,271	74.0	54,124	71.6
Business development expenses	30,491	9.7	19,963	7.0	27,156	8.7	4,207	6.5	7,670	10.1
Travel expenses	19,980	6.3	19,237	6.8	24,378	7.8	4,434	6.8	4,733	6.3
Depreciation and amortization	16,303	5.2	16,681	5.9	15,587	5.0	3,670	5.6	3,639	4.8
Share-based payment expenses	5,817	1.8	6,672	2.3	7,886	2.5	1,678	2.6	2,446	3.2
Others[(1)]	17,070	5.4	13,627	4.7	17,883	5.8	2,930	4.5	3,001	4.0
Total	**315,419**	**100.0**	**284,980**	**100.0**	**311,515**	**100.0**	**65,190**	**100.0**	**75,613**	**100.0**

Note:

(1) Others primarily include consulting expenses, office expenses, lease expenses and other miscellaneous expenses.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Employee salaries and benefits	238,133	60.1	198,726	58.3	161,443	52.8	40,070	58.3	41,503	52.4
Depreciation and amortization	26,222	6.6	28,040	8.2	23,138	7.6	6,556	9.5	5,558	7.0
Taxation and surcharges	25,765	6.5	24,542	7.2	20,869	6.8	4,298	6.3	3,914	4.9
Share-based payment expenses	15,854	4.0	17,047	5.0	22,240	7.3	4,920	7.2	6,072	7.7
Service fees	21,721	5.5	18,010	5.3	17,918	5.9	1,737	2.5	2,504	3.2
Travel expenses	13,160	3.3	10,936	3.2	7,376	2.4	1,688	2.5	897	1.1
Office expenses	9,316	2.4	6,300	1.8	6,500	2.1	1,390	2.0	2,024	2.6
Utilities service expenses	3,925	1.0	3,856	1.1	3,605	1.2	691	1.0	783	1.0
Lease expenses	3,737	0.9	3,384	1.0	3,844	1.3	962	1.4	894	1.1
[REDACTED] expenses	—	0.0	—	0.0	8,357	2.7	—	—	8,661	10.9
Others[(1)]	38,387	9.7	29,888	8.9	30,445	9.9	6,386	9.3	6,359	8.1
Total	**396,220**	**100.0**	**340,729**	**100.0**	**305,735**	**100.0**	**68,698**	**100.0**	**79,169**	**100.0**

Note:

(1) Others primarily include disabled employment security fund and other miscellaneous expenses.

Research and Development Expenses

The following table sets forth a breakdown of our research and development expenses by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Employee salaries and benefits	318,669	75.4	273,800	73.4	304,450	72.4	70,646	77.9	82,488	79.2
Software design and development expenses	29,056	6.9	24,141	6.5	26,131	6.2	1,463	1.6	2,266	2.2
Depreciation and amortization	15,468	3.7	13,283	3.6	21,424	5.1	3,176	3.5	3,074	2.9
Travel and office expenses	15,259	3.6	13,509	3.6	16,607	4.0	5,078	5.6	5,667	5.4
Research and development materials expenses	6,292	1.5	9,708	2.6	11,941	2.8	1,545	1.7	1,991	1.9
Share-based payment expenses	6,983	1.7	7,966	2.1	9,190	2.2	2,058	2.3	2,597	2.5
Others[(1)]	30,671	7.2	30,784	8.2	30,774	7.3	6,673	7.4	6,132	5.9
Total	**422,398**	**100.0**	**373,191**	**100.0**	**420,517**	**100.0**	**90,639**	**100.0**	**104,215**	**100.0**

Note:

(1) Others primarily include prototype test expenses, certification expenses and patent application service expenses.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net, consisted of impairment losses on (i) trade and bills receivables, (ii) contract assets, (iii) financial assets included in prepayments, other receivables and other assets and (iv) lease receivables. In 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, our impairment losses on financial and contract assets, net was RMB4.7 million, RMB16.5 million, RMB35.9 million, RMB3.4 million and RMB2.2 million, respectively.

Other Expenses

The following table sets forth a breakdown of our other expenses by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Losses on disposal/write off of items of property, plant and equipment	6,298	41.9	3,916	46.5	3,516	18.0	763	48.4	231	4.8
Fair value losses on derivative instruments	4,176	27.8	—	—	—	—	—	—	402	8.3
Fair value losses on other liabilities	2,866	19.1	3,468	41.2	11,209	57.4	395	25.0	1,683	34.6
Foreign exchange losses, net	—	—	—	—	2,174	11.1	—	—	2,370	48.7
Others	1,696	11.2	1,029	12.3	2,644	13.5	420	26.6	177	3.6
Total	**15,036**	**100.0**	**8,413**	**100.0**	**19,543**	**100.0**	**1,578**	**100.0**	**4,863**	**100.0**

Finance Costs

The following table sets forth a breakdown of our finance costs by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Interest on lease liabilities	8,089	91.3	8,416	90.0	8,417	77.0	2,278	95.6	2,099	63.7
Interest on bank borrowings	767	8.7	933	10.0	1,271	11.6	106	4.4	358	10.9
Interest on other liabilities	—	—	—	—	1,244	11.4	—	—	837	25.4
Total	**8,856**	**100.0**	**9,349**	**100.0**	**10,932**	**100.0**	**2,384**	**100.0**	**3,294**	**100.0**

Share of Profits of Associates

Our share of profits of associates primarily represented share of profits from our investment in associates, which amounted to RMB27.5 million, RMB14.8 million, RMB14.1 million, RMB4.1 million and RMB5.7 million in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively.

Income Tax Expense

Our income tax expense mainly comprises current and deferred tax at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled. In 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, our income tax expense amounted to RMB18.9 million, RMB10.6 million, RMB29.7 million, RMB6.4 million and RMB6.3 million, respectively.

Pursuant to the PRC EIT Law and the relevant regulations, the subsidiaries which operate in Chinese Mainland are subject to an EIT rate of 25% on the taxable profits, except those subsidiaries which are subject to a tax concession of 15%. In addition, our certain subsidiaries operating in

Chinese Mainland were entitled to effective preferential tax rates of 5% because they were regarded as "small-scaled minimal profit enterprises" with taxable profits no more than RMB3.0 million. The subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as we had no assessable profits derived from, or earned in, Hong Kong during the Track Record Period. See Note 11 to the Accountants' Report in Appendix IA to this document for more information.

(Loss)/Profit for the Year/Period from a Discontinued Operation

Our (loss)/profit for the year/period from a discontinued operation represents the loss or profit generated by COSMO Moulds, a subsidiary that we disposed all equity interests in March 2025. We recorded a loss of RMB61.9 million and RMB9.6 million in 2023 and 2024, respectively, and we recorded a profit of RMB47.4 million in 2025.

PERIOD TO PERIOD AND YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Revenue

Our revenue increased by 17.7% from RMB1,252.6 million in the three months ended March 31, 2025 to RMB1,474.9 million in the three months ended March 31, 2026.

Revenue by Business Segment

Revenue from our IoT products increased by 11.2% from RMB979.4 million in the three months ended March 31, 2025 to RMB1,088.7 million in the three months ended March 31, 2026, primarily driven by an increase in revenue generated from our independent customers as we continued to expand our independent customer base and they increased the procurement volume of IoT products from us.

Revenue from our data intelligence solutions increased by 41.4% from RMB273.2 million in the three months ended March 31, 2025 to RMB386.2 million in the three months ended March 31, 2026, primarily due to an increase in revenue from our green manufacturing solutions, as we enhanced our capabilities to offer advanced heating and cooling solutions, as reflected by an increase in the number of contracts under the green manufacturing solutions from 11 in the three months ended March 31, 2025 to 30 in the three months ended March 31, 2026 and an increase in the average contract value from RMB2.4 million in the three months ended March 31, 2025 to RMB4.4 million in the three months ended March 31, 2026.

Revenue by Geographical Region

Revenue from Chinese Mainland increased by 21.2% from RMB1,075.8 million in the three months ended March 31, 2025 to RMB1,304.4 million in the three months ended March 31, 2026, primarily due to (i) an increase in revenue from our green manufacturing solutions, as we continued to expand our business and enhance our capabilities to offer more mature heating and cooling solutions; and (ii) an increase in sales volume of our IoT products sold to certain major customers in Chinese Mainland, as a result of our continued cooperation with such customers.

Revenue from overseas remained relatively stable at RMB176.8 million and RMB170.6 million in the three months ended March 31, 2025 and 2026, respectively.

Cost of Sales

Our cost of sales increased by 17.7% from RMB1,032.4 million in the three months ended March 31, 2025 to RMB1,215.5 million in the three months ended March 31, 2026, generally in line with our revenue growth, primarily due to (i) an increase in raw material costs associated with the

growth of our IoT products business; and (ii) an increase in hardware and software costs as we continued to expand our green manufacturing solutions business and deliver more advanced heating and cooling solutions.

Gross Profit and Gross Profit Margin

Our gross profit margin for our IoT products remained relatively stable at 12.6% and 12.1% in the three months ended March 31, 2025 and 2026, respectively.

Our gross profit margin for our data intelligence solutions decreased from 35.3% in the three months ended March 31, 2025 to 33.0% in the three months ended March 31, 2026, primarily due to the increased revenue contribution from green manufacturing solutions, which generally have lower gross profit margins, partially offset by the improved gross profit margin of our intelligent manufacturing solutions, as we enhanced delivery efficiency and reduced implementation costs through accumulated project experience and more standardized project delivery.

Other Income and Gains

Our other income and gains remained relatively stable at RMB29.6 million and RMB29.9 million in the three months ended March 31, 2025 and 2026, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 16.0% from RMB65.2 million in the three months ended March 31, 2025 to RMB75.6 million in the three months ended March 31, 2026, primarily due to (i) an increase in employee salaries and benefits in connection with the expansion of our sales and marketing team, particularly to support the expansion of our green manufacturing solutions and IoT products in overseas markets, including Asian markets and (ii) an increase in business development expenses in relation to our exhibitions and other promotional activities, in line with the expansion of our business.

Administrative Expenses

Our administrative expenses increased by 15.3% from RMB68.7 million in the three months ended March 31, 2025 to RMB79.2 million in the three months ended March 31, 2026, primarily due to the **[REDACTED]** expenses in relation to the **[REDACTED]**.

Research and Development Expenses

Our research and development expenses increased by 15.0% from RMB90.6 million in the three months ended March 31, 2025 to RMB104.2 million in the three months ended March 31, 2026, primarily due to an increase in employee salaries and benefits reflecting higher salaries of research and development personnel, in line with our continued investment in core areas such as industrial AI, intelligent software upgrades and applications.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net, decreased by 35.3% from RMB3.4 million in the three months ended March 31, 2025 to RMB2.2 million in the three months ended March 31, 2026, reflecting improved collection of trade receivables and contract assets during the period.

Other Expenses

Our other expenses increased from RMB1.6 million in the three months ended March 31, 2025 to RMB4.9 million in the three months ended March 31, 2026, primarily due to an increase in (i) foreign exchange losses, net , attributable to the fluctuations in foreign exchange rates; and (ii) an

increase in fair value losses on other liabilities, mainly representing put option liabilities relating to Hangzhou Chixiao. See Note 7 to the Accountants' Report in Appendix IA to this document for more information.

Finance Costs

Our finance costs increased by 37.5% from RMB2.4 million in the three months ended March 31, 2025 to RMB3.3 million in the three months ended March 31, 2026, primarily due to an increase in interest on put option liabilities relating to Shanghai Discovery.

Share of Profits of Associates

Our share of profits of associates increased by 39.0% from RMB4.1 million in the three months ended March 31, 2025 to RMB5.7 million in the three months ended March 31, 2026, primarily due to the increased profit contribution recognized under the equity method from our associates, following their improved profitability during the period.

Income Tax Expense

Our income tax expense remained relatively stable at RMB6.4 million and RMB6.3 million in the three months ended March 31, 2025 and 2026, respectively.

Profit for the Period from a Discontinued Operation

Our profit for the period from a discontinued operation decreased from RMB47.4 million in the three months ended March 31, 2025 to nil in the three months ended March 31, 2026, primarily because we completed the disposal of COSMO Moulds in March 2025.

Profit for the Period

Our profit for the period decreased by 69.3% from RMB63.1 million in the three months ended March 31, 2025 to RMB19.4 million in the three months ended March 31, 2026, primarily because we completed the disposal of COSMO Moulds in March 2025. Excluding this disposal gain, our profit for the period from continuing operations increased by 23.3% from RMB15.7 million in the three months ended March 31, 2025 to RMB19.4 million in the three months ended March 31, 2026.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 25.3% from RMB5,069.5 million in 2024 to RMB6,351.1 million in 2025.

Revenue by Business Segment

Revenue from our IoT products increased by 12.7% from RMB3,920.1 million in 2024 to RMB4,417.8 million in 2025, primarily driven by higher average selling prices and increased sales volume of variable-frequency controllers, as a result of a higher contribution from upgraded products with enhanced functionalities and continued procurement by key customers, as well as increased sales volume of system controllers due to rising demand from customers in the small home appliance sector. See "— Description of Major Components of Our Results of Operations — Revenue — Revenue by Business Segment" for detailed analysis of the sales volume and average selling price of our IoT products.

Revenue from our data intelligence solutions increased by 68.2% from RMB1,149.4 million in 2024 to RMB1,933.4 million in 2025, primarily due to (i) the ongoing development of our intelligent manufacturing solutions from highly customized projects to more standardized delivery, which enabled us to serve a wider customer base and acquire more projects, (ii) an increase in revenue from

provision of green manufacturing solutions due to the higher average contract value from RMB2.1 million in 2024 to RMB7.2 million in 2025 and number of contracts from 35 in 2024 to 98 in 2025 of our green manufacturing solutions in line with the continued development of our solutions.

Revenue by Geographical Region

Revenue from Chinese Mainland increased by 28.0% from RMB4,360.5 million in 2024 to RMB5,582.1 million in 2025, primarily because of (i) the ongoing development of our intelligent manufacturing solutions from highly customized projects to more standardized delivery, which enabled us to serve a wider customer base and acquire more projects, (ii) the acquisition of Shanghai Discovery in August 2025, which boosted domestic revenue contribution from green manufacturing solutions and (iii) significant growth in IoT products revenue from several key customers.

Revenue from overseas increased by 8.5% from RMB709.0 million in 2024 to RMB769.1 million in 2025, primarily due to an increase in revenue generated from the Asia and America, driven by the continued expansion of our business and customer base in these markets.

Cost of Sales

Our cost of sales increased by 25.9% from RMB4,150.3 million in 2024 to RMB5,223.2 million in 2025, primarily due to an increase in raw materials, hardware and software costs in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit margin for our IoT products decreased from 13.0% in 2024 to 12.3% in 2025, primarily due to the expansion of our overseas IoT business, during which newly acquired customers were still at an early stage of cooperation with relatively lower initial sales volume, higher upfront market development costs as well as comparatively lower pricing offered to facilitate market entry.

Our gross profit margin for our data intelligence solutions decreased from 35.5% in 2024 to 30.2% in 2025, primarily due to (i) an increase in revenue from green manufacturing solutions which have relatively lower gross profit margins; and (ii) a higher proportion of customized intelligence manufacturing projects as we deepened our industry presence, which typically require more implementation efforts, resulting in higher costs.

Other Income and Gains

Our other income and gains decreased by 10.7% from RMB184.5 million in 2024 to RMB164.8 million in 2025, primarily due to a decrease in bank interest income as a result of lower interest rates.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 9.3% from RMB285.0 million in 2024 to RMB311.5 million in 2025, primarily due to an increase in employee salaries and benefits and business development expenses, driven by the expansion of our business.

Administrative Expenses

Our administrative expenses decreased by 10.3% from RMB340.7 million in 2024 to RMB305.7 million in 2025, primarily due to a decrease in employee salaries and benefits as a result of our continued efforts to optimize personnel-related costs and improve operational efficiency.

Research and Development Expenses

Our research and development expenses increased by 12.7% from RMB373.2 million in 2024 to RMB420.5 million in 2025, primarily due to (i) an increase in employee salaries and benefits as a result of the expansion of our research and development team and (ii) an increase in depreciation and amortization, driven by the addition of research and development facilities.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net increased from RMB16.5 million in 2024 to RMB35.9 million in 2025, primarily due to an increase in trade receivables, in line with the expansion of our business.

Other Expenses

Our other expenses increased significantly from RMB8.4 million in 2024 to RMB19.5 million in 2025, primarily due to an increase in fair value losses of the put option liabilities relating to Hangzhou Chixiao. See Note 36 to the Accountants' Report in Appendix IA to this document for more information.

Finance Costs

Our finance costs increased by 16.9% from RMB9.3 million in 2024 to RMB10.9 million in 2025, primarily due to (i) an increase in interest on put option liabilities relating to Shanghai Discovery and (ii) an increase in the interest on bank borrowings for additional temporary funding for business operations.

Share of Profits of Associates

Our share of profits of associates decreased by 4.7% from RMB14.8 million in 2024 to RMB14.1 million in 2025, primarily due to a decrease in the attributable income of our invested companies to us.

Income Tax Expense

Our income tax expense increased from RMB10.6 million in 2024 to RMB29.7 million in 2025, in line with an increase in our profit before tax.

(Loss)/Profit for the Year from a Discontinued Operation

Our (loss)/profit for the year from a discontinued operation changed from a loss of RMB9.6 million in 2024 to a profit of RMB47.4 million in 2025, primarily due to the gain from our disposal of COSMO Moulds.

Profit for the Year

Our profit for the year increased from RMB65.1 million in 2024 to RMB220.5 million in 2025, primarily due to (i) an increase in gross profit in line with our business growth, (ii) our continuing efforts to improve operational efficiency and (iii) the gain from our disposal of COSMO Moulds.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue remained relatively stable at RMB4,993.5 million and RMB5,069.5 million in 2023 and 2024, respectively.

Revenue by Business Segment

Revenue from our IoT products remained relatively stable at RMB4,080.4 million and RMB3,920.1 million in 2023 and 2024, respectively. See "— Description of Major Components of Our Results of Operations — Revenue — Revenue by Business Segment" for detailed analysis of the sales volume and average selling price of our IoT products.

Revenue from our data intelligence solutions increased by 25.9% from RMB913.2 million in 2023 to RMB1,149.4 million in 2024, primarily due to (i) an increase in the number of contracts of our intelligent manufacturing solutions from 443 in 2023 to 496 in 2024, as a result of more standardized delivery, enabling us to serve a wider customer base across various industries and (ii)

the continued expansion of the scale of our green manufacturing solutions with the number of contracts increasing from 15 in 2023 to 35 in 2024 and the average contract value increasing from RMB1.1 million in 2023 to RMB2.1 million in 2024.

Revenue by Geographical Region

Revenue from Chinese Mainland remained relatively stable at RMB4,369.2 million and RMB4,360.5 million in 2023 and 2024, respectively.

Revenue from overseas increased by 13.5% from RMB624.4 million in 2023 to RMB709.0 million in 2024, primarily because our customers expanded their overseas operations in Vietnam and India in 2024, which increased their demand for our products and solutions and, in turn, contributed to the growth of our overseas revenue.

Cost of Sales

Our cost of sales remained relatively stable at RMB4,103.1 million and RMB4,150.3 million in 2023 and 2024, respectively.

Gross Profit and Gross Profit Margin

The gross profit margin of our IoT products decreased from 13.6% in 2023 to 13.0% in 2024, primarily due to strategic pricing initiatives implemented in 2024, under which relatively lower pricing was offered to strengthen relationships with key customers and drive sales volume growth, thereby resulting in a lower overall gross profit margin.

Our gross profit margin for our data intelligence solutions decreased from 36.6% in 2023 to 35.5% in 2024, primarily because we expanded our intelligent manufacturing solutions business during the year with number of contract increasing from 443 in 2023 to 496 in 2024, requiring us to acquire industry know-how, and develop and produce customized components for new customers as we deepened our industry presence, leading to higher costs in 2024 while our average contract value remained relatively stable at RMB1.3 million and RMB1.4 million in 2023 and 2024, respectively.

Other Income and Gains

Our other income and gains decreased by 24.0% from RMB242.7 million in 2023 to RMB184.5 million in 2024, primarily due to a decrease in bank interest income, driven by lower bank deposit balances and bank interest. In addition, our government grants decreased from RMB97.6 million in 2023 to RMB79.7 million in 2024, reflecting the completion of the relevant projects that local government granted subsidies in 2024.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 9.6% from RMB315.4 million in 2023 to RMB285.0 million in 2024, primarily due to a decrease in employee salaries and benefits and business development expenses as a result of our continued efforts to optimize personnel-related costs and improve operational efficiency.

Administrative Expenses

Our administrative expenses decreased by 14.0% from RMB396.2 million in 2023 to RMB340.7 million in 2024, primarily due to the implementation of cost-reduction and efficiency strategies, which included optimizing personnel-related costs and improving operational efficiency.

Research and Development Expenses

Our research and development expenses decreased by 11.6% from RMB422.4 million in 2023 to RMB373.2 million in 2024, primarily due to a decrease in employee salaries and benefits as a result of the refinement of our research and development strategies, under which we focused on strengthening core research and development capabilities and optimizing our research and development team structure to improve overall efficiency.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net, increased significantly from RMB4.7 million in 2023 to RMB16.5 million in 2024, primarily due to an increase in trade receivables, which is in line with the expansion of our business.

Other Expenses

Our other expenses decreased by 44.0% from RMB15.0 million in 2023 to RMB8.4 million in 2024, primarily due to one-off losses incurred from forward foreign exchange contracts in 2023 as a result of the changes of foreign exchange rates between Renminbi and U.S. dollar. During the same period, we recorded foreign exchange gains, net of RMB6.7 million in 2023, mainly attributable to the changes of foreign exchange rates as well.

Finance Costs

Our finance costs remained relatively stable at RMB8.9 million and RMB9.3 million in 2023 and 2024, respectively.

Share of Profits of Associates

Our share of profits of associates decreased by 46.2% from RMB27.5 million in 2023 to RMB14.8 million in 2024, primarily due to a decrease in the attributable income of our invested companies to us.

Income Tax Expense

Our income tax expense decreased by 43.9% from RMB18.9 million in 2023 to RMB10.6 million in 2024, primarily due to (i) an increase in research and development expenses by some of our subsidiaries, which are qualified for additional tax deductions and (ii) the carried losses from previous years.

Loss for the Year from a Discontinued Operation

Our loss for the year from a discontinued operation decreased from RMB61.9 million to RMB9.6 million, primarily due to the implementation of cost-effective measures of COSMO Moulds, resulting in a substantial reduction in selling and distribution expenses, administrative expenses and research and development expenses.

(Loss)/Profit for the Year

We recorded a loss of RMB82.7 million in 2023 and a profit of RMB65.1 million in 2024, primarily due to (i) an increase in our gross profit in line with the growth of our business, (ii) our continuing efforts to improve operational efficiency and (iii) a decrease in our loss from COSMO Moulds, driven by the implementation of our cost-effective measures.

FINANCIAL INFORMATION

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets/(Liabilities)

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Non-current Assets				
Property, plant and equipment	1,025,375	933,578	1,068,956	1,045,952
Right-of-use assets	182,831	158,953	190,802	192,399
Goodwill	107,092	107,092	517,867	517,867
Other intangible assets	52,358	56,850	50,659	50,231
Investments in associates	123,871	136,047	150,203	158,143
Financial assets at fair value through profit or loss	25,000	—	—	—
Equity investments designated at fair value through other comprehensive income	94,416	118,544	136,744	157,660
Contract assets	12,849	19,071	64,688	59,968
Lease receivables	168,568	139,985	173,860	167,614
Prepayments, other receivables and other assets	51,291	39,068	30,638	37,794
Deferred tax assets	16,442	21,792	42,645	41,676
Pledged deposits	239	239	3,967	3,967
Time deposits	—	506,838	1,208,140	1,213,801
Total Non-current Assets	**1,860,332**	**2,238,057**	**3,639,169**	**3,647,072**
Non-current Liabilities				
Lease liabilities	157,419	152,401	177,207	177,098
Deferred income	117,233	104,915	81,366	80,729
Deferred tax liabilities	22,402	9,463	12,376	15,646
Other liabilities	81,081	47,729	101,424	102,261
Provision	13,276	12,555	20,451	19,120
Total Non-current Liabilities	**391,411**	**327,063**	**392,824**	**394,854**

Property, Plant and Equipment

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Plant and machinery	650,833	576,936	712,640	712,950
Buildings	172,095	168,493	163,169	159,777
Construction in progress	116,034	121,335	118,556	102,492
Leasehold improvements	55,590	43,171	47,182	46,308
Tools, furniture and fixtures	28,323	22,752	25,767	22,921
Motor vehicles	2,500	891	1,642	1,504
Total	**1,025,375**	**933,578**	**1,068,956**	**1,045,952**

Our property, plant and equipment decreased by 9.0% from RMB1,025.4 million as of December 31, 2023 to RMB933.6 million as of December 31, 2024, mainly because (i) we disposed of certain plant and machinery upon the end of their useful lives as part of our normal operations; and (ii) we entered into preliminary disposal agreement of COSMO Moulds, and therefore its property, plant and equipment were reclassified as held for sale by the end of 2024. Our property, plant and equipment increased by 14.5% from RMB933.6 million as of December 31, 2024 to RMB1,069.0 million as of December 31, 2025, primarily due to routine purchases of production equipment to support the expansion of our business. Our property, plant and equipment remained relatively stable at RMB1,069.0 million and RMB1,046.0 million as of December 31, 2025 and March 31, 2026, respectively.

Right-of-use Assets

Our right-of-use assets consisted of buildings, leasehold land, vehicles and plant and machinery. Our right-of-use assets decreased by 13.0% from RMB182.8 million as of December 31, 2023 to RMB159.0 million as of December 31, 2024, primarily due to normal depreciation recognized over the lease term. Our right-of-use assets increased by 20.0% from RMB159.0 million as of December 31, 2024 to RMB190.8 million as of December 31, 2025, primarily due to the additions of leased factory premises as a result of our production expansion. Our right-of-use assets remained relatively stable at RMB190.8 million and RMB192.4 million as of December 31, 2025 and March 31, 2026, respectively.

Goodwill

Our acquired goodwill arose from our acquisition of Shanghai Discovery and Hangzhou Chixiao. Our goodwill remained stable at RMB107.1 million as of December 31, 2023 and 2024. Our goodwill increased from RMB107.1 million as of December 31, 2024 to RMB517.9 million as of December 31, 2025, primarily due to the acquisition of Shanghai Discovery in August 2025. Our goodwill remained stable at RMB517.9 million as of December 31, 2025 and March 31, 2026. See Note 17 to the Accountants' Report in Appendix IA to this document for more information.

Other Intangible Assets

Our other intangible assets primarily include patents and trademark and software. Our other intangible assets increased by 8.6% from RMB52.4 million as of December 31, 2023 to RMB56.9 million as of December 31, 2024, primarily due to purchases of new software in 2024 to support the expansion of our business. Our other intangible assets decreased by 10.9% from RMB56.9 million as of December 31, 2024 to RMB50.7 million as of December 31, 2025, primarily due to amortization of the software recognized during the year. Our other intangible assets remained relatively stable at RMB50.7 million and RMB50.2 million as of December 31, 2025 and March 31, 2026, respectively.

Investments in Associates

Our investments in associates primarily include share of net assets and goodwill on acquisition. The following table sets forth a breakdown of our investments in associates as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Share of net assets	121,238	133,414	147,570	155,510
Goodwill on acquisition	2,633	2,633	2,633	2,633
Total	**123,871**	**136,047**	**150,203**	**158,143**

Our investments in associates increased by 9.8% from RMB123.9 million as of December 31, 2023 to RMB136.0 million as of December 31, 2024, further increased by 10.4% to RMB150.2 million as of December 31, 2025, and further increased by 5.3% to RMB158.1 million as of March 31, 2026, primarily due to sustained profitability of the invested associates.

Financial Assets at Fair Value through Profit or Loss

Our non-current portion of financial assets at fair value through profit or loss mainly includes investment in unlisted equity measured at FVTPL. Our non-current portion of financial assets at fair value through profit or loss decreased from RMB25.0 million as of December 31, 2023 to nil as of December 31, 2024, primarily due to our investment in unlisted equity which was reclassified as current, as it became expected to be recovered over one year in 2024. Our non-current portion of financial assets at fair value through profit or loss remained stable at nil as of December 31, 2024, 2025 and March 31, 2026.

Our current portion of financial assets at fair value through profit or loss represents (i) structured deposits with low risks and (ii) investment in unlisted equity expected to be recovered within one year, primarily to generate additional returns on cash reserves, while ensuring liquidity and capital preservation. The returns of our structured deposits are tied to the performance of certain financial assets portfolios.

Our current portion of financial assets at fair value through profit or loss increased by 6.2% from RMB118.7 million as of December 31, 2023 to RMB126.1 million as of December 31, 2024, primarily because our investment in unlisted equity was reclassified as current as it became expected to be recovered within one year. Our current portion of financial assets at fair value through profit or loss increased significantly from RMB126.1 million as of December 31, 2024 to RMB370.6 million as of December 31, 2025, primarily due to an increase in our investments in short-term structured deposits. Our current portion of financial assets at fair value through profit or loss decreased by 21.9% from RMB370.6 million as of December 31, 2025 to RMB289.5 million as of March 31, 2026, primarily because we reallocated funds from certain structured deposits to short-term time deposits based on our treasury allocation and liquidity management needs under our overall cash management strategy. See "— Current Assets/(Liabilities) — Time Deposits."

Our investment strategies with respect to financial products mainly include the following: (i) we minimize financial risks by matching the maturities of the portfolio with anticipated operating cash needs, while aiming to generate reasonable investment returns for the benefit of our shareholders; (ii) investment in high-risk products is not allowed; (iii) the proposed investment must not interfere with our business operations or capital expenditures; and (iv) the financial products we invest in should be issued by a reputable bank. We primarily invest in financial products issued by major commercial banks in Chinese Mainland with low risks and a short-to-mid-term. We make investment decisions related to financial products on a case-by-case basis after thoroughly considering a number of factors, including, but not limited to, the macro-economic environment, general market conditions, the risk control and credit levels of the issuing banks, our working capital needs and the expected profit or potential loss of the investment. With the authorization of the Board and supervision by our chief financing officer, our finance department is responsible for analyzing, evaluating and determining the investment plans with respect to financial products in accordance with our internal approval process. Prior to modifying our existing investment portfolio, the proposal must be approved by our chairman of the Board. After **[REDACTED]**, our investments in financial products will be subject to compliance with Chapter 14 of the Listing Rules.

Equity Investments Designated at Fair Value through Other Comprehensive Income

Our equity investments designated at fair value through other comprehensive income consisted of (i) our listed equity investments at fair value and (ii) unlisted equity investments at fair value, which was categorized within Level 3 fair value measurement.

Our equity investments designated at fair value through other comprehensive income increased by 25.5% from RMB94.4 million as of December 31, 2023 to RMB118.5 million as of December 31, 2024, further increased by 15.4% to RMB136.7 million as of December 31, 2025, and further increased by 15.3% to RMB157.7 million as of March 31, 2026, primarily due to the fluctuations in the market price or fair value of the equity we held.

We perform the valuation of level 3 financial instruments for financial reporting purposes, taking into account significant unobservable inputs and applicable valuation technique, and manage the valuation exercise of the investments on a case-by-case basis. We conduct assessments on our unlisted equity investments, including taking reasonable steps to verify the accuracy and reasonableness of material company information that is likely to affect the valuation of the assets, such as comparable companies and discount for lack of marketability.

Lease Receivables

During the Track Record Period, our lease receivables primarily arose from certain equipment that we leased to two related-parties within the Haier Group. The equipment was deployed at their plants and operated solely by them. As the lessees obtained substantially all of the economic benefits from use of the equipment over its economic life, the arrangement was classified as a finance lease in accordance with IFRS16, and we recognized a corresponding net investment in the lease. In August 2025, we acquired Shanghai Discovery to further expand our offering portfolios in green manufacturing solutions. Its lease receivables arose from energy-saving equipment owned by Shanghai Discovery and deployed at customers' sites, because the relevant solution offerings were structured as long-term energy-efficiency services. See "Business — Our Products and Solutions — Data Intelligence Solutions — Green Manufacturing Solutions."

Under the lease arrangement, legal title to the equipment remains with us throughout the lease term, and the lessee is granted a right-of-use without any bargain purchase option. We measure impairment of lease receivables in accordance with IFRS9. We apply the simplified approach and recognize loss allowances based on lifetime expected credit losses at each reporting date. Our ECL assessment is performed using a provision matrix that reflects our historical credit loss experience, adjusted for forward-looking information relevant to the counterparty and to prevailing economic conditions. Our Directors are of the view our lease arrangements with our related-party customer are based on normal commercial terms and are conducted at arm's lengths transactions.

Our lease receivables decreased by 13.1% from RMB194.3 million as of December 31, 2023 to RMB168.8 million as of December 31, 2024, primarily because we received the rent payment from our lessees. Our lease receivables increased by 30.5% from RMB168.8 million as of December 31, 2024 to RMB220.4 million as of December 31, 2025, primarily because we consolidated the lease receivables held by Shanghai Discovery into our Group following its acquisition in August 2025. Our lease receivables remained relatively stable at RMB220.4 million and RMB210.5 million as of December 31, 2025 and March 31, 2026, respectively.

Other Liabilities

Our other liabilities consisted of contingent consideration and put option liability.

Our other non-current liabilities decreased by 41.2% from RMB81.1 million as of December 31, 2023 to RMB47.7 million as of December 31, 2024, primarily due to our put option liabilities relating to Hangzhou Chixiao becoming payable within one year by the end of 2024. Our non-current other liabilities increased from RMB47.7 million as of December 31, 2024 to RMB101.4 million as of December 31, 2025, primarily due to our acquisition of Shanghai Discovery in August 2025, which resulted in the recognition of a put option liability related to this acquisition. Our non-current other liabilities remained relatively stable at RMB101.4 million and RMB102.3 million as of December 31, 2025 and March 31, 2026, respectively.

Our current other liabilities increased by 84.1% from RMB20.0 million as of December 31, 2023 to RMB36.8 million as of December 31, 2024, and further increased by 60.1% from RMB36.8 million as of December 31, 2024 to RMB58.9 million as of December 31, 2025, primarily due to the reclassification of certain put option liabilities relating to Hangzhou Chixiao from non-current to current liabilities, as they became payable within one year by the end of 2024. Our current other liabilities remained relatively stable at RMB58.9 million and RMB60.6 million as of December 31, 2025 and March 31, 2026, respectively.

Pledged Deposits

Our pledged deposits primarily represented margin deposits for bank acceptance bills, which fluctuate based on business needs.

Our non-current pledged deposits remained stable at RMB0.2 million as of December 31, 2023 and 2024, and increased to RMB4.0 million as of December 31, 2025, primarily due to an increase in the pledged deposits required by the banks issuing the guarantee letters that we provide to customers for delivery guarantees. Our non-current pledged deposits remained stable at RMB4.0 million as of December 31, 2025 and March 31, 2026.

Our current pledged deposits decreased by 37.4% from RMB275.0 million as of December 31, 2023 to RMB172.1 million as of December 31, 2024. Our current portion of pledged deposits increased by 68.5% from RMB172.1 million as of December 31, 2024 to RMB289.9 million as of December 31, 2025, primarily due to the fluctuations in our pledged bills receivables and in our bills payable. Our current pledged deposits remained relatively stable at RMB289.9 million and RMB292.9 million as of December 31, 2025 and March 31, 2026, respectively.

Time Deposits

Our non-current time deposits increased significantly from nil as of December 31, 2023 to RMB506.8 million as of December 31, 2024 and further increased to RMB1,208.1 million as of December 31, 2025, primarily due to our allocation of idle funds into long-term negotiable certificate of deposits to enhance returns. Our non-current time deposits remained relatively stable at RMB1,208.1 million and RMB1,213.8 million as of December 31, 2025 and March 31, 2026, respectively.

Our current time deposits increased significantly from RMB5.1 million as of December 31, 2023 to RMB1,553.8 million as of December 31, 2024, primarily due to our purchase of short-term time deposits to optimize our liquidity. Our current time deposits further decreased by 47.6% from RMB1,553.8 million as of December 31, 2024 to RMB814.8 million as of December 31, 2025, primarily due to our purchase of longer-term time deposits with original maturities over one year to enhance expected return. Our current time deposits increased by 21.0% from RMB814.8 million as of December 31, 2025 to RMB986.3 million as of March 31, 2026, primarily due to (i) our additional purchase of current time deposits; and (ii) the reallocation of funds from certain structured deposits and cash and cash equivalents to current time deposits to enhance expected return under our overall cash management strategy. See "— Financial Assets at Fair Value through Profit or Loss."

Current Assets/(Liabilities)

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000) (Unaudited)*
Current Assets					
Inventories	943,786	916,827	1,251,311	1,296,533	1,284,837
Trade and bills receivables	1,698,055	1,649,221	2,217,173	2,140,503	2,115,535
Contract assets	39,691	29,009	88,122	93,767	101,757
Lease receivables	25,749	28,841	46,499	42,884	44,199
Prepayments, other receivables and other assets	410,385	395,401	413,655	417,161	406,072
Financial assets at fair value through profit or loss	118,659	126,096	370,563	289,455	111,464
Receivables at fair value through other comprehensive income	688,237	873,440	801,560	822,308	1,009,245
Pledged deposits	274,951	172,072	289,924	292,925	353,410
Time deposits	5,086	1,553,792	814,829	986,285	576,385
Cash and cash equivalents	3,958,997	1,796,432	1,366,130	1,249,190	1,807,654
	8,163,596	7,541,131	7,659,766	7,631,011	7,810,558
Assets of a disposal group classified as held for sale	—	477,693	—	—	—
Total Current Assets	**8,163,596**	**8,018,824**	**7,659,766**	**7,631,011**	**7,810,558**

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000) (Unaudited)*
Current Liabilities					
Trade and bills payables	2,919,222	2,885,693	3,454,150	3,420,818	3,593,225
Other payables and accruals	705,089	685,521	816,724	752,075	789,184
Contract liabilities	610,430	606,734	756,610	814,267	836,810
Interest-bearing bank borrowings	11,407	11,443	72,886	45,000	25,051
Lease liabilities	42,800	40,660	31,460	38,575	37,716
Financial liabilities at fair value through profit or loss	—	—	—	819	—
Deferred income	22,426	22,490	22,951	19,603	20,917
Tax payable	11,641	24,558	13,768	11,726	14,282
Provision	30,226	30,163	48,852	48,171	47,051
Other liabilities	20,000	36,820	58,935	60,618	60,917
	4,373,241	4,344,082	5,276,336	5,211,672	5,425,153
Liabilities directly associated with the assets classified as held for sale	—	212,675	—	—	—
Total Current Liabilities	**4,373,241**	**4,556,757**	**5,276,336**	**5,211,672**	**5,425,153**
Net Current Assets	**3,790,355**	**3,462,067**	**2,383,430**	**2,419,339**	**2,385,405**

Our net current assets decreased from RMB3,790.4 million as of December 31, 2023 to RMB3,462.1 million as of December 31, 2024, primarily due to a decrease in cash and cash equivalents, driven by our purchase of time deposits with original maturities over one year in 2024.

Our net current assets decreased from RMB3,462.1 million as of December 31, 2024 to RMB2,383.4 million as of December 31, 2025, primarily due to a decrease in short-term time deposits, as certain matured time deposits were reallocated to long-term deposits to enhance returns. Our net current assets remained relatively stable at RMB2,383.4 million and RMB2,419.3 million as of December 31, 2025 and March 31, 2026, respectively. Our net current assets remained relatively stable at RMB2,419.3 million and RMB2,385.4 million as of March 31, 2026 and May 31, 2026, respectively.

Inventories

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Contract fulfillment costs	511,553	567,631	766,669	824,180
Finished goods	234,305	248,338	308,528	267,935
Raw materials	119,012	100,593	175,869	204,184
Work in progress	78,916	265	245	234
Total	**943,786**	**916,827**	**1,251,311**	**1,296,533**

Our inventories remained relatively stable at RMB943.8 million and RMB916.8 million as of December 31, 2023 and 2024, respectively. Our inventories increased by 36.5% from RMB916.8 million as of December 31, 2024 to RMB1,251.3 million as of December 31, 2025, primarily due to (i) an increase in contract fulfillment costs, arising from higher number of outstanding contracts, in line with the expansion of our business and (ii) an increase in raw materials, as a result of our production expansion to meet growing customer demand. Our inventories remained relatively stable at RMB1,251.3 million and RMB1,296.5 million as of December 31, 2025 and March 31, 2026, respectively.

The following table sets forth an aging analysis of our inventories, excluding contract fulfillment costs as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 12 months	430,163	347,900	482,758	471,270
Over 12 months	2,070	1,296	1,884	1,083
Total	**432,233**	**349,196**	**484,642**	**472,353**

Our inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year/period divided by cost of sales for the relevant year/period and multiplied by 360/90 days. Our inventory turnover days decreased from 90 days in 2023 to 81 days in 2024, and further decreased to 75 days in 2025, primarily because (i) several data intelligence solution projects were finally accepted in 2024 and 2025 and (ii) we continued to improve our inventory management, resulting in higher inventory turnover efficiency. Our inventory turnover days increased from 75 days in 2025 to 94 days in the three months ended March 31, 2026, primarily due to (i) an increase in contract fulfillment costs resulting from higher project costs for data intelligence solutions that had not yet been delivered, in line with the expansion of our business; and (ii) the relatively low cost of sales during the first three months of the year, as certain customers tend to conduct final acceptance of projects in the second half of the year, thereby increasing the calculated inventory turnover days.

As of May 31, 2026, RMB564.5 million, or 43.5% of inventories as of March 31, 2026, had been used, consumed or sold subsequent to March 31, 2026.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Trade receivables	957,941	1,149,842	1,577,851	1,699,062
Impairment	(19,384)	(34,026)	(89,513)	(93,269)
Trade receivables, net	938,557	1,115,816	1,488,338	1,605,793
Bills receivable	761,783	535,645	731,331	536,319
Impairment	(2,285)	(2,240)	(2,496)	(1,609)
Bills receivable, net	759,498	533,405	728,835	534,710
Total	**1,698,055**	**1,649,221**	**2,217,173**	**2,140,503**

Our trade and bills receivables remained relatively stable at RMB1,698.1 million as of December 31, 2023 and RMB1,649.2 million as of December 31, 2024. Our trade and bills receivables increased by 34.4% from RMB1,649.2 million as of December 31, 2024 to RMB2,217.2 million as of December 31, 2025, mainly due to (i) the consolidation of trade and bills receivables held by Shanghai Discovery following its acquisition into our Group in August 2025 and (ii) an increase in sales. Our trade and bills receivables remained relatively stable at RMB2,217.2 million and RMB2,140.5 million as of December 31, 2025 and March 31, 2026, respectively.

The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 12 months	914,692	1,091,001	1,403,436	1,537,917
13 to 24 months	23,455	22,692	82,223	66,457
25 to 36 months	410	2,123	2,679	1,419
Total	**938,557**	**1,115,816**	**1,488,338**	**1,605,793**

We generally grant our customers a credit term of one to nine months. Our accounts receivable management policy focuses on strengthening collection efforts through a dedicated clearing team and implementing a daily monitoring system. During the clearing process, we continuously improve our operational framework by assigning responsibilities to specific customers, projects, milestones and personnel, while upgrading our business model to enhance overall operating quality. The increase in the long-aged receivables in 2025 was primarily due to the consolidation of trade and bills receivables following our acquisition of Shanghai Discovery in August 2025. Prior to our acquisition of Shanghai Discovery, Shanghai Discovery maintained its own credit policy, under which credit terms were generally granted in accordance with its then business practices and project arrangements. Before the acquisition, a few customers of Shanghai Discovery experienced payment delays due to longer settlement cycles of certain projects and temporary liquidity constraints of certain of its customers which resulted in occasional delays in settlement to Shanghai Discovery. Excluding the long-aged receivables attributable to Shanghai Discovery, the remaining long-aged receivables mainly related to certain customers of our intelligent manufacturing solutions business, including customers in the home appliances and machinery equipment sectors. These customers were primarily affected by extended internal financial management and payment approval processes, and therefore resulted in delayed payment processing and longer settlement timelines beyond the agreed credit terms. We consider that such delays were specific to the relevant customers and their particular circumstances and do not give rise to material concerns as to the recoverability of the relevant receivables. We had also made adequate provisions for expected credit losses in respect of such receivables in accordance with applicable accounting policies.

In respect of customers with long-aged trade and bills receivables, we have implemented targeted collection measures, including customer-specific follow-ups by designated personnel, discussions with the relevant customers on shortened credit terms or adjusted repayment schedules where appropriate, escalation of material overdue balances for management review and action, linkage of collection performance with the performance assessment of relevant business personnel, and, where necessary, taking further collection actions to accelerate settlement. Following the acquisition, Shanghai Discovery has been fully integrated into our unified credit management and internal control framework. We have applied the same targeted collection measures to its long-aged receivables while strengthening its receivables management through enhanced approval procedures, closer project-level monitoring and more proactive collection measures, and have implemented targeted rectifications to further mitigate credit risk.

As of the Latest Practicable Date, RMB24.0 million, or 35.3% of our trade receivables aged over one year as of March 31, 2026 had been settled subsequent to March 31, 2026.

Our trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables for a year/period divided by revenue for the relevant year/period and multiplied by 360/90 days. Our trade and bills receivables turnover days decreased from 122 days in 2023 to 119 days in 2024, and further decreased to 110 days in 2025, primarily due to our enhancement of the credit review standards and our establishment of a more effective collection mechanism, which contributed to a gradual improvement in turnover efficiency. Our trade and bills receivables turnover days increased from 110 days in 2025 to 133 days in the three months ended March 31, 2026, primarily due to the relatively low revenue recorded during the first three months of the year, as certain customers tend to conduct final acceptance of projects in the second half of the year, thereby increasing the calculated turnover days.

As of May 31, 2026, RMB1,018.0 million, or 47.6% of our trade and bills receivables as of March 31, 2026 had been settled subsequent to March 31, 2026.

Our Directors are of the view that there are no material recoverability issues with these trade receivables as of the Latest Practicable Date for the following reasons: (i) we have implemented stringent credit risk management measures throughout the entire receivables management process, including conducting comprehensive customer credit assessment and grading at the customer onboarding stage, strengthening collection management during the transaction process through risk

monitoring and early-warning mechanisms, and establishing post-transaction receivables management and bad debt recognition mechanisms, so as to mitigate potential bad debt risks; and (ii) we regularly assess the recoverability of trade receivables, taking into account factors such as customers' credit profiles, historical repayment records, aging analysis and subsequent settlement status, in order to ensure that the impairment provisions recorded are sufficient.

Contract Assets

Our contract assets primarily consisted of warranty retention amounts related to projects that have passed final acceptance and remain within the warranty period. When a project meets the final acceptance criteria, we recognize the warranty retention concurrently with the associated revenue and cost.

Our current contract assets decreased by 27.0% from RMB39.7 million as of December 31, 2023 to RMB29.0 million as of December 31, 2024, mainly because we entered into preliminary disposal agreement of COSMO Moulds, therefore, its assets were reclassified as assets held for sale by the end of 2024. Our current contract assets increased from RMB29.0 million as of December 31, 2024 to RMB88.1 million as of December 31, 2025, mainly attributed to the expansion of the business scale of data intelligence solutions. Our current contract assets remained relatively stable at RMB88.1 million and RMB93.8 million as of December 31, 2025 and March 31, 2026, respectively.

Our non-current contract assets increased by 49.2% from RMB12.8 million as of December 31, 2023 to RMB19.1 million as of December 31, 2024, mainly attributed to the expansion of the business scale of data intelligence solutions. Our non-current contract assets increased significantly from RMB19.1 million as of December 31, 2024 to RMB64.7 million as of December 31, 2025, mainly attributed to (i) the expansion of the business scale of data intelligence solutions, and (ii) the consolidation of contract assets held by Shanghai Discovery following its acquisition into our Group in August 2025. Our non-current contract assets remained relatively stable at RMB64.7 million and RMB60.0 million as of December 31, 2025 and March 31, 2026, respectively.

As of May 31, 2026, RMB18.7 million, or 12.2% of our contract assets as of March 31, 2026, were subsequently settled.

Prepayments, Other Receivables and Other Assets

The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current:				
Prepayments	60,454	49,164	85,200	74,944
Value-added tax recoverable and prepaid tax	80,737	72,931	86,195	92,195
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	7,040	11,418	9,127	12,470
Dividends receivable	2,728	4,671	7,760	7,673
Land resumption compensation	75,427	55,427	—	—
Disbursements of utility payments on behalf of customers	165,484	185,164	187,451	185,595
Other receivables	25,996	24,517	39,502	41,631
Impairment allowance	(7,481)	(7,891)	(7,212)	(8,033)
Subtotal	**410,385**	**395,401**	**413,655**	**417,161**
Non-current:				
Long-term prepayments	27,013	21,297	8,994	15,345
Long-term deposits	24,523	17,950	20,080	20,893
Other assets	—	—	1,765	1,765
Impairment allowance	(245)	(179)	(201)	(209)
Subtotal	**51,291**	**39,068**	**30,638**	**37,794**
Total	**461,676**	**434,469**	**444,293**	**454,955**

Our current portion of prepayments, other receivables and other assets remained relatively stable at RMB410.4 million, RMB395.4 million, RMB413.7 million and RMB417.2 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively.

Our non-current portion of prepayments, other receivables and other assets decreased by 23.8% from RMB51.3 million as of December 31, 2023 to RMB39.1 million as of December 31, 2024, primarily due to an increase in payments for asset purchases related to our new plants which were under construction in 2023. Our non-current portion of prepayments, other receivables and other assets decreased by 21.6% from RMB39.1 million as of December 31, 2024 to RMB30.6 million as of December 31, 2025, primarily due to the reclassification of prepayments for equipment made in 2024 to property, plants and equipment upon the delivery and acceptance of equipment in 2025. Our non-current portion of prepayments, other receivables and other assets further increased by 23.4% from RMB30.6 million as of December 31, 2025 to RMB37.8 million as of March 31, 2026, primarily due to an increase in long-term prepayments for purchases of property, plant and equipment in connection with our new plant construction.

As of May 31, 2026, RMB196.1 million, or 43.1% of our prepayments, other receivables and other assets as of March 31, 2026, were subsequently settled.

Receivables at Fair Value through Other Comprehensive Income

Our receivables at fair value through other comprehensive income primarily consisted of acceptance bills issued by banks rated in the top investment-grade categories by credit rating agencies. These instruments are commonly used by customers as a settlement method in lieu of cash payments. We manage these assets under a business model that combines collecting contractual cash flows and selling, as they are typically endorsed or discounted and derecognized upon transfer.

Our receivables at fair value through other comprehensive income increased by 26.9% from RMB688.2 million as of December 31, 2023 to RMB873.4 million as of December 31, 2024, primarily because more customers settled payments through bank acceptance bills issued by banks rated in the top investment-grade categories in 2024. Our receivables at fair value through other comprehensive income decreased by 8.2% from RMB873.4 million as of December 31, 2024 to RMB801.6 million as of December 31, 2025, primarily due to the maturity of the acceptance bills during this period. Our receivables at fair value through other comprehensive income remained relatively stable at RMB801.6 million and RMB822.3 million as of December 31, 2025 and March 31, 2026, respectively.

Trade and Bills Payables

The following table sets forth a breakdown of our trade and bills payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Trade payables	1,614,926	1,701,597	2,231,494	2,044,377
Bills payable	1,304,296	1,184,096	1,222,656	1,376,441
Total	**2,919,222**	**2,885,693**	**3,454,150**	**3,420,818**

Our trade and bills payables remained relatively stable at RMB2,919.2 million and RMB2,885.7 million as of December 31, 2023 and 2024, respectively. Our trade and bills payables increased by 19.7% from RMB2,885.7 million as of December 31, 2024 to RMB3,454.2 million as of December 31, 2025, mainly attributed to an increase in payables to suppliers in line with the expansion of our business. Our trade and bills payables remained relatively stable at RMB3,454.2 million and RMB3,420.8 million as of December 31, 2025 and March 31, 2026, respectively.

The following table sets forth an aging analysis of our trade and bills payables as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 12 months	2,863,274	2,818,818	3,331,113	3,311,247
13 to 24 months	41,327	46,715	56,424	45,967
25 to 36 months	11,136	10,616	37,959	33,958
Over 36 months	3,485	9,544	28,654	29,646
Total	**2,919,222**	**2,885,693**	**3,454,150**	**3,420,818**

Our trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade and bills payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 360/90 days. Our trade and bills payables turnover days decreased from 283 days in 2023 to 252 days in 2024, and further decreased from 252 days in 2024 to 218 days in 2025, primarily because we pay our suppliers faster to strengthen our relationships with them and to secure supplies with high quality, thereby enabling our data intelligence solutions to operate with a faster service cycle. Our trade and bills payables turnover days increased from 218 days in 2025 to 255 days in the three months ended March 31, 2026, primarily due to the relatively low cost of sales recorded during the first three months of the year, as certain customers tend to conduct final acceptance of projects in the second half of the year, thereby increasing the calculated turnover days.

As of May 31, 2026, RMB1,152.5 million, or 33.7% of our trade and bills payables as of March 31, 2026, had been settled subsequent to March 31, 2026.

Other Payables and Accruals

Our other payables and accruals primarily represented (i) deferred income, (ii) payroll and welfare payable, (iii) other tax payables, (iv) deposits received, (v) accrued expenses, (vi) payables for purchase of long-term assets and (vii) payables for acquisition of a subsidiary and other payables. See Note 30 to the Accountants' Report in Appendix IA to this document for more information.

Our other payables and accruals remained relatively stable at RMB705.1 million as of December 31, 2023 and RMB685.5 million as of December 31, 2024. Our other payables and accruals increased by 19.1% from RMB685.5 million as of December 31, 2024 to RMB816.7 million as of December 31, 2025, mainly attributed to an increase in payables for purchase of long-term assets, resulted from the routine purchases of production equipment to support the expansion of our business. Our other payables and accruals decreased by 7.9% from RMB816.7 million as of December 31, 2025 to RMB752.1 million as of March 31, 2026, primarily due to (i) a decrease in payroll and welfare payable following the payment of year-end bonuses accrued as of December 31, 2025 during the three months ended March 31, 2026 and (ii) a decrease in payables for purchase of long-term assets, due to the payment for purchase of property, plant and equipment during the period.

As of May 31, 2026, RMB306.9 million, or 40.8% of our other payables and accruals as of March 31, 2026, were subsequently settled.

Contract Liabilities

Contract liabilities include advances received to provide IoT products and data intelligence solutions before the relevant revenue can be recognized. The following table sets forth a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
IoT products	50,483	13,339	8,978	8,679
Data intelligence solutions	559,947	593,395	747,632	805,588
Total	**610,430**	**606,734**	**756,610**	**814,267**

Our contract liabilities remained relatively stable at RMB610.4 million and RMB606.7 million as of December 31, 2023 and 2024. Our contract liabilities increased by 24.7% from RMB606.7 million as of December 31, 2024 to RMB756.6 million as of December 31, 2025 and further increased by 7.6% to RMB814.3 million as of March 31, 2026, mainly attributed to an increase in advance payments received from our customers, in line with the expansion of our business.

As of May 31, 2026, RMB137.5 million, or 16.9% of our contract liabilities as of March 31, 2026, had been subsequently recognized as revenue.

Tax Payable

Our tax payable increased significantly from RMB11.6 million as of December 31, 2023 to RMB24.6 million as of December 31, 2024, primarily due to government compensation received by one of our subsidiaries for land relocation, which is subject to income tax. Our tax payable decreased by 43.9% from RMB24.6 million as of December 31, 2024 to RMB13.8 million as of December 31, 2025, primarily because the income tax payable recognized in 2024 was paid in 2025. Our tax payable decreased by 14.8% from RMB13.8 million as of December 31, 2025 to RMB11.7 million as of March 31, 2026, primarily due to the income tax payments made during the period to settle the outstanding tax payable as of December 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements principally from cash generated from operations and equity financing. After the **[REDACTED]**, we intend to finance our future capital requirements through proceeds from our business operations, bank borrowings and the net **[REDACTED]** from the **[REDACTED]**. We do not anticipate any changes to the availability of financing to fund our operations in the future. As of December 31, 2023, 2024 and 2025 and March 31, 2025 and 2026, we had cash and cash equivalents as stated in the statements of financial position of RMB3,959.0 million, RMB1,796.4 million, RMB1,366.1 million, RMB1,742.5 million and RMB1,249.2 million, respectively. Taking into account the net **[REDACTED]** from the **[REDACTED]** and the financial resources available to us, including our cash and cash equivalents, our available banking facilities and cash flows from operating activities, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Cash Flow

The following table sets out a summary of our cash flow for the years/periods indicated:

	Year ended December 31,			Three Months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(Unaudited)*	*(RMB'000)*
Net cash generated from/(used in) operating activities	77,284	87,296	223,238	(80,091)	27,093
Net cash (used in)/generated from investing activities	(245,475)	(2,182,350)	(514,537)	21,194	(99,886)
Net cash used in financing activities	(23,792)	(56,853)	(149,176)	(6,625)	(37,828)
Net decrease in cash and cash equivalents	(191,983)	(2,151,907)	(440,475)	(65,522)	(110,621)
Cash and cash equivalents at the beginning of the year/period	4,147,300	3,958,997	1,808,915	1,808,915	1,366,130
Effect of foreign exchange rate changes, net	3,680	1,825	(2,310)	(929)	(6,319)
Cash and Cash Equivalents at the End of the Year/Period	**3,958,997**	**1,808,915**	**1,366,130**	**1,742,464**	**1,249,190**

Net Cash Generated from/(Used in) Operating Activities

In the three months ended March 31, 2026, our net cash generated from operating activities was RMB27.1 million, reflecting our profit before tax of RMB25.7 million, adjustments of non-cash and non-operating items, movements in working capital of RMB48.8 million, interest received of RMB2.4 million and income tax paid of RMB8.6 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB36.4 million, write-down of inventories to net realisable value of RMB11.4 million and equity settled share-based payments expense of RMB11.1 million partially offset by bank interest income of RMB11.2 million and share of profits of associates of RMB5.7 million. Our movements in working capital primarily consisted of a decrease in trade and bills receivables of RMB74.8 million and an increase in contract liabilities of RMB57.7 million, partially offset by a decrease in other payables and accruals of RMB66.3 million, an increase in inventories of RMB56.6 million, a decrease in trade and bills payables of RMB33.3 million and an increase in receivables at fair value through other comprehensive income of RMB20.7 million.

In 2025, our net cash generated from operating activities was RMB223.2 million, reflecting our profit before tax of RMB250.2 million, adjustments of non-cash and non-operating items, movements in working capital of RMB150.4 million, interest received of RMB13.9 million and income tax paid of RMB32.8 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB134.7 million and equity-settled share-based payments expense of RMB39.3 million, partially offset by bank interest income of RMB54.1 million and gains on disposal of subsidiaries of RMB42.2 million. Our movements in working capital primarily consisted of an increase in trade and bills payables of RMB425.5 million and a decrease in inventories of RMB203.2 million, partially offset by a decrease in contract liabilities of RMB384.9 million, an increase in trade and bills receivables of RMB297.1 million and an increase in pledged deposits of RMB106.8 million.

In 2024, our net cash generated from operating activities was RMB87.3 million, reflecting our profit before tax of RMB75.7 million, adjustments of non-cash and non-operating items, movements in working capital of RMB200.4 million, interest received of RMB60.2 million and income tax paid of RMB15.7 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB134.9 million and write-down of inventories to net realisable value of RMB48.1 million, partially offset by bank interest income of RMB76.0 million. Our movements in working capital primarily consisted of an increase in trade and bills payables of RMB96.3 million and an increase in other payables and accruals of RMB62.2 million, partially offset by an increase in trade and bills receivables of RMB98.3 million and an increase in inventories of RMB168.5 million.

In 2023, our net cash generated from operating activities was RMB77.3 million, reflecting our profit before tax of negative RMB63.8 million, adjustments of non-cash and non-operating items, movements in working capital of RMB34.7 million, interest received of RMB101.3 million and income taxes paid of RMB39.7 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB107.6 million and depreciation of right-of-use assets of RMB33.8 million, partially offset by bank interest income of RMB101.3 million. Our movements in working capital primarily consisted of a decrease in pledged deposits of RMB685.3 million and a decrease in inventories of RMB171.8 million, partially offset by a decrease in trade and bills payables of RMB614.9 million and a decrease in contract liabilities of RMB88.0 million.

Net Cash (Used in)/Generated from Investing Activities

In the three months ended March 31, 2026, our net cash used in investing activities was RMB99.9 million, which was primarily attributable to (i) purchases of financial assets at fair value through profit or loss of RMB887.0 million and (ii) purchase of time deposits with original maturity

over three months of RMB420.0 million, which was partially offset by (i) proceeds from maturity of financial assets at fair value through profit or loss of RMB968.0 million and (ii) proceeds from maturity of time deposits with original maturity over three months of RMB250.0 million.

In 2025, our net cash flows used in investing activities was RMB514.5 million, which was primarily attributable to (i) acquisition of subsidiaries of RMB377.1 million and (ii) purchases of financial assets at fair value through profit or loss of RMB1,199.7 million, which was partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB954.7 million.

In 2024, our net cash used in investing activities was RMB2,182.4 million, which was primarily attributable to (i) placement of time deposits with original maturity over three months when acquired of RMB2,045.0 million and (ii) purchases of financial assets at fair value through profit or loss of RMB382.4 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB399.7 million.

In 2023, our net cash used in investing activities was RMB245.5 million, primarily attributable to (i) purchases of financial assets at fair value through profit or loss of RMB636.0 million and (ii) purchases of items of property, plant and equipment of RMB389.2 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB560.5 million.

Net Cash Used in Financing Activities

In the three months ended March 31, 2026, our net cash used in financing activities was RMB37.8 million, which was primarily attributable to (i) repayment of bank borrowings of RMB27.8 million, (ii) payment of deferred [REDACTED] expenses of RMB[REDACTED] and (iii) interest portion of lease payments of RMB2.1 million.

In 2025, our net cash used in financing activities was RMB149.2 million, which was primarily attributable to (i) repayment of bank borrowings of RMB48.7 million, (ii) principal portion of lease payments of RMB42.0 million and (iii) acquisition of non-controlling interests of RMB36.8 million.

In 2024, our net cash used in financing activities was RMB56.9 million, which was primarily attributable to (i) acquisition of non-controlling interests of RMB20.0 million and (ii) principal portion of lease payments of RMB18.3 million, partially offset by new bank borrowings of RMB10.0 million.

In 2023, our net cash used in financing activities was RMB23.8 million, which was primarily attributable to (i) repayment of bank borrowings of RMB77.3 million and (ii) acquisition of non-controlling interests of RMB33.0 million, partially offset by new bank borrowings of RMB67.9 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness included (i) interest-bearing bank borrowings, (ii) lease liabilities and (iii) other liabilities. The table below sets forth the details of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000) (Unaudited)*
Current					
Interest-bearing bank borrowings	11,407	11,443	72,886	45,000	25,051
Lease liabilities	42,800	40,660	31,460	38,575	37,716
Other liabilities	20,000	36,820	58,935	60,618	60,917
Non-current					
Lease liabilities	157,419	152,401	177,207	177,098	175,495
Other liabilities	81,081	47,729	101,424	102,261	102,819
Total	**312,707**	**289,053**	**441,912**	**423,552**	**401,998**

Interest-Bearing Bank Borrowings

As of December 31, 2023, 2024 and 2025, March 31, 2026 and May 31, 2026, we had interest-bearing bank borrowings of RMB11.4 million, RMB11.4 million, RMB72.9 million, RMB45.0 million, and RMB25.1 million, respectively. Our interest-bearing bank borrowings are mainly denominated in Renminbi. During the Track Record Period, our interest rate on our fixed-rate bank borrowings ranged from 1.90% to 2.68%. As of May 31, 2026, we had unutilized banking committed facilities of RMB2,763.6 million.

Our Directors confirm that there was no material covenant on any of our outstanding debt as of the Latest Practicable Date and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities primarily include our lease of buildings and certain plant and machineries used in our operations. As of December 31, 2023, 2024 and 2025, March 31, 2026 and May 31, 2026, we had lease liabilities of RMB200.2 million, RMB193.1 million, RMB208.7 million, RMB215.7 million and RMB213.2 million, respectively, mainly representing the present value of outstanding lease payments under our lease agreements.

Contingent Liabilities

During the Track Record Period, we did not have any contingent liabilities.

No Other Material Outstanding Indebtedness

Except as disclosed above, as of May 31, 2026, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there has been no material change in our indebtedness since May 31, 2026 and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods indicated:

	As of/For the Year ended December 31,			As of/For the Three Months ended March 31,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Net profit margin[(1)]	(1.7%)	1.3%	3.5%	5.0%	1.3%
Current ratio[(2)]	1.9 times	1.8 times	1.5 times	/	1.5 times
Gearing ratio[(3)]	4.0%	3.8%	5.0%	/	4.6%
Quick ratio[(4)]	1.7 times	1.6 times	1.2 times	/	1.2 times

Notes:

(1) Net profit margin is calculated as net profit for the relevant year/period divided by revenue for the same year/period and multiplied by 100%.
(2) Current ratio represents current assets divided by current liabilities as of the same date.
(3) Gearing ratio is calculated as total debt divided by total equity and multiplied by 100%. Total debt is defined as total payables incurred not in the ordinary course of business, including short-term and long-term borrowings, and lease liabilities.
(4) Quick ratio is calculated as current assets less inventories divided by current liabilities.

Our net profit margin changed from negative 1.7% in 2023 to 1.3% in 2024, primarily due to (i) an increase in our gross profit in line with the growth of our business, (ii) our continuing efforts to improve operational efficiency and (iii) a decrease in our loss from COSMO Moulds, driven by the implementation of our cost-effective measures. Our net profit margin increased from 1.3% in 2024 to 3.5% in 2025, primarily due to (i) an increase in gross profit in line with our business growth, (ii) our continuing efforts to improve operational efficiency and (iii) the gain from our disposal of COSMO Moulds. Our net profit margin decreased from 5.0% in the three months ended March 31, 2025 to

1.3% in the three months ended March 31, 2026, primarily because we completed the disposal of COSMO Moulds and recognized a gain from the disposal of RMB47.4 million in March 2025. See "— Period to Period and Year to Year Comparison of Results of Operations — Period Ended March 31, 2026 Compared with Period Ended March 31, 2025 — Profit for the Period" for more information.

Our current ratio remained relatively stable at 1.9, 1.8, 1.5 and 1.5 times as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

Our gearing ratio remained relatively stable at 4.0% and 3.8% as of December 31, 2023 and 2024, respectively. Our gearing ratio increased from 3.8% as of December 31, 2024 to 5.0% as of December 31, 2025, primarily due to an increase in the bank borrowings for temporary funding for business operations. Our gearing ratio remained relatively stable at 5.0% as of December 31, 2025 and 4.6% as of March 31, 2026 respectively.

Our quick ratio remained relatively stable at 1.7, 1.6, 1.2 and 1.2 times as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024, 2025 and March 31 2026, the total amount of our capital commitments under contracts for the acquisition and construction of property, plant and equipment was RMB58.8 million, RMB57.7 million, RMB35.4 million and RMB61.7 million, respectively.

CAPITAL EXPENDITURES

Our capital expenditures consisted of purchases of items of property, plant, equipment and other intangible assets. Our capital expenditures in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026 were RMB405.2 million, RMB250.3 million, RMB189.0 million, RMB51.8 million and RMB33.9 million, respectively.

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities. We intend to fund our future capital expenditures with a combination of operating cashflow, equity and debt financing and net **[REDACTED]** received from the **[REDACTED]**.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our revenue from the sales from our related parties was RMB3,662.0 million, RMB3,465.1 million, RMB3,585.4 million, RMB820.3 million and RMB852.0 million, in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 73.3%, 68.4%, 56.5%, 65.5% and 57.8% of our total revenue during the same years/periods, respectively. For details in relation to our related party transactions during the Track Record Period, see Note 47 to the Accountants' Report in Appendix IA to this document. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's-length basis and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL INFORMATION

FINANCIAL RISK DISCLOSURE

The main risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. Our Board reviews and agrees policies for managing each of these risks. See Note 50 to the Accountants' Report in Appendix IA to this document.

DIVIDENDS

No dividend was paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or fixed dividend payout ratio. After completion of the **[REDACTED]**, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and any other factors that our Directors may consider important. Future dividend payments will also depend upon the availability of dividends received from our subsidiaries in China. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles, while the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects. PRC laws also require our subsidiaries to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

DISTRIBUTABLE RESERVES

As of March 31, 2026, we had distributable reserves of RMB137.4 million.

[REDACTED] EXPENSES

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** stated in this document), the aggregate **[REDACTED]** and fees, together with the Stock Exchange **[REDACTED]** fee, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the **[REDACTED]**, which are payable by us, are estimated to be approximately RMB**[REDACTED]**, accounting for **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**, of which (i) approximately RMB**[REDACTED]** was recognized in our consolidated statements of profit or loss during the Track Record Period, (ii) RMB**[REDACTED]** is expected to be charged to profit or loss after the Track Record Period and (iii) approximately RMB**[REDACTED]** will be deducted from equity upon the completion of the **[REDACTED]**. By nature, our **[REDACTED]** expenses are composed of: (i) **[REDACTED]** of approximately RMB**[REDACTED]** and (ii) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]**, which consist of fees and expenses of legal advisers and Reporting Accountants of approximately RMB**[REDACTED]** and other fees and expenses of approximately RMB**[REDACTED]**.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited **[REDACTED]** Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, and there has been no event since March 31, 2026 that would materially affect the information shown in the Accountants' Report set out in Appendix IA to this document.

FINANCIAL INFORMATION

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 was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FINANCIAL INFORMATION OF SHANGHAI DISCOVERY

We completed the acquisition of Shanghai Discovery in August 2025. The following is a discussion of Shanghai Discovery's results of operations for the years/periods indicated.

Consolidated Income Statements

The following table sets forth the consolidated statements of profit or loss of Shanghai Discovery from January 1, 2023 to August 13, 2025, derived from the consolidated statements of profit or loss of Shanghai Discovery set forth in the Accountants' Report included in Appendix IB to this document.

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Revenue	407,301	100.0	608,676	100.0	200,818	100.0	396,141	100.0
Cost of sales	(323,127)	(79.3)	(503,566)	(82.7)	(160,793)	(80.1)	(320,854)	(81.0)
Gross Profit	**84,174**	**20.7**	**105,110**	**17.3**	**40,025**	**19.9**	**75,287**	**19.0**
Other income and gains	11,454	2.8	9,785	1.6	3,566	1.8	4,540	1.1
Selling and distribution expenses	(23,311)	(5.7)	(21,671)	(3.6)	(10,752)	(5.4)	(11,663)	(2.9)
Administrative expenses	(26,475)	(6.5)	(26,944)	(4.4)	(16,008)	(8.0)	(17,548)	(4.4)
Research and development expenses	(34,349)	(8.4)	(26,699)	(4.4)	(14,949)	(7.4)	(16,073)	(4.1)
Impairment losses on financial and contract assets, net	(5,427)	(1.3)	(1,417)	(0.2)	(3,613)	(1.8)	(7,601)	(1.9)
Other expenses	(73)	(0.0)	(106)	(0.0)	(106)	(0.1)	(445)	(0.1)
Finance costs	(13,643)	(3.3)	(14,464)	(2.4)	(8,679)	(4.3)	(7,671)	(1.9)
(LOSS)/PROFIT BEFORE TAX	**(7,650)**	**(1.9)**	**23,594**	**3.9**	**(10,516)**	**(5.2)**	**18,826**	**4.8**
Income tax credit/(expense)	1,807	0.4	(3,383)	(0.6)	1,740	0.9	(2,368)	(0.6)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD	**(5,843)**	**(1.4)**	**20,211**	**3.3**	**(8,776)**	**(4.4)**	**16,458**	**4.2**

Discussion of Certain Key Income Statements Items

Revenue

During the Track Record Period, revenue of Shanghai Discovery was generated from green manufacturing solutions to customers in Chinese Mainland. Revenue of Shanghai Discovery increased from RMB407.3 million in 2023 to RMB608.7 million in 2024, primarily due to Shanghai Discovery's continued expansion in the industries it had already entered, which enabled it to broaden its customer base and develop additional business from existing customers. Revenue of Shanghai Discovery increased from RMB200.8 million for the period from January 1 to August 13, 2024 to RMB396.1 million for the period from January 1 to August 13, 2025, primarily because Shanghai Discovery continued to strengthen its business relationships with existing customers, which enabled it to further expand its business in the manufacturing and food and beverage industries.

Cost of Sales

The following table sets out a breakdown of the cost of sales of Shanghai Discovery by nature for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Hardware and software costs	224,553	69.5	350,058	69.5	110,210	68.5	207,173	64.6
Project implementation costs	71,580	22.2	109,454	21.7	33,909	21.1	85,485	26.6
Labor costs	14,836	4.6	21,730	4.3	6,849	4.3	13,758	4.3
Others[(1)]	12,158	3.7	22,324	4.5	9,825	6.1	14,438	4.5
Total	**323,127**	**100.0**	**503,566**	**100.0**	**160,793**	**100.0**	**320,854**	**100.0**

Note:

(1) Others primarily include construction management expenses and repair and maintenance expenses.

Cost of sales of Shanghai Discovery increased from RMB323.1 million in 2023 to RMB503.6 million in 2024, due to an increase in sales, which was in line with the expansion of its business. Cost of sales of Shanghai Discovery increased from RMB160.8 million for the period from January 1 to August 13, 2024 to RMB320.9 million for the period from January 1 to August 13, 2025, primarily due to the expansion of its business in the industries which it operated in, which resulted in additional business from existing customers of Shanghai Discovery.

Gross Profit and Gross Profit Margin

Gross profit of Shanghai Discovery increased from RMB84.2 million in 2023 to RMB105.1 million in 2024. Gross profit of Shanghai Discovery increased from RMB40.0 million for the period from January 1 to August 13, 2024 to RMB75.3 million for the period from January 1 to August 13, 2025. Gross profit margin of Shanghai Discovery decreased from 20.7% in 2023 to 17.3% in 2024, primarily because Shanghai Discovery adopted competitive pricing strategies in certain strategic projects to rapidly acquire new customers, which resulted in a lower average selling price of its projects. Gross profit margin of Shanghai Discovery decreased from 19.9% for the period from January 1 to August 13, 2024 to 19.0% for the period from January 1 to August 13, 2025, primarily due to (i) the adoption of competitive pricing strategies of Shanghai Discovery in several strategic projects to quickly acquire new customers and additional business from existing customers and (ii) the higher level of customization required for these projects, which resulted in higher costs.

Other Income and Gains

Other income and gains of Shanghai Discovery consisted of (i) government grants, (ii) bank interest income, (iii) finance leases interest income, (iv) investment income from financial assets at fair value through profit or loss, (v) gains on lease modification/termination, (vi) fair value gains on financial assets at fair value through profit or loss and (vii) others. There are no material unfulfilled conditions or contingencies attached to government grants of Shanghai Discovery. Such government grants are generally project-based and one-off in nature.

Other income and gains of Shanghai Discovery amounted to RMB11.5 million in 2023 and RMB9.8 million in 2024, respectively. Other income and gains of Shanghai Discovery amounted to RMB3.6 million for the period from January 1 to August 13, 2024 and RMB4.5 million for the period from January 1 to August 13, 2025. The relatively higher amount of other income and gains in 2023, as compared to 2024 and for the period from January 1 to August 13, 2025, was primarily because of a decrease in bank interest income as a result of lower average cash balances and lower bank interest rates.

Selling and Distribution Expenses

The following table sets forth a breakdown of the major components of the selling and distribution expenses of Shanghai Discovery for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Business development expenses	10,663	45.7	9,708	44.8	5,047	46.9	4,437	38.0
Employee salaries and benefits	10,221	43.8	8,837	40.8	4,052	37.7	5,305	45.5
Travel expenses	1,843	7.9	2,133	9.8	971	9.0	898	7.7
Others[(1)]	584	2.6	993	4.6	682	6.4	1,023	8.8
Total	**23,311**	**100.0**	**21,671**	**100.0**	**10,752**	**100.0**	**11,663**	**100.0**

Note:

(1) Others primarily include office expenses, depreciation and tendering expenses.

Selling and distribution expenses of Shanghai Discovery decreased from RMB23.3 million in 2023 to RMB21.7 million in 2024, primarily driven by a decrease in employee salaries and benefits and business development expenses, due to Shanghai Discovery's continued deepening of its presence in the industry sectors in which it already operated, which strengthened the brand reputation and industry expertise, thereby enhancing sales efficiency. Selling and distribution expenses of Shanghai Discovery remained relatively stable at RMB10.8 million for the period from January 1 to August 13, 2024 and RMB11.7 million for the period from January 1 to August 13, 2025.

Administrative Expenses

The following table sets forth a breakdown of the major components of the administrative expenses of Shanghai Discovery for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Employee salaries and benefits	15,363	58.0	16,014	59.4	10,477	65.4	10,104	57.6
Depreciation and amortization	3,117	11.8	3,722	13.8	2,263	14.1	2,028	11.6
Consulting service expenses	1,808	6.8	3,582	13.3	1,417	8.9	3,425	19.5
Office expenses	2,430	9.2	1,595	5.9	958	6.0	894	5.0
Travel expenses	1,226	4.6	482	1.8	243	1.5	156	0.9
Others[(1)]	2,531	9.6	1,549	5.8	650	4.1	941	5.4
Total	**26,475**	**100.0**	**26,944**	**100.0**	**16,008**	**100.0**	**17,548**	**100.0**

Note:

(1) Others primarily include energy expenses and property management expenses.

Administrative expenses of Shanghai Discovery remained relatively stable at RMB26.5 million in 2023 and RMB26.9 million in 2024. Administrative expenses of Shanghai Discovery increased from RMB16.0 million for the period from January 1 to August 13, 2024 to RMB17.5 million for the period from January 1 to August 13, 2025, primarily due to an increase in consulting service expenses, certain corporate strategic transition initiatives and shareholder-related arrangements during the period.

Research and Development Expenses

The following table sets forth a breakdown of the major components of the research and development expenses of Shanghai Discovery for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Employee salaries and benefits	21,558	62.8	23,354	87.5	13,349	89.3	14,489	90.1
Research and development materials expenses	8,544	24.9	927	3.5	183	1.2	443	2.8
Depreciation and amortization	319	0.9	281	1.1	164	1.1	159	1.0
Consulting service expenses	2,093	6.1	1,005	3.8	483	3.2	558	3.5
Travel expenses	978	2.8	407	1.5	233	1.6	90	0.6
Others[(1)]	857	2.5	725	2.6	537	3.6	334	2.0
Total	**34,349**	**100.0**	**26,699**	**100.0**	**14,949**	**100.0**	**16,073**	**100.0**

Note:

(1) Others primarily include patent application service expenses and testing expenses.

Research and development expenses of Shanghai Discovery decreased from RMB34.3 million in 2023 to RMB26.7 million in 2024, primarily because several major internal research and development activities of Shanghai Discovery had been completed by the end of 2023, resulting in lower research and development materials expenses and consulting service expenses. Research and

development expenses of Shanghai Discovery increased from RMB14.9 million for the period from January 1 to August 13, 2024 to RMB16.1 million for the period from January 1 to August 13, 2025, primarily because Shanghai Discovery expanded its research and development team to enhance its competitiveness, which led to higher employee salaries and benefits.

Impairment Loss on Financial and Contract Assets, Net

Impairment loss on financial and contract assets, net of Shanghai Discovery mainly consists of (i) trade and bills receivables, (ii) contract assets, (iii) financial assets included in prepayments, other receivables and other assets and (iv) lease receivables. Impairment loss on financial and contract assets, net, of Shanghai Discovery decreased from RMB5.4 million in 2023 to RMB1.4 million in 2024, primarily due to strengthened collection management and the recovery of certain long-aged receivables of Shanghai Discovery, which resulted in a decrease in impairment losses on financial and contract assets. Impairment loss on financial and contract assets, net of Shanghai Discovery increased from RMB3.6 million for the period from January 1 to August 13, 2024 to RMB7.6 million for the period from January 1 to August 13, 2025, primarily due to an increase in trade and bills receivables as a result of business expansion of Shanghai Discovery.

Finance Costs

Finance costs of Shanghai Discovery consisted of interest on (i) put option liabilities, (ii) bank borrowings and (iii) lease liabilities. Finance costs of Shanghai Discovery increased from RMB13.6 million in 2023 to RMB14.5 million in 2024, primarily due to an increase in bank borrowings driven by the expansion of business of Shanghai Discovery. Finance costs of Shanghai Discovery decreased from RMB8.7 million for the period from January 1 to August 13, 2024 to RMB7.7 million for the period from January 1 to August 13, 2025, primarily due to a decrease in put option liabilities, resulting from repurchase of minority shareholders' shares by Shanghai Discovery.

Income Tax Expense/Credit

Income tax expense/credit of Shanghai Discovery changed from a credit of RMB1.8 million in 2023 to an expense of RMB3.4 million in 2024, primarily due to an increase in the profit before tax of Shanghai Discovery. Income tax expense of Shanghai Discovery increased from a credit of RMB1.7 million for the period from January 1 to August 13, 2024 to an expense of RMB2.4 million for the period from January 1 to August 13, 2025, primarily in line with an increase in the profit before tax of Shanghai Discovery.

(Loss)/Profit for the Year/Period

As a result of the foregoing, Shanghai Discovery recorded a loss of RMB5.8 million in 2023 and a profit of RMB20.2 million in 2024, respectively. Shanghai Discovery recorded a loss of RMB8.8 million for the period from January 1 to August 13, 2024 and a profit of RMB16.5 million for the period from January 1 to August 13, 2025.

Cash Flows

See the Accountants' Report in Appendix IB to this document for more information.

Current Assets and Current Liabilities

See the Accountants' Report in Appendix IB to this document for more information.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For further details of the milestone objectives and corresponding implementation plans for each of our main development strategies by implementation timeline, as well as our future plans and allocation of funds for each key strategy, please refer to "Business — Our Development 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 assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** and HK$**[REDACTED]**), we estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** from the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to improve our core platform and product capabilities, specifically:
  - Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to invest in research and development and in upgrading of industrial intelligent software and intelligent agents to optimize the solutions built on our COSMOPlat, strengthen our technology competitiveness and expand application scenarios, including:
    - Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used for the development of our next generation of industrial software, such as COSMO-iMoM. Approximately HK$**[REDACTED]** is expected to be used for personnel expenses, while approximately HK$**[REDACTED]** and HK$**[REDACTED]** are expected to be used for software upgrades and hardware procurement, respectively. We will focus on developing new simulation algorithms, process optimization models and advanced manufacturing algorithms, to support real-time simulation and accurate inference in complex scenarios, referring to scenarios requiring timely reflection of on-site production changes, accurate simulation, scheduling and prediction, and coordinated use of demand, logistics, production and equipment data. These capabilities are expected to be applied in scenarios such as production planning optimization, production-line simulation and equipment operation monitoring. By doing so, we will further broaden its coverage across manufacturing processes in various industries.
    - Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to upgrade and improve the capabilities of (a) our intelligent platform dedicated to the intelligent manufacturing and operational management for chemical industry enterprises. Among them, we plan with (i) approximately HK$**[REDACTED]** to be used for staff-related costs and expenses; (ii) approximately HK$**[REDACTED]** for office leasing and decoration for research activities; (iii) approximately HK$**[REDACTED]** for software upgrades and (iv) approximately HK$**[REDACTED]** for hardware procurement, respectively, and (b) our COSMO-Sphere platform, with (i) approximately HK$**[REDACTED]** to be used for staff-related costs and expenses; (ii) approximately HK$**[REDACTED]** for software upgrades and (iii) approximately HK$**[REDACTED]** for hardware procurement, respectively. We plan to continue strengthening their underlying architecture, modularization and resource-management capabilities to support more stable performance and broader scenario coverage. We will focus on improving data-governance frameworks, model-development and inference toolchains, and industry-specific intelligent-agent modules, enabling more efficient end-to-end data processing and application development across different industrial scenarios.

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to optimize the functionality of our COSMO-iEMS. Among them, (i) approximately HK$**[REDACTED]** is expected to be used for staff-related costs and expenses; (ii) approximately HK$**[REDACTED]** for software upgrades and (iii) approximately HK$**[REDACTED]** for hardware procurement, respectively. We plan to continue developing and refining key capabilities, including energy-output and load-forecasting algorithms, multi-energy complementary schedule optimization modules, equipment-failure prediction models and dynamic carbon-emission tracking technologies. We will also advance full-domain data-integration capabilities, AI-based optimization engines and scenario-coordination frameworks to strengthen the platform's technical foundation.

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to further develop our intelligent agents built on our COSMOPlat. Among them, (i) approximately HK$**[REDACTED]** is expected to be used for staff-related costs and expenses; (ii) approximately HK$**[REDACTED]** for software upgrades and (iii) approximately HK$**[REDACTED]** for hardware procurement, respectively. We will develop ready-to-deploy intelligent agents for high-frequency industrial scenarios such as fault detection, intelligent safety inspection and energy optimization, and open core capability interfaces and toolchains to support third-party developers and partners in their innovation and commercialization efforts on our platform. We will also grow and maintain a developer community, provide technical support and facilitate knowledge sharing to drive the growth of our intelligent agents.

o Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to develop and upgrade industrial large model-based BaaS Industrial Brain to enhance the core capabilities of data-based and intelligent decision-making, including:

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used for the research and development and iteration of the COSMOMind. Among them, (i) approximately HK$**[REDACTED]** is expected to be used for staff-related costs and expenses; (ii) approximately HK$**[REDACTED]** for hardware procurement and (iii) approximately HK$**[REDACTED]** for software upgrades, respectively. In particular, the net **[REDACTED]** allocated to COSMOMind will be applied to the following R&D and product iteration initiatives: (i) approximately HK$**[REDACTED]** will be used for building searchable customer knowledge bases for process optimization and equipment maintenance by training multimodal models to read and parse industrial technical documents; (ii) approximately HK$**[REDACTED]** will be used for developing code generation and automated testing tools for R&D and testing teams; (iii) approximately HK$**[REDACTED]** will be used for developing industry large models for electronics, new materials and automotive sectors; (iv) approximately HK$**[REDACTED]** will be used for building industrial foundation models covering different model sizes and data types; (v) approximately HK$**[REDACTED]** will be used to participate in developing industry model standards with research institutions, industry leaders and standards associations, and providing industrial foundation models and application guidelines across the manufacturing value chain; and (vi) approximately HK$**[REDACTED]** will be used for procuring software and hardware infrastructure to support the foregoing R&D, product iteration and upgrade initiatives. We will continue optimizing vertical industry models for sectors such as home appliances, machinery equipment, electronics, automotive, energy and chemicals industries, enhancing their ability to understand and support industry-specific business scenarios and domain knowledge. We will also advance the development of large-model technologies, focusing on multimodal training and inference, model lightweighting under resource constraints and other core technical capabilities.

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to upgrade the capabilities of our COSMOTide. Among them, (i) approximately HK$**[REDACTED]** is expected to be used for staff-related costs and expenses; and (ii) approximately HK$**[REDACTED]** for software upgrades. We will strengthen data governance, dataset processing and lifecycle-management capabilities, and improve cross-modal alignment and integrated processing of multi-source, heterogeneous industrial data to provide higher-quality data services for upper-layer applications and AI large language models.

To implement the above research and product-enhancement plans over the next five years, we plan to: (i) expand and strengthen our research and development team through incentive programs, with a focus on capabilities in industrial software development, AI algorithms, big data and data intelligence, (ii) pursue joint research initiatives and collaboration projects with leading domestic and international universities and research institutions to support continuous innovation, (iii) procure and upgrade key research hardware, including computing-power and storage servers and (iv) continue investing in other research-and-development-related activities, such as intellectual-property development, technology-community building and internal innovation programs.

The following table sets forth the breakdown of the net **[REDACTED]** from the **[REDACTED]** allocated to each of our core platform and product above:

Product/Platform	Investment amount	Milestone Objectives			Allocation Basis
		Short-term	Mid-term	Long-term	
	HK$ million				
COSMO-Sphere	[REDACTED]	• Enhance data collection, analysis, and management capabilities, as well as AI application operations and maintenance capabilities, to improve resource utilization • Develop standard product functions for deployment across machinery equipment, electronics and automotive industries; • Enhance in-plant logistics management and production quality management tools	• Develop AI applications to set up business performance indicators and manage data to support business decision-making • Develop AI applications that coordinate production operations and factory management	• Develop enterprise-level AI management capabilities to process large volumes of data, AI application coordination to support business decision-making • Enhance capabilities to coordinate different AI applications for manufacturing operations • Build a collection of tools and know-how to improve AI application development and deployment efficiency	Based on industry characteristics: • Software R&D is labor-intensive, while hardware and external software are procured as needed
COSMO-iMoM	[REDACTED]				
Intelligent manufacturing and operational management for chemical industry enterprises	[REDACTED]	• Upgrade capabilities for chemical production, safety, process and equipment management; • Connect data interfaces across core production, business, and warehouse systems to enable production operations data sharing	• Develop AI applications to support chemical production operations, including production planning, fault prediction and response and energy optimization	• Launch decision-making applications to facilitate supply-demand matching for raw material sourcing, production, and sales	
COSMO-EMS	[REDACTED]	• Upgrade capabilities for microgrid deployment, inspection, dispatch and control to support more efficient energy management	• Launch energy dispatch and management applications to optimize energy use and match distributed energy supply and demand	• Upgrade capabilities for real-time monitoring and dispatch of distributed energy resources to enable cross-region supply-demand matching	
COSMOPlat	[REDACTED]	• Build unified tools for developing intelligent agents across various scenarios • Launch applications for production operations, simulation optimization, equipment management and energy management	• Make the unified tools available to customers to build agents that meet their own needs and share them through a public community • Expand the agent application portfolio across marketing, procurement, design, and production	• Upgrade agent development tools from manual setup to AI-assisted generation of industrial agents, and strengthen the agent community with ecosystem partners	
COSMOMind	[REDACTED]	• Improve capabilities to read technical documents, search knowledge bases and generate code for industrial software development	• Enhance capabilities to analyze drawings and equipment data for process optimization, fault diagnosis and quality inspection	• Build industrial foundation models covering different model sizes and data types and contribute to standards and guidelines for industrial model training, evaluation, and application	
COSMOTide	[REDACTED]	• Develop industrial data management and labeling tools for quality inspection in home appliance and electronics sectors	• Upgrade tools to turn industrial data from different sources, formats, and data types into high-quality datasets for AI training	• Build a data marketplace with industry leaders and provide AI tools to process, classify and analyze industrial data for customers	

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to enhance our business development capabilities to accelerate market penetration and deepen customer engagement and value proposition, including:

  - Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to enhance our marketing capabilities to deepen brand building and broaden market reach. We will enhance our brand influence in the industrial internet and increase our visibility among customers through an integrated online and offline marketing strategy on major industrial clusters across China, particularly in the Bohai Rim, the Beijing-Tianjin-Hebei region and the Yangtze River Delta. This focus reflects the strong alignment of these regions' industrial bases with our target industries, their substantial demand for digital transformation, and our proven ability to scale solutions based on existing benchmark customer implementations. We plan to: (i) leverage digital channels and targeted marketing tools for online promotion; (ii) actively participate in domestic and foreign industry exhibitions and technical forums, and set up exhibition halls for offline products display and promotion; and (iii) systematically participate in the bidding platform for large-scale project opportunities. In addition, we will continue to deepen industry penetration through high-profile successful projects such as Lighthouse Factories. At the same time, we will explore localized delivery and service models in key overseas markets, and improve our response speed and service capabilities by establishing local branches or cooperating with local partners.

  - Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used to strengthen our customer-facing and ecosystem-operation capabilities. We plan to enhance our service capacity for key customers, expand customer service teams, and improve processes spanning consulting, planning and continuous optimization. We also intend to build and refine customer-data and analysis platforms to gain more accurate insights into customer needs and solution iteration.

  The following table sets forth the breakdown of the net **[REDACTED]** from the **[REDACTED]** allocated to each initiative above, together with the implementation plans and related remarks:

Use of [REDACTED]	Implementation Plan	Amount	Remarks
		HK$ million	
Enhance market influence, strengthen brand building and expand market coverage	Online promotion	**[REDACTED]**	Advertising placement, community operations and software system development
	Offline promotion	**[REDACTED]**	Offline exhibitions, supply-demand matchmaking events and training activities
	Customer acquisition	**[REDACTED]**	Development of platforms for (i) tendering and bidding and (ii) digital marketing
	Recruitment of personnel	**[REDACTED]**	Recruitment of sales professionals and sales specialists
Subtotal		**[REDACTED]**	
Strengthen customer service and ecosystem operation capabilities	Recruitment of customer service team	**[REDACTED]**	Recruitment of industry experts, after-sales service personnel and ecosystem operation talents
	Customer operation activities	**[REDACTED]**	Hosting ecosystem conferences, customer salons and related activities
	Development of customer service	**[REDACTED]**	Platforms for customer interaction, customer after-sales services
	Customer analytics platform	**[REDACTED]**	Platform that supports the analysis of user personas and the identification of user needs to inform business decision-making
Subtotal		**[REDACTED]**	
Total		**[REDACTED]**	

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used for potential investment and acquisition opportunities aimed at further consolidating our technology capabilities and expanding our business boundaries. We will look for suitable targets that complement our existing products and technology platforms, create synergies and help strengthen our competitiveness in the industry. These targets are expected to be primarily related to the

expansion of our intelligent manufacturing solutions business and green manufacturing solutions business. In particular:

For our intelligent manufacturing solutions, we intend to focus on potential targets specializing in (i) core industrial software, such as manufacturing operations management and computer-aided engineering software and (ii) machine vision inspection, including core components such as industrial cameras and vision controllers, as well as AI vision algorithms and industry-specific solutions. We will primarily consider targets that already have an established customer base or commercial presence in our key vertical industries, such as automotive, machinery equipment and electronics. Such targets would enable us to enhance the capabilities of COSMO-iMOM by incorporating additional industrial software modules and industry-specific functions, and to broaden our machine vision inspection capabilities beyond metal-surface inspection to cover additional components, algorithms and application scenarios.

For our green manufacturing solutions business, we intend to focus on potential targets specializing in integrated energy services and energy-carbon management, including virtual power plant platforms that aggregate and coordinate distributed power sources, adjustable loads and energy storage resources. We will primarily consider targets with an established customer base or commercial presence in chemicals industry, and with self-developed software, core algorithms or hardware products for energy-carbon management scenarios, such as data collection and intelligent power-distribution equipment. Such targets would help us further enhance our green manufacturing solutions, broaden the application scenarios of COSMO-iEMS and expand our customer base. Our potential investment or acquisition targets generally include companies preferably with revenue of no less than RMB500 million, a gross margin of over 30% and a net profit margin of over 8%. We intend to make such investments and acquisitions mainly through equity investments, and generally seek to obtain the majority of equity either by acquiring a majority equity interest or through a transaction structure under which we become the single largest shareholder with board-level control. We may also consider alternative investment approaches or structures, taking into account the specific circumstances of transactions on a case-by-case basis. The expected operational and financial impact of any such investment or acquisition, including its cost structure, profitability, cash flows and overall financial position, will depend on the specific circumstances of the target company. As of the Latest Practicable Date, we had not identified any investment or acquisition targets and had not set any definite timeline for investment or acquisition. According to Frost & Sullivan, there were over 40 such potential targets globally meeting the aforementioned criteria. We will continue to source potential acquisition targets that may fit our criteria.

- Approximately **[REDACTED]** (or HK$**[REDACTED]**) will be used for working capital and general corporate purposes.

In the event that the **[REDACTED]** is set at the maximum or the minimum of the indicative **[REDACTED]**, the net **[REDACTED]** of the **[REDACTED]** will increase or decrease by approximately HK$**[REDACTED]** respectively. If we set the final **[REDACTED]** to be above or below the mid-point of the indicative **[REDACTED]**, we will increase or decrease the allocation of the net **[REDACTED]** to the above purposes on a pro rata basis. If the **[REDACTED]** is exercised in full, we estimate that we will receive additional net **[REDACTED]** of approximately (i) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the maximum **[REDACTED]**), (ii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the mid-point of the indicative **[REDACTED]**), and (iii) HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per H Share, being the minimum **[REDACTED]**). To the extent that the net **[REDACTED]** of the **[REDACTED]** are not immediately used for the above purposes, or if we are unable to effect any part of our future development plans as intended, 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 the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under 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 render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net **[REDACTED]** from the **[REDACTED]**.

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[To insert the firm's letterhead with official address upon final stage]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF COSMOPLAT IOT TECHNOLOGY CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND HSBC CORPORATE FINANCE (HONG KONG) LIMITED

Introduction

We report on the historical financial information of COSMOPlat loT Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [•] to [•], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [•] to [•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "Document") in connection with the initial **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 31 March 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three months ended 31 March 2025 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [•] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

[•]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CONTINUING OPERATIONS						
REVENUE	5	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914
Cost of sales		(4,103,086)	(4,150,308)	(5,223,222)	(1,032,404)	(1,215,491)
Gross profit		890,453	919,149	1,127,926	220,214	259,423
Other income and gains	5	242,681	184,514	164,827	29,639	29,902
Selling and distribution expenses		(315,419)	(284,980)	(311,515)	(65,190)	(75,613)
Administrative expenses		(396,220)	(340,729)	(305,735)	(68,698)	(79,169)
Research and development expenses		(422,398)	(373,191)	(420,517)	(90,639)	(104,215)
Impairment losses on financial and contract assets, net		(4,655)	(16,468)	(35,858)	(3,367)	(2,169)
Other expenses	7	(15,036)	(8,413)	(19,543)	(1,578)	(4,863)
Finance costs	8	(8,856)	(9,349)	(10,932)	(2,384)	(3,294)
Share of profits of associates	19	27,534	14,829	14,129	4,098	5,737
(LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS	6	(1,916)	85,362	202,782	22,095	25,739
Income tax expense	11	(18,903)	(10,603)	(29,667)	(6,370)	(6,348)
(LOSS)/PROFIT FOR THE YEAR/ PERIOD FROM CONTINUING OPERATIONS		(20,819)	74,759	173,115	15,725	19,391
DISCONTINUED OPERATION						
(Loss)/profit for the year/period from a discontinued operation	12	(61,902)	(9,623)	47,386	47,386	—
(LOSS)/PROFIT FOR THE YEAR/ PERIOD		(82,721)	65,136	220,501	63,111	19,391
Attributable to:						
Owners of the parent		(74,752)	61,827	175,389	61,670	18,735
Non-controlling interests		(7,969)	3,309	45,112	1,441	656
		(82,721)	65,136	220,501	63,111	19,391
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	14					
Basic and diluted (RMB)						
— For (loss)/profit for the year/ period		(0.05)	0.04	0.11	0.04	0.01
— For (loss)/profit from continuing operations		(0.01)	0.05	0.08	0.01	0.01

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(LOSS)/PROFIT FOR THE YEAR/ PERIOD		(82,721)	65,136	220,501	63,111	19,391
OTHER COMPREHENSIVE (LOSS)/ INCOME						
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations		(3,139)	8,913	6,557	(482)	(8,676)
Share of other comprehensive income/(loss) of associates	19	229	(51)	74	(61)	3
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		(2,910)	8,862	6,631	(543)	(8,673)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:						
Equity investments designated at fair value through other comprehensive income:						
Changes in fair value		(9,272)	24,128	18,179	10,756	20,916
Income tax effect	35	1,623	(4,296)	(2,712)	(1,536)	(3,167)
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		(7,649)	19,832	15,467	9,220	17,749
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/PERIOD, NET OF TAX		(10,559)	28,694	22,098	8,677	9,076
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/PERIOD		(93,280)	93,830	242,599	71,788	28,467
Attributable to:						
Owners of the parent		(85,311)	90,521	197,487	70,347	27,811
Non-controlling interests		(7,969)	3,309	45,112	1,441	656
		(93,280)	93,830	242,599	71,788	28,467

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December			31 March
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	15	1,025,375	933,578	1,068,956	1,045,952
Right-of-use assets	16(a)	182,831	158,953	190,802	192,399
Goodwill	17	107,092	107,092	517,867	517,867
Other intangible assets	18	52,358	56,850	50,659	50,231
Investments in associates	19	123,871	136,047	150,203	158,143
Financial assets at fair value through profit or loss	26	25,000	—	—	—
Equity investments designated at fair value through other comprehensive income	21	94,416	118,544	136,744	157,660
Contract assets	25	12,849	19,071	64,688	59,968
Lease receivables	16(d)	168,568	139,985	173,860	167,614
Prepayments, other receivables and other assets	24	51,291	39,068	30,638	37,794
Deferred tax assets	35	16,442	21,792	42,645	41,676
Pledged deposits	28	239	239	3,967	3,967
Time deposits	28	—	506,838	1,208,140	1,213,801
Total non-current assets		1,860,332	2,238,057	3,639,169	3,647,072
CURRENT ASSETS					
Inventories	22	943,786	916,827	1,251,311	1,296,533
Trade and bills receivables	23	1,698,055	1,649,221	2,217,173	2,140,503
Contract assets	25	39,691	29,009	88,122	93,767
Lease receivables	16(d)	25,749	28,841	46,499	42,884
Prepayments, other receivables and other assets	24	410,385	395,401	413,655	417,161
Financial assets at fair value through profit or loss	26	118,659	126,096	370,563	289,455
Receivables at fair value through other comprehensive income	27	688,237	873,440	801,560	822,308
Pledged deposits	28	274,951	172,072	289,924	292,925
Time deposits	28	5,086	1,553,792	814,829	986,285
Cash and cash equivalents	28	3,958,997	1,796,432	1,366,130	1,249,190
		8,163,596	7,541,131	7,659,766	7,631,011
Assets of a disposal group classified as held for sale	12	—	477,693	—	—
Total current assets		8,163,596	8,018,824	7,659,766	7,631,011

		31 December			31 March
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
CURRENT LIABILITIES					
Trade and bills payables	29	2,919,222	2,885,693	3,454,150	3,420,818
Other payables and accruals	30	705,089	685,521	816,724	752,075
Contract liabilities	31	610,430	606,734	756,610	814,267
Interest-bearing bank borrowings	32	11,407	11,443	72,886	45,000
Lease liabilities	16(b)	42,800	40,660	31,460	38,575
Financial liabilities at fair value through profit or loss	26	—	—	—	819
Deferred income	34	22,426	22,490	22,951	19,603
Tax payable		11,641	24,558	13,768	11,726
Provision	33	30,226	30,163	48,852	48,171
Other liabilities	36	20,000	36,820	58,935	60,618
		4,373,241	4,344,082	5,276,336	5,211,672
Liabilities directly associated with the assets classified as held for sale	12	—	212,675	—	—
Total current liabilities		4,373,241	4,556,757	5,276,336	5,211,672
NET CURRENT ASSETS		3,790,355	3,462,067	2,383,430	2,419,339
TOTAL ASSETS LESS CURRENT LIABILITIES		5,650,687	5,700,124	6,022,599	6,066,411
NON-CURRENT LIABILITIES					
Lease liabilities	16(b)	157,419	152,401	177,207	177,098
Deferred income	34	117,233	104,915	81,366	80,729
Deferred tax liabilities	35	22,402	9,463	12,376	15,646
Other liabilities	36	81,081	47,729	101,424	102,261
Provision	33	13,276	12,555	20,451	19,120
Total non-current liabilities		391,411	327,063	392,824	394,854
Net assets		5,259,276	5,373,061	5,629,775	5,671,557
EQUITY					
Equity attributable to owners of the parent					
Share capital	37	1,526,632	1,526,632	1,526,632	1,526,632
Reserves		3,595,576	3,722,812	3,872,883	3,914,009
		5,122,208	5,249,444	5,399,515	5,440,641
Non-controlling interests		137,068	123,617	230,260	230,916
Total equity		5,259,276	5,373,061	5,629,775	5,671,557

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent									
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory surplus reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	1,504,603	3,075,830	51,450	—	12,821	5,502	598,350	5,248,556	132,296	5,380,852
Loss for the year	—	—	—	—	—	—	(74,752)	(74,752)	(7,969)	(82,721)
Other comprehensive loss for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	(7,649)	—	—	(7,649)	—	(7,649)
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	229	—	229	—	229
Exchange differences on translation of foreign operations	—	—	—	—	—	(3,139)	—	(3,139)	—	(3,139)
Total comprehensive loss for the year	—	—	—	—	(7,649)	(2,910)	(74,752)	(85,311)	(7,969)	(93,280)
Capital contribution in relation to the share option scheme	22,029	32,073	—	—	—	—	—	54,102	—	54,102
Share issue expenses	—	(100)	—	—	—	—	—	(100)	—	(100)
Equity-settled share-based payment arrangements *(note 38)*	—	—	29,606	—	—	—	—	29,606	—	29,606
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	15,640	15,640
Share of change in reserve of an associate	—	(72)	—	—	—	—	—	(72)	—	(72)
Deregistration of a subsidiary	—	—	—	—	—	—	—	—	(20,175)	(20,175)
Acquisition of subsidiaries *(note 40)*	—	(93,085)	—	—	—	—	—	(93,085)	18,771	(74,314)
Acquisition of non-controlling interests *(note 41)*	—	(31,488)	—	—	—	—	—	(31,488)	(1,495)	(32,983)
As at 31 December 2023	1,526,632	2,983,158	81,056	—	5,172	2,592	523,598	5,122,208	137,068	5,259,276

Year ended 31 December 2024

	Attributable to owners of the parent									
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory surplus reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	1,526,632	2,983,158	81,056	—	5,172	2,592	523,598	5,122,208	137,068	5,259,276
Profit for the year	—	—	—	—	—	—	61,827	61,827	3,309	65,136
Other comprehensive income for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	19,832	—	—	19,832	—	19,832
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	(51)	—	(51)	—	(51)
Exchange differences on translation of foreign operations	—	—	—	—	—	8,913	—	8,913	—	8,913
Total comprehensive income for the year	—	—	—	—	19,832	8,862	61,827	90,521	3,309	93,830
Equity-settled share-based payment arrangements *(note 38)*	—	—	27,685	—	—	—	—	27,685	—	27,685
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	1,000	1,000
Share of change in reserve of an associate	—	2,069	—	—	—	—	—	2,069	—	2,069
Deregistration of subsidiaries	—	—	—	—	—	—	—	—	(10,799)	(10,799)
Acquisition of non-controlling interests *(note 41)*	—	6,961	—	—	—	—	—	6,961	(6,961)	—
As at 31 December 2024	1,526,632	2,992,188	108,741	—	25,004	11,454	585,425	5,249,444	123,617	5,373,061

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital	Capital reserve*	Share-based payment reserve*	Statutory surplus reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Exchange fluctuation reserve*	Retained earnings*	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	1,526,632	2,992,188	108,741	—	25,004	11,454	585,425	5,249,444	123,617	5,373,061
Profit for the year	—	—	—	—	—	—	175,389	175,389	45,112	220,501
Other comprehensive income for the year:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	15,467	—	—	15,467	—	15,467
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	74	—	74	—	74
Exchange differences on translation of foreign operations	—	—	—	—	—	6,557	—	6,557	—	6,557
Total comprehensive income for the year	—	—	—	—	15,467	6,631	175,389	197,487	45,112	242,599
Equity-settled share-based payment arrangements *(note 38)*	—	—	39,316	—	—	—	—	39,316	—	39,316
Deregistration of a subsidiary	—	—	—	—	—	—	—	—	(1,900)	(1,900)
Capital reduction of a subsidiary	—	—	—	—	—	—	—	—	(8,401)	(8,401)
Share of change in reserve of an associate	—	3,023	—	—	—	—	—	3,023	—	3,023
Acquisition of subsidiaries *(note 40)*	—	(100,037)	—	—	—	—	—	(100,037)	82,114	(17,923)
Acquisition of non-controlling interests *(note 41)*	—	10,282	—	—	—	—	—	10,282	(10,282)	—
Appropriation to statutory surplus reserve	—	—	—	15,283	—	—	(15,283)	—	—	—
As at 31 December 2025	1,526,632	2,905,456	148,057	15,283	40,471	18,085	745,531	5,399,515	230,260	5,629,775

Three months ended 31 March 2025 (unaudited)

	Attributable to owners of the parent									
	Share capital	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	1,526,632	2,992,188	108,741	—	25,004	11,454	585,425	5,249,444	123,617	5,373,061
Profit for the period (unaudited)	—	—	—	—	—	—	61,670	61,670	1,441	63,111
Other comprehensive income for the period:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax (unaudited)	—	—	—	—	9,220	—	—	9,220	—	9,220
Share of other comprehensive income of an associate *(note 19)* (unaudited)	—	—	—	—	—	(61)	—	(61)	—	(61)
Exchange differences on translation of foreign operations (unaudited)	—	—	—	—	—	(482)	—	(482)	—	(482)
Total comprehensive income for the period (unaudited)	—	—	—	—	9,220	(543)	61,670	70,347	1,441	71,788
Equity-settled share-based payment arrangements *(note 38)* (unaudited)	—	—	8,656	—	—	—	—	8,656	—	8,656
Share of change in reserve of an associate (unaudited)	—	33	—	—	—	—	—	33	—	33
As at 31 March 2025 (unaudited)	1,526,632	2,992,221	117,397	—	34,224	10,911	647,095	5,328,480	125,058	5,453,538

Three months ended 31 March 2026

	Attributable to owners of the parent									
	Share capital	**Capital reserve***	**Share-based payment reserve***	**Statutory surplus reserve***	**Fair value reserve of financial assets at fair value through other comprehensive income***	**Exchange fluctuation reserve***	**Retained earnings***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 37)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000* (note 39)	*RMB'000*	*RMB'000* (note 39)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2026	1,526,632	2,905,456	148,057	15,283	40,471	18,085	745,531	5,399,515	230,260	5,629,775
Profit for the period	—	—	—	—	—	—	18,735	18,735	656	19,391
Other comprehensive income for the period:										
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	—	—	—	—	17,749	—	—	17,749	—	17,749
Share of other comprehensive income of an associate *(note 19)*	—	—	—	—	—	3	—	3	—	3
Exchange differences on translation of foreign operations	—	—	—	—	—	(8,676)	—	(8,676)	—	(8,676)
Total comprehensive income for the period	—	—	—	—	17,749	(8,673)	18,735	27,811	656	28,467
Equity-settled share-based payment arrangements *(note 38)*	—	—	11,115	—	—	—	—	11,115	—	11,115
Share of change in reserve of an associate	—	2,200	—	—	—	—	—	2,200	—	2,200
As at 31 March 2026	1,526,632	2,907,656	159,172	15,283	58,220	9,412	764,266	5,440,641	230,916	5,671,557

* These reserve accounts comprise the consolidated reserves of RMB3,595,576,000, RMB3,722,812,000, RMB3,872,883,000 and RMB3,914,009,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before tax:						
From continuing operations		(1,916)	85,362	202,782	22,095	25,739
From a discontinued operation	12	(61,902)	(9,623)	47,386	47,386	—
Adjustments for:						
Finance costs		9,384	9,707	10,932	2,384	3,294
Share of profits of associates	19	(27,534)	(14,829)	(14,129)	(4,098)	(5,737)
Bank interest income		(101,348)	(75,991)	(54,139)	(14,203)	(11,172)
Finance lease interest income	5	(13,137)	(9,502)	(11,616)	(2,184)	(2,850)
Dividend income from equity investments at fair value through other comprehensive income	5	(4,827)	(4,827)	(4,827)	—	—
Investment income from financial assets at fair value through profit or loss	5	(2,473)	(1,730)	(2,203)	(536)	(1,907)
Losses on disposal/write-off of items of property, plant and equipment		6,069	3,917	3,926	1,173	231
Gains on lease modification/termination	5	—	(78)	(653)	(653)	—
Fair value losses on derivative instruments		7,472	—	—	—	402
Losses/(gains) on disposal of subsidiaries	42	93	—	(42,249)	(42,249)	—
Write-down of inventories to net realisable value		19,503	48,070	19,847	11,668	11,360
Impairment losses/(reversal of impairment losses) on financial and contract assets, net		3,697	19,097	31,754	(737)	2,169
Depreciation of property, plant and equipment		107,574	134,941	134,661	37,974	36,416
Depreciation of right-of-use assets		33,829	32,207	26,578	7,337	7,213
Amortisation of other intangible assets		12,999	16,761	11,939	2,405	1,997
Foreign exchange differences, net		(12,205)	(1,550)	2,311	929	6,319
Equity-settled share-based payments expense	38	29,606	27,685	39,316	8,656	11,115
Fair value gains on financial assets at fair value through profit or loss	5	(319)	(96)	(531)	(219)	(429)
Fair value losses on other liabilities	7	2,866	3,468	11,209	395	1,683
Government grants and subsidies		(26,523)	(19,863)	(19,705)	(8,176)	(3,705)
		(19,092)	243,126	392,589	69,347	82,138
Decrease/(increase) in inventories		171,805	(168,507)	203,225	(15,246)	(56,582)
(Increase)/decrease in trade and bills receivables		(34,954)	(98,261)	(297,107)	61,533	74,759
Increase in contract assets		(1,781)	(5,906)	(36,051)	(8,163)	(1,131)
Decrease/(increase) in receivables at fair value through other comprehensive income		9,750	(238,058)	123,743	(134,418)	(20,748)
(Increase)/decrease in prepayments, other receivables and other assets		(7,119)	36,191	(27,186)	37,384	1,909
(Decrease)/increase in trade and bills payables		(614,908)	96,288	425,488	(86,327)	(33,332)
(Decrease)/increase in other payables and accruals		(84,455)	62,248	(62,785)	(58,879)	(66,332)
(Decrease)/increase in contract liabilities		(87,964)	14,693	(384,869)	11,648	57,657
(Decrease)/increase in provisions		(936)	(698)	11,918	3,056	(2,012)
Decrease/(increase) in pledged deposits		685,262	101,650	(106,824)	38,342	(3,001)

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cash generated from/(used in) operations		15,608	42,766	242,141	(81,723)	33,325
Interest received		101,348	60,249	13,866	4,882	2,400
Income tax paid		(39,672)	(15,719)	(32,769)	(3,250)	(8,632)
Net cash flows from/(used in) operating activities		77,284	87,296	223,238	(80,091)	27,093
CASH FLOWS USED IN INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment		(389,199)	(211,795)	(176,767)	(47,499)	(32,129)
Purchases of items of other intangible assets		(15,974)	(38,495)	(12,223)	(4,260)	(1,773)
Proceeds from disposal of items of property, plant and equipment		228,923	28,030	56,491	37,189	2,294
Receipt of government grants for property, plant and equipment		26,982	16,962	33,015	8,915	2,935
Interest received from time deposits		—	91	28,258	—	1,645
Acquisition of subsidiaries	40	(101,885)	—	(377,059)	—	—
Receipt of lease fulfilment payments		70,826	36,148	50,179	9,234	13,688
Disposal of subsidiaries	42	240	—	71,695	71,695	—
Investment income received from financial assets at fair value through profit or loss		2,571	1,814	2,371	620	2,444
Purchases of financial assets at fair value through profit or loss		(635,965)	(382,400)	(1,199,700)	(76,000)	(887,000)
Proceeds from maturity of financial assets at fair value through profit or loss		560,450	399,740	954,700	71,300	968,000
Dividends received from equity investments at fair value through other comprehensive income		4,827	4,827	4,827	—	—
Dividends received from associates		2,729	2,728	—	—	—
Placement of time deposits with original maturity over three months		—	(2,045,000)	(2,695,324)	(50,000)	(420,000)
Proceeds from maturity of time deposits with original maturity over three months		—	5,000	2,745,000	—	250,010
Net cash flows (used in)/from investing activities		(245,475)	(2,182,350)	(514,537)	21,194	(99,886)

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS USED IN FINANCING ACTIVITIES						
Payment of deferred [REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Capital contribution from non-controlling shareholders		15,640	1,000	—	—	—
Capital contribution in relation to the share option scheme		54,002	—	—	—	—
New bank borrowings		67,895	9,988	—	—	—
Repayment of bank borrowings		(77,332)	(9,289)	(48,662)	(2,247)	(27,830)
Acquisition of non-controlling interests		(32,983)	(20,000)	(36,823)	—	—
Cash paid to non-controlling shareholders for deregistration of subsidiaries		(20,175)	(10,799)	(1,900)	—	—
Cash paid to non-controlling shareholders for capital reduction of a subsidiary		—	—	(8,401)	—	—
Interest paid for bank borrowings		(767)	(662)	(1,822)	(287)	(414)
Principal portion of lease payments		(17,417)	(18,317)	(42,027)	(1,813)	(1,728)
Interest portion of lease payments		(8,617)	(8,774)	(8,417)	(2,278)	(2,099)
Dividends paid to a non-controlling shareholder		(4,038)	—	—	—	—
Net cash flows used in financing activities		(23,792)	(56,853)	(149,176)	(6,625)	(37,828)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(191,983)	(2,151,907)	(440,475)	(65,522)	(110,621)
Cash and cash equivalents at beginning of year/period		4,147,300	3,958,997	1,808,915	1,808,915	1,366,130
Effect of foreign exchange rate changes, net		3,680	1,825	(2,310)	(929)	(6,319)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		3,958,997	1,808,915	1,366,130	1,742,464	1,249,190
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances and time deposits	28	4,239,273	4,029,373	3,682,990	3,995,517	3,746,168
Less: Time deposits with original maturity over three months when acquired		5,086	2,060,630	2,022,969	2,119,951	2,200,086
Pledged deposits		275,190	172,311	293,891	133,102	296,892
Cash and cash equivalents as stated in the statements of financial position	28	3,958,997	1,796,432	1,366,130	1,742,464	1,249,190
Cash and cash equivalents attributable to a discontinued operation	12	—	12,483	—	—	—
Cash and cash equivalents as stated in the statements of cash flows		3,958,997	1,808,915	1,366,130	1,742,464	1,249,190

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December			31 March
		2023	2024	2025	2026
	Notes	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Other intangible assets	18	1,504	470	—	—
Investments in subsidiaries	20	3,913,683	4,325,407	3,744,052	3,744,052
Prepayments, other receivables and other assets	24	—	—	576,000	576,000
Time deposits	28	—	—	1,007,747	1,012,555
Total non-current assets		3,915,187	4,325,877	5,327,799	5,332,607
CURRENT ASSETS					
Trade and bills receivables	23	23,849	21,868	7,371	6,319
Prepayments, other receivables and other assets	24	939,076	3,027,580	1,820,647	2,397,422
Financial assets at fair value through profit or loss	26	—	—	300,563	—
Cash and cash equivalents	28	3,277,238	570,189	599,704	518,195
Total current assets		4,240,163	3,619,637	2,728,285	2,921,936
CURRENT LIABILITIES					
Other payables and accruals	30	1,721,243	1,503,028	1,415,153	1,609,020
Total current liabilities		1,721,243	1,503,028	1,415,153	1,609,020
NET CURRENT ASSETS		2,518,920	2,116,609	1,313,132	1,312,916
TOTAL ASSETS LESS CURRENT LIABILITIES		6,434,107	6,442,486	6,640,931	6,645,523
NON-CURRENT LIABILITIES					
Deferred income	34	700	1,500	2,200	2,200
Total non-current liabilities		700	1,500	2,200	2,200
Net assets		6,433,407	6,440,986	6,638,731	6,643,323
EQUITY					
Share capital	37	1,526,632	1,526,632	1,526,632	1,526,632
Reserves	39	4,906,775	4,914,354	5,112,099	5,116,691
Total equity		6,433,407	6,440,986	6,638,731	6,643,323

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

COSMOPlat IoT Technology Co., Ltd. (the "Company") is a limited liability company established in the People's Republic of China (the "PRC") on 19 April 2017. The registered office of the Company is Haier Industrial Park, No. 1 Haier Road, Laoshan District, Qingdao, Shandong Province, PRC.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the sales and manufacturing of Internet of Things ("IoT") products and provision of data intelligence solutions.

In the opinion of the directors, the ultimate holding company of the Company is Haier Group Corporation ("Haier Corp"), which is incorporated in the PRC.

Information about subsidiaries

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of its principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/ registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
COSMOPlat Intelligent IoT Technology Co., Ltd.* (卡奧斯創智物聯科技有限公司 *(note (a))*)	PRC/Chinese mainland 24 June 1999	RMB451,620,500	100%	—	sales and manufacturing of IoT products
COSMOPlat Intelligent IoT Technology (Chongqing) Co., Ltd.* (卡奧斯創智物聯科技(重慶)有限公司 *(note (a))*)	PRC/Chinese mainland 20 March 2006	RMB10,000,000	—	100%	sales and manufacturing of IoT products
Qingdao Dingxin Electronics Technology Co., Ltd.* (青島鼎新電子科技有限公司 *(note (a))*)	PRC/Chinese mainland 24 May 2006	RMB20,000,000	—	100%	sales and manufacturing of IoT products
COSMOPlat Intelligent IoT (Foshan) Co., Ltd.* (卡奧斯創智物聯(佛山)有限公司 *(note (a))*)	PRC/Chinese mainland 24 February 2006	RMB20,000,000	—	100%	sales and manufacturing of IoT products
Hefei Lingzhi Intelligent IoT Technology Co., Ltd.* (合肥領智物聯科技有限公司 *(note (a))*)	PRC/Chinese mainland 27 September 2017	RMB180,000,000	—	100%	sales and manufacturing of IoT products
Qingdao Lingzhi Electronics Technology Co., Ltd.* (青島領智電子科技有限公司 *(note (a))*)	PRC/Chinese mainland 12 December 2018	RMB310,000,000	—	100%	sales and manufacturing of IoT products
Histar Technology (Thailand) Co., Ltd. *(note (b))*	Thailand 17 May 2021	Thailand Baht 425,000,000	—	100%	sales and manufacturing of IoT products
COSMOPlat Digital Technology (Qingdao) Co., Ltd.* (卡奧斯數字科技(青島)有限公司 *(note (a))*)	PRC/Chinese mainland 9 February 2018	RMB867,000,000	100%	—	provision of data intelligence solutions
COSMOPlat Energy Technology Co., Ltd.* (卡奧斯能源科技有限公司 *(note (a))*) ("COSMOPlat Energy")	PRC/Chinese mainland 20 May 1993	RMB300,000,000	100%	—	provision of data intelligence solutions
Zhejiang Chixiao Intelligent Detection Technology Co., Ltd.* (浙江赤霄智能檢測技術有限公司 *(note (a))*)	PRC/Chinese mainland 8 May 2018	RMB10,000,000	—	85%	provision of data intelligence solutions
Shandong COSMOPlat Smart Carbon Technology Co., Ltd.* (山東卡奧斯智碳科技有限公司 *(note (a))*)	PRC/Chinese mainland 24 August 1999	RMB65,949,000	—	100%	provision of data intelligence solutions
Shanghai Discovery Energy Services Co. Ltd.* (上海碳索能源服務股份有限公司 *(note (a))*) ("Shanghai Discovery")	PRC/Chinese mainland 30 May 2011	RMB57,709,000	—	67%	provision of data intelligence solutions
COSMOPlat Huazhi IoT Technology (Qingdao) Co., Ltd.* (卡奧斯化智物聯科技(青島)有限公司 *(note (a))*)	PRC/Chinese mainland 19 April 2017	RMB100,000,000	—	100%	provision of data intelligence solutions
COSMOPlat Energy Technology (Chongqing) Co., Ltd.* (卡奧斯能源科技(重慶)有限公司 *(note (a))*)	PRC/Chinese mainland 20 March 2006	RMB145,000,000	—	100%	provision of data intelligence solutions
Anhui Smart Carbon Technology Co., Ltd.* (安徽智碳能源有限公司 *(note (a))*)	PRC/Chinese mainland 28 November 2022	RMB100,000,000	—	51%	provision of data intelligence solutions
Facteon Intelligent Technology (Qingdao) Co. Ltd.* (斐科騰智能科技(青島)有限公司 *(note (a))*)	PRC/Chinese mainland 12 September 2018	RMB71,000,000	—	100%	provision of data intelligence solutions

* The English names of these subsidiaries represent the best efforts made by the management of the Company to translate the Chinese names as they do not have official English names registered in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note:

(a) No audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025, as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

(b) The statutory financial statements of this entity for the years ended 31 December 2023, 2024 and 2025 prepared under Thai Financial Reporting Standard for Non-Publicly Accountable Entities were audited by Pattaya Audit Co., Ltd., Reanda Audit Co., Ltd. and Reanda Audit Co., Ltd., respectively.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, receivables at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, financial liabilities at fair value through profit or loss and certain other liabilities, which have been measured at fair value.

Basis of consolidation

The Historical Financial Information include the financial statements of the Company and its subsidiaries for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027
[2] No mandatory effective date yet determined but available for adoption

Further information about those new and amended IFRS Accounting Standards is described below:

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8

Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. 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 presentation of the statement of profit or loss and other comprehensive income and statement of cash flows, and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS18 for entities that use these measures. Earlier application is permitted. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures financial assets at fair value through profit or loss, receivables at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, financial liabilities at fair value through profit or loss and certain other liabilities at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	—	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.06% to 9.50%
Leasehold improvements	10.00% to 50.00%
Plant and machinery	3.17% to 47.50%
Tools, furniture and fixtures	9.50% to 33.33%
Motor vehicles	9.50% to 31.67%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Trademark

Trademark is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 10 years.

Patents

Patents are stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 10 to 20 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities

recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 20 years
Leasehold land	28 to 50 years
Plant and machinery	2 to 10.5 years
Vehicles	2 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings and other liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and bills payables, other payables and accruals, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

The Group also recognises the contract fulfilment cost from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) The costs are expected to be recovered.

The contract fulfilment cost presented in inventories is amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates. The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract fulfilment cost recognised exceeds the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates less the costs that relate directly to the provision of those services and that have not been recognised as expenses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statements of profit or loss.

The Group provides for warranties in relation to the provision of IoT products and the provision of data intelligence solutions for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) IoT products

The Group provides IoT products through sale of variable-frequency controllers and system controllers, including main control units, variable-frequency modules, display modules and connectivity modules. Revenue from the IoT products is recognised at the point in time when control of the asset is transferred to the customer, generally on acceptance of the products by the customer.

(b) Data intelligence solutions

The Group provides data intelligence solutions to its customers, including (i) intelligent manufacturing solutions, (ii) green manufacturing solutions, (iii) regional industrial internet solutions and (iv) enterprise value-added services.

The Group provides multiple deliverables to customers under data intelligence solutions, including the design of solutions, and the delivery of products and software. These deliverables are accounted for as a single performance obligation because the Group provides integrated products and solutions, and revenue is recognised at the point in time when control of the asset is transferred to the customer, generally upon the final acceptance of the integrated products and solutions by the customers.

In addition, the Group provides technical support and maintenance services to some of its customers. Revenue is recognised over time as services are rendered as the customers simultaneously receive and consume the services provided by the Group over the period.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Group operates two share-based incentive schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a binominal model for share options or with reference to the fair value of the underlying share for share awards, further details of which are given in note 38 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Company and its subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These entities are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Housing fund and other social insurances

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to the statement of profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable at the end of each of the Relevant Periods.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the end of the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Relevant Periods, it will assess whether the information affects the amounts that it recognises in the Historical Financial Information. The Group will adjust the amounts recognised in the Historical Financial Information to reflect any adjusting events after the end of the Relevant Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the end of the Relevant Periods, the Group will not change the amounts recognised in the Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of the Group's subsidiaries not operating in the Chinese mainland are currencies other than RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of the Group's entities not operating in the Chinese mainland are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of such entities which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Principal versus agent considerations in revenue transactions

The Group needs to determine whether it is a principal or an agent in revenue transactions by evaluating the nature of its promise to the customer. The Group is a principal and therefore records revenue on a gross basis if it controls the promised goods before transferring the goods to the customer. Otherwise, the Group is an agent and records as revenue the net amount if its role is to arrange to provide the goods. To assess whether the Group controls the goods before they are transferred to the customer, the Group has considered various factors, including but not limited to whether the Group (i) is the principal in the arrangement, (ii) has general inventory risk and (iii) has latitude in establishing the selling price.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. Further details are set out in note 35 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 17 to the Historical Financial Information.

Provision for expected credit losses ("ECL") on trade and bills receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on ageing for groupings of various customer that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group' s trade and bills receivables and contract assets is disclosed in note 23 and note 25 to the Historical Financial Information, respectively.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of products, or from changes in the market demand for the product output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimate of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimates. Useful lives and residual values are reviewed at the end of each of the Relevant Periods based on changes in circumstances. Further details of the property, plant and equipment are set out in note 15 to the Historical Financial Information.

Provision for inventories

The Group periodically assesses the net realisable value of its inventories and provides for inventory impairment based on the difference between the cost of the inventories and the net realisable value. When estimating the net realisable value of inventories, management considers the purpose for which the inventories are held, as well as their future use or sales as the basis for estimation. Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and the write-down of inventories in the period in which the estimate is changed. Further details of the inventories are set out in note 6 and note 22 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group principally focuses on providing IoT products and data intelligence solutions to customers. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Chinese mainland	4,369,170	4,360,500	5,582,071	1,075,775	1,304,350
the United States	287,139	273,060	307,103	73,984	53,731
India	51,592	78,968	112,256	18,676	37,586
Thailand	54,711	52,078	99,029	4,216	13,946
Russia	104,005	152,878	50,258	19,142	5,398
Other countries/regions	126,922	151,973	200,431	60,825	59,903
Total revenue	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Chinese mainland	1,467,825	1,374,832	1,966,399	1,943,249
Other countries/regions	63,564	58,056	87,535	98,421
Total non-current assets	1,531,389	1,432,888	2,053,934	2,041,670

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

During the Relevant Periods, revenue from continuing operations from transactions with a single customer (including entities under common control with the customer) amounting to 10% or more of the Group's revenue is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Haier Corp and its subsidiaries	3,607,352	3,421,065	3,468,849	782,457	828,710

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from contracts with customers	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or services					
IoT products	4,080,361	3,920,069	4,417,776	979,441	1,088,702
Data intelligence solutions	913,178	1,149,388	1,933,372	273,177	386,212
Total	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914
Geographical markets					
Chinese mainland	4,369,170	4,360,500	5,582,071	1,075,775	1,304,350
the United States	287,139	273,060	307,103	73,984	53,731
India	51,592	78,968	112,256	18,676	37,586
Thailand	54,711	52,078	99,029	4,216	13,946
Russia	104,005	152,878	50,258	19,142	5,398
Other countries/regions	126,922	151,973	200,431	60,825	59,903
Total	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914
Timing of revenue recognition					
Goods or services transferred at a point in time	4,982,061	5,057,512	6,329,356	1,248,605	1,468,107
Services transferred over time	11,478	11,945	21,792	4,013	6,807
Total	4,993,539	5,069,457	6,351,148	1,252,618	1,474,914

The following table shows the amounts of revenue recognised in each of the Relevant Periods that were included in the contract liabilities at the beginning of each of the respective year:

	Year ended 31 December			Three months ended 31 March	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
IoT products	85,578	12,275	26,790	6,403	7,041
Data intelligence solutions	516,253	455,812	554,162	135,741	162,252
Total	601,831	468,087	580,952	142,144	169,293

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

IoT products

The performance obligation of IoT products is satisfied when the customers accept or obtain control of the products and payment is generally due within 30 to 270 days upon acceptance by the customers.

Data intelligence solutions

The performance obligation for integrated products and solutions is satisfied upon the final acceptance by the customers. The performance obligation for technical support and maintenance services is recognised over time as services are rendered. Payment is generally due within 30 to 270 days upon satisfaction of the performance obligations.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Amounts expected to be recognised as revenue:					
Within one year	693,599	1,113,617	1,775,815	1,035,606	1,843,872
After one year	357,995	284,702	688,223	383,830	694,975
Total	1,051,594	1,398,319	2,464,038	1,419,436	2,538,847

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to data intelligence solutions, of which the performance obligations are to be satisfied within three years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

An analysis of other income and gains is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Other income					
Government grants*					
Asset-related	22,081	15,407	15,249	3,720	3,705
Income-related	75,483	64,266	67,303	4,607	8,898
Bank interest income	99,073	75,669	54,109	14,173	11,172
Finance lease interest income	13,137	9,502	11,616	2,184	2,850
Dividend income from equity investments at fair value through other comprehensive income	4,827	4,827	4,827	—	—
Investment income from financial assets at fair value through profit or loss	2,473	1,730	2,203	536	1,907
Others	18,592	11,944	8,336	2,984	941
Total other income	235,666	183,345	163,643	28,204	29,473
Gains					
Gains on lease modification/ termination	—	78	653	653	—
Fair value gains on financial assets at fair value through profit or loss	319	96	531	219	429
Foreign exchange gains, net	6,696	995	—	563	—
Total gains	7,015	1,169	1,184	1,435	429
Total other income and gains	242,681	184,514	164,827	29,639	29,902

* Various government grants during the Relevant Periods were mainly attributable to the Group's development in advanced technology and contributions to the district where the Group's primary business operates. There are no unfulfilled conditions or contingencies relating to these government grants.

6. (LOSS)/PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

The Group's (loss)/profit before tax from continuing operations is arrived at after charging/(crediting):

	Notes	Year ended 31 December			Three months ended 31 March	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cost of inventories sold and services provided*		4,103,086	4,150,308	5,223,222	1,032,404	1,215,491
Depreciation of property, plant and equipment		96,646	123,376	134,661	37,974	36,416
Depreciation of right-of-use assets		29,351	27,848	26,578	7,337	7,213
Amortisation of other intangible assets		12,147	15,880	11,939	2,405	1,997
Research and development expenses*		422,398	373,191	420,517	90,639	104,215
Lease payments not included in the measurement of lease liabilities		13,045	13,529	15,483	4,250	4,351
[REDACTED] expenses		—	—	8,357	—	8,661
Auditor's remuneration		2,452	2,426	846	—	—
Employee benefit expenses (excluding directors' and supervisors' remuneration *(note 9)*)*:						
Wages and salaries		868,603	746,767	760,530	176,587	199,255
Pension scheme contributions		89,902	79,143	86,024	23,538	24,315
Social welfare benefits		166,753	151,450	154,988	33,534	32,603
Termination benefits		19,349	31,005	11,803	2,869	421
Equity-settled share-based payments expense		25,856	28,556	33,672	7,431	9,611
Total		1,170,463	1,036,921	1,047,017	243,959	266,205
Impairment losses/(reversal of impairment losses) on financial and contract assets, net:						
Trade and bills receivables		2,000	16,060	35,765	2,757	1,452
Contract assets		95	315	758	24	206
Financial assets included in prepayments, other receivables and other assets		2,375	350	(786)	377	612
Lease receivables		185	(257)	121	209	(101)
Total		4,655	16,468	35,858	3,367	2,169
Write-down of inventories to net realisable value		1,931	26,160	16,593	8,414	11,360
Product warranty provision:	33					
Additional provision		41,325	38,790	57,196	13,289	11,346

* Cost of inventories sold and services provided and research and development expenses include write-down of inventories to net realisable value, expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

7. OTHER EXPENSES

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Losses on disposal/write-off of items of property, plant and equipment	6,298	3,916	3,516	763	231
Fair value losses on derivative instruments	4,176	—	—	—	402
Fair value losses on other liabilities	2,866	3,468	11,209	395	1,683
Foreign exchange losses, net	—	—	2,174	—	2,370
Others	1,696	1,029	2,644	420	177
Total	15,036	8,413	19,543	1,578	4,863

8. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on bank borrowings	767	933	1,271	106	358
Interest on other liabilities	—	—	1,244	—	837
Interest on lease liabilities	8,089	8,416	8,417	2,278	2,099
Total	8,856	9,349	10,932	2,384	3,294

9. DIRECTORS' AND SUPERVISORS' REMUNERATION

The remuneration of the Company's directors and supervisors during the Relevant Periods is summarised as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Fees:	600	600	600	150	150
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	1,631	1,713	1,157	313	279
Discretionary performance related bonuses	2,928	2,432	1,977	567	541
Equity-settled share-based payment expense	2,798	3,129	5,644	1,225	1,504
Pension scheme contributions	164	162	119	32	23
Subtotal	7,521	7,436	8,897	2,137	2,347
Total	8,121	8,036	9,497	2,287	2,497

During and prior to the Relevant Periods, certain directors were granted share awards and/or share options of the Company in respect of their services to the Group, under the share award scheme and share option scheme of the Group, further details of which are set out in note 38 to the Historical Financial Information. The fair values of such share awards and share options, which have been recognised in the statements of profit or loss, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods are included in the above directors' and supervisors' remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods were as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Mr. GU Chunyuan	200	200	200	50	50
Mr. FENG Guohua	200	200	200	50	50
Ms. KONG Yu	200	200	200	50	50
Total	600	600	600	150	150

On 13 December 2022, Mr. GU Chunyuan, Mr. FENG Guohua and Ms. KONG Yu were appointed as independent non-executive directors of the Company.

(b) Executive directors, non-executive directors and supervisors

The remuneration of each of the Company's directors and supervisors is set out below:

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023					
Executive directors:					
Mr. CHEN Lucheng*	481	1,060	1,301	41	2,883
Mr. CHAI Jiqiang**	291	795	513	41	1,640
Subtotal	772	1,855	1,814	82	4,523
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	984	—	984
Mr. JIA Qiuran***	—	—	—	—	—
Mr. SHENG Guojun***	672	948	—	41	1,661
Subtotal	672	948	984	41	2,645
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	187	125	—	41	353
Subtotal	187	125	—	41	353
Total	1,631	2,928	2,798	164	7,521

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024					
Executive directors:					
Mr. CHEN Lucheng*	564	992	1,247	42	2,845
Mr. CHAI Jiqiang**	407	918	941	42	2,308
Subtotal	971	1,910	2,188	84	5,153
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	941	—	941
Mr. JIA Qiuran***	—	—	—	—	—
Mr. SHENG Guojun***	554	390	—	39	983
Subtotal	554	390	941	39	1,924
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	188	132	—	39	359
Subtotal	188	132	—	39	359
Total	1,713	2,432	3,129	162	7,436

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025					
Executive directors:					
Mr. CHEN Lucheng*	541	1,070	1,981	43	3,635
Mr. CHAI Jiqiang**	438	818	2,724	43	4,023
Subtotal	979	1,888	4,705	86	7,658
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	939	—	939
Mr. JIA Qiuran***	—	—	—	—	—
Subtotal	—	—	939	—	939
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	101	77	—	22	200
Ms. SONG Wei*****	77	12	—	11	100
Subtotal	178	89	—	33	300
Total	1,157	1,977	5,644	119	8,897

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended 31 March 2025 (unaudited)					
Executive directors:					
Mr. CHEN Lucheng*	156	281	311	11	759
Mr. CHAI Jiqiang**	111	247	679	11	1,048
Subtotal	267	528	990	22	1,807
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	235	—	235
Mr. JIA Qiuran***	—	—	—	—	—
Subtotal	—	—	235	—	235
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. ZHAO Xin****	46	39	—	10	95
Subtotal	46	39	—	10	95
Total	313	567	1,225	32	2,137

	Salaries, allowances and benefits in kind	Discretionary performance related bonuses	Equity-settled share-based payment expense	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Three months ended 31 March 2026					
Executive directors:					
Mr. CHEN Lucheng*	160	300	552	11	1,023
Mr. CHAI Jiqiang**	110	239	719	11	1,079
Subtotal	270	539	1,271	22	2,102
Non-executive directors:					
Mr. ZHOU Yunjie***	—	—	—	—	—
Mr. LIANG Haishan***	—	—	—	—	—
Mr. ZHAN Bo***	—	—	233	—	233
Mr. JIA Qiuran***	—	—	—	—	—
Mr. LIU Chao******	—	—	—	—	—
Subtotal	—	—	233	—	233
Supervisors:					
Ms. HUANG Wenyao****	—	—	—	—	—
Ms. ZHANG Cuimei****	—	—	—	—	—
Ms. SONG Wei*****	9	2	—	1	12
Subtotal	9	2	—	1	12
Total	279	541	1,504	23	2,347

* On 19 April 2017, Mr. CHEN Lucheng was appointed as an executive director of the Company.

** On 26 December 2024, Mr. CHAI Jiqiang was appointed as an executive director of the Company. The remuneration of Mr. CHAI Jiqiang for the years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2025 and 2026, which was paid for his service in connection with the management of the affairs of the Group before he was appointed as an executive director of the Company, is included in the table above. Prior to his appointment as an executive director of the Company, Mr. CHAI Jiqiang served as the general manager of COSMOPlat Energy. During his tenure, he was responsible for the overall operation and management of COSMOPlat Energy and oversaw its business and operational affairs.

*** On 27 November 2019, Mr. ZHOU Yunjie and Mr. LIANG Haishan were appointed as non-executive directors of the Company. On 26 April 2020, Mr. ZHAN Bo was appointed as a non-executive director of the Company. On 13 December 2022, Mr. JIA Qiuran and Mr. SHENG Guojun were appointed as non-executive directors of the Company. The remuneration of Mr. ZHOU Yunjie, Mr. LIANG Haishan, Mr. ZHAN Bo and Mr. JIA Qiuran for the years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2025 and 2026, except for equity-settled share-based payment expense for Mr. ZHAN Bo, is not included in the table above, since it was not paid by the Company. On 27 November 2024, Mr. SHENG Guojun resigned as a non-executive director of the Company. On 20 January 2026, Mr. LIANG Haishan resigned as a non-executive director of the Company.

**** On 13 December 2022, Ms. HUANG Wenyao, Ms. ZHANG Cuimei and Ms. ZHAO Xin were appointed as supervisors of the Company. The remuneration of Ms. HUANG Wenyao and Ms. ZHANG Cuimei for the years ended 31 December 2023, 2024 and 2025 and for the three months ended 31 March 2025 and 2026 is not included in the table above, since it was not paid by the Company. On 23 July 2025, Ms. ZHAO Xin resigned as a supervisor of the Company.

***** On 23 July 2025, Ms. SONG Wei was appointed as a supervisor of the Company. The remuneration of Ms. SONG Wei for the period from 23 July 2025 to 31 December 2025 and for the period from 1 January 2026 to 20 January 2026 is included in the table above. On 20 January 2026, the Board of Supervisors was dissolved.

****** On 20 January 2026, Mr. LIU Chao was appointed as a non-executive director of the Company. The remuneration of Mr. LIU Chao for the period from 20 January 2026 to 31 March 2026 is not included in the table above, since it was not paid by the Company.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 included one, two, two, two and two directors, respectively. Details of the directors' remuneration are set out in note 9 above.

Details of the remuneration of the remaining four, three, three, three and three highest paid employees who are neither a director, nor a supervisor of the Company during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, allowances and benefits in kind	5,932	3,814	3,010	724	783
Discretionary performance related bonuses	3,982	3,705	2,659	717	924
Equity-settled share-based payment expense	1,654	3,929	2,728	631	646
Pension scheme contributions	307	179	158	39	47
Total	11,875	11,627	8,555	2,111	2,400

The numbers of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees				
	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to Hong Kong dollars ("HK$") 1,000,000	—	—	—	2	2
HK$1,000,001 to HK$1,500,000	—	—	—	1	1
HK$1,500,001 to HK$2,000,000	—	—	—	—	—
HK$2,000,001 to HK$2,500,000	—	—	2	—	—
HK$2,500,001 to HK$3,000,000	3	—	—	—	—
HK$3,000,001 to HK$3,500,000	—	1	—	—	—
HK$3,500,001 to HK$4,000,000	—	—	—	—	—
HK$4,000,001 to HK$4,500,000	—	1	—	—	—
HK$4,500,001 to HK$5,000,000	—	1	—	—	—
HK$5,000,001 to HK$5,500,000	1	—	1	—	—
Total	4	3	3	3	3

11. INCOME TAX

Chinese mainland

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in the Chinese mainland are subject to corporate income tax ("CIT") at a rate of 25% on the taxable income. During the Relevant Periods, several PRC subsidiaries were entitled to a preferential tax rate of 15% because they were regarded as "High and New Technology Enterprises". Meanwhile, certain subsidiaries of the Group that have applied the Income Tax Policy for Western Development pursuant to the PRC tax regulations were entitled to a preferential tax rate of 15%. In addition, certain subsidiaries of the Group operating in the Chinese mainland were entitled to effective preferential tax rates of 5% because they were regarded as "small-scaled minimal profit enterprises" with taxable income not exceeding RMB3,000,000.

Hong Kong profits tax

The Hong Kong profits tax rate during the Relevant Periods was 16.5% and no provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong.

Others

Taxes on profits assessable elsewhere have been calculated at the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

An analysis of income tax expense is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current — Chinese mainland income tax	19,624	30,233	19,250	5,118	4,457
Current — Elsewhere — income taxes	1,977	2,955	2,729	970	819
Deferred	(2,698)	(22,585)	7,688	282	1,072
Total tax charge for the year/period from continuing operations	18,903	10,603	29,667	6,370	6,348
Total tax credit for the year/period from a discontinued operation	(482)	—	—	—	—
Total	18,421	10,603	29,667	6,370	6,348

A reconciliation of the income tax expense/(credit) applicable to (loss)/profit before tax using the statutory tax rate for the country or jurisdiction in which the majority of the Company's subsidiaries are domiciled and/or operate to the income tax expense/(credit) at the effective tax rate is as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(Loss)/profit before tax from continuing operations	(1,916)	85,362	202,782	22,095	25,739
(Loss)/profit before tax from a discontinued operation	(62,384)	(9,623)	47,386	47,386	—
Total	(64,300)	75,739	250,168	69,481	25,739
Tax at the statutory tax rate of Chinese mainland	(16,075)	18,935	62,542	17,370	6,435
Lower tax rates applicable to other jurisdictions or enacted by relevant authorities	(16,681)	(15,641)	(34,179)	(6,395)	(5,551)
Effect on opening deferred tax of changes in rates	240	—	3,545	3,545	—
Income not subject to tax	(4,561)	(2,183)	(2,204)	(155)	(230)
Expenses not deductible for tax	6,790	7,981	11,326	2,662	3,756
Tax losses utilised from previous periods	(7,047)	(26,829)	(8,211)	(8,061)	(4,439)
Tax losses and deductible temporary differences not recognised	105,884	82,821	50,960	10,403	19,601
Additional deductible allowance for research and development expenses	(50,834)	(54,543)	(53,937)	(13,479)	(13,117)
Accelerated deduction of cost of property, plant and equipment	705	62	(175)	480	(107)
Tax charge at the Group's effective rate	18,421	10,603	29,667	6,370	6,348
Tax charge from continuing operations at the effective rate	18,903	10,603	29,667	6,370	6,348
Tax credit from a discontinued operation at the effective rate	(482)	—	—	—	—

12. DISCONTINUED OPERATION

In December 2024, Qingdao Haimo Zhiyun Technology Co., Ltd. ("Qingdao Haimo Zhiyun"), a direct wholly-owned subsidiary of the Company, and Haier Smart Home Co., Ltd. ("Haier Smart Home"), reached a preliminary agreement, pursuant to which Haier Smart Home agreed to acquire and Qingdao Haimo Zhiyun agreed to sell 100% equity interest in COSMO Moulds (Qingdao) Co., Ltd. (currently known as Qingdao Haier Moulds Co., Ltd., "COSMO Moulds"). As at 31 December 2024, the proposed transaction was in process and COSMO Moulds was classified as a disposal group held for sale and as a discontinued operation. On 12 March 2025, the Group disposed of all its equity interest in COSMO Moulds.

The results of COSMO Moulds for the years ended 31 December 2023 and 2024 and for the period from 1 January 2025 to 12 March 2025 are presented below:

	Year ended 31 December		Period from 1 January 2025 to 12 March
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue	446,769	417,424	139,745
Expenses	(508,625)	(426,764)	(134,608)
Finance costs	(528)	(283)	—
(Loss)/profit from the discontinued operation	(62,384)	(9,623)	5,137
Gain recognised on disposal of the discontinued operation	—	—	42,249
(Loss)/profit before tax from the discontinued operation	(62,384)	(9,623)	47,386
Income tax related to pre-tax profit	482	—	—
(Loss)/profit for the year/period from the discontinued operation	(61,902)	(9,623)	47,386

(Loss)/profit for the period from discontinued operations has been arrived at after charging/(crediting) the following items:

		Year ended 31 December		Period from 1 January 2025 to 12 March
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold and services provided*		408,409	361,220	132,897
Depreciation of property, plant and equipment	15	10,928	11,565	—
Depreciation of right-of-use assets	16(a)	4,478	4,359	—
Amortisation of other intangible assets	19	852	881	—
Research and development expenses*		34,503	29,566	6,499
Lease payments not included in the measurement of lease liabilities	16(c)	278	62	—
Auditor's remuneration		31	35	—
Employee benefit expenses:				
Wages and salaries		51,600	54,898	13,559
Pension scheme contributions		9,608	9,726	2,435
Social welfare benefits		13,856	16,153	3,819
Equity-settled share-based payments expense		952	(4,000)	—
Total		76,016	76,777	19,813
Impairment losses/(reversal of impairment losses) on financial and contract assets, net:				
Trade and bills receivables		(850)	2,770	(3,997)
Contract assets	25	(79)	(138)	(104)
Financial assets included in prepayments, other receivables and other assets	24	(29)	(3)	(3)
Total		(958)	2,629	(4,104)
Write-down of inventories to net realisable value		17,572	21,910	3,254

* Cost of inventories sold and services provided and research and development expenses include write-down of inventories to net realisable value, expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

The major classes of assets and liabilities of COSMO Moulds classified as held for sale as at 31 December 2024 are as follows:

	31 December 2024
	RMB'000
Assets	
Property, plant and equipment	99,875
Right-of-use assets	3,028
Other intangible assets	5,882
Inventories	145,441
Trade and bills receivables	131,027
Contract assets	10,294
Prepayments, other receivables and other assets	15,579
Receivables at fair value through other comprehensive income	52,855
Pledged deposits	1,229
Cash and cash equivalents	12,483
Assets classified as held for sale	477,693
Liabilities	
Trade and bills payables	129,817
Other payables and accruals	43,865
Contract liabilities	18,389
Deferred income	20,604
Liabilities directly associated with the assets classified as held for sale	212,675
Net assets directly associated with the disposal group	265,018

The net cash flows incurred by COSMO Moulds for the years ended 31 December 2023 and 2024 and for the period from 1 January to 12 March 2025 are as follows:

	Year ended 31 December		Period from 1 January 2025 to 12 March
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Operating activities	(219,980)	(242,709)	590
Investing activities	372,075	(4,921)	84,242
Financing activities	(278,740)	228,117	(91,354)
Effect of foreign exchange rate changes, net	2,414	558	93
Net cash flow	(124,231)	(18,955)	(6,429)
(Loss)/earnings per share (RMB):			
Basic and diluted, from the discontinued operation	(0.04)	(0.01)	0.03

13. DIVIDEND

No dividends have been paid or declared by the Company during the Relevant Periods.

14. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares used in the calculation is the number of ordinary shares outstanding during the Relevant Periods.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Earnings:					
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (loss)/earnings per share calculation:					
From continuing operations	(12,850)	71,450	128,003	14,284	18,735
From a discontinued operation	(61,902)	(9,623)	47,386	47,386	—
Total	(74,752)	61,827	175,389	61,670	18,735

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
				(unaudited)	
Shares					
Weighted average number of ordinary shares outstanding during the year/period	1,508,224,503	1,526,631,611	1,526,631,611	1,526,631,611	1,526,631,611

The employee share options are not included in the calculation of diluted earnings per share for the year ended 31 December 2023 as their issue is contingent upon satisfying specified conditions and the conditions are not satisfied. Details of the share options of the Group are included in note 38 to the Historical Financial Information.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	230,499	59,298	1,063,295	39,059	5,598	232,276	1,630,025
Accumulated depreciation	(122,626)	(10,682)	(572,120)	(14,423)	(4,857)	—	(724,708)
Net carrying amount	107,873	48,616	491,175	24,636	741	232,276	905,317
At 1 January 2023, net of accumulated depreciation	107,873	48,616	491,175	24,636	741	232,276	905,317
Additions	—	840	7,669	1,536	176	282,105	292,326
Acquisition of subsidiaries *(note 40)*	—	—	—	—	981	—	981
Depreciation provided during the year	(8,428)	(9,945)	(83,621)	(5,288)	(292)	—	(107,574)
Transfers	73,838	15,923	298,324	9,263	1,013	(398,361)	—
Disposals	(1,188)	—	(63,809)	(1,853)	(122)	—	(66,972)
Exchange realignment	—	156	1,095	29	3	14	1,297
At 31 December 2023, net of accumulated depreciation	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375
At 31 December 2023:							
Cost	303,002	76,245	1,245,396	46,714	5,345	116,034	1,792,736
Accumulated depreciation	(130,907)	(20,655)	(594,563)	(18,391)	(2,845)	—	(767,361)
Net carrying amount	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	303,002	76,245	1,245,396	46,714	5,345	116,034	1,792,736
Accumulated depreciation and impairment	(130,907)	(20,655)	(594,563)	(18,391)	(2,845)	—	(767,361)
Net carrying amount	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375
At 1 January 2024, net of accumulated depreciation	172,095	55,590	650,833	28,323	2,500	116,034	1,025,375
Additions	—	150	814	796	—	173,986	175,746
Assets included in a discontinued operation *(note 12)*	(5,848)	—	(84,892)	(2,868)	(963)	(5,304)	(99,875)
Depreciation provided during the year	(11,514)	(14,851)	(100,679)	(7,264)	(633)	—	(134,941)
Transfers	14,316	2,239	142,487	4,406	—	(163,448)	—
Disposals	(554)	—	(32,255)	(617)	(15)	—	(33,441)
Exchange realignment	(2)	43	628	(24)	2	67	714
At 31 December 2024, net of accumulated depreciation	168,493	43,171	576,936	22,752	891	121,335	933,578
At 31 December 2024:							
Cost	291,030	77,359	973,519	40,684	2,333	121,335	1,506,260
Accumulated depreciation and impairment	(122,537)	(34,188)	(396,583)	(17,932)	(1,442)	—	(572,682)
Net carrying amount	168,493	43,171	576,936	22,752	891	121,335	933,578

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025							
Cost	291,030	77,359	973,519	40,684	2,333	121,335	1,506,260
Accumulated depreciation	(122,537)	(34,188)	(396,583)	(17,932)	(1,442)	—	(572,682)
Net carrying amount	168,493	43,171	576,936	22,752	891	121,335	933,578
At 1 January 2025, net of accumulated depreciation	168,493	43,171	576,936	22,752	891	121,335	933,578
Additions	—	—	376	1,031	—	282,014	283,421
Acquisition of subsidiaries *(note 40)*	—	1,400	—	525	1,121	15,974	19,020
Depreciation provided during the year	(12,718)	(14,657)	(98,525)	(8,056)	(705)	—	(134,661)
Transfers	7,686	17,026	266,569	9,524	346	(301,151)	—
Disposals	(328)	—	(34,306)	(23)	(22)	—	(34,679)
Exchange realignment	36	242	1,590	14	11	384	2,277
At 31 December 2025, net of accumulated depreciation	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956
At 31 December 2025							
Cost	298,221	93,163	1,179,061	51,535	3,726	118,556	1,744,262
Accumulated depreciation	(135,052)	(45,981)	(466,421)	(25,768)	(2,084)	—	(675,306)
Net carrying amount	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956

	Buildings	Leasehold improvements	Plant and machinery	Tools, furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 March 2026							
At 1 January 2026							
Cost	298,221	93,163	1,179,061	51,535	3,726	118,556	1,744,262
Accumulated depreciation	(135,052)	(45,981)	(466,421)	(25,768)	(2,084)	—	(675,306)
Net carrying amount	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956
At 1 January 2026, net of accumulated depreciation	163,169	47,182	712,640	25,767	1,642	118,556	1,068,956
Additions	—	2,164	—	710	—	15,641	18,515
Depreciation provided during the period	(3,287)	(2,449)	(27,065)	(3,497)	(118)	—	(36,416)
Transfers	—	10	31,822	—	—	(31,832)	—
Disposals	—	—	(2,286)	—	—	—	(2,286)
Exchange realignment	(105)	(599)	(2,161)	(59)	(20)	127	(2,817)
At 31 March 2026, net of accumulated depreciation	159,777	46,308	712,950	22,921	1,504	102,492	1,045,952
At 31 March 2026							
Cost	298,111	94,720	1,194,446	52,092	3,688	102,492	1,745,549
Accumulated depreciation	(138,334)	(48,412)	(481,496)	(29,171)	(2,184)	—	(699,597)
Net carrying amount	159,777	46,308	712,950	22,921	1,504	102,492	1,045,952

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings, leasehold land, certain plant and machineries, and vehicles used in its operations. For leasehold land with land use rights periods of 28 to 50 years, lump sum payments were made upon the acquisition and no ongoing payments will be made under the terms of these land use rights. Except the aforementioned leasehold land, other leases generally have lease terms between 2 and 20 years, and lease terms are negotiated on an individual basis and contain different payment terms and conditions. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the Relevant Periods are as follows:

	Buildings	**Leasehold land**	**Plant and machinery**	**Vehicles**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	167,878	37,235	56	—	205,169
Additions	2,818	387	—	—	3,205
Acquisition of subsidiaries *(note 40)*	1,266	—	—	—	1,266
Depreciation charge	(32,513)	(1,276)	(40)	—	(33,829)
Lease modification/termination	6,465	—	—	—	6,465
Exchange realignment	555	—	—	—	555
As at 31 December 2023 and 1 January 2024	146,469	36,346	16	—	182,831
Additions	6,351	—	—	—	6,351
Depreciation charge	(31,045)	(1,146)	(16)	—	(32,207)
Lease modification/termination	6,816	—	—	—	6,816
Assets included in a discontinued operation *(note 12)*	—	(3,028)	—	—	(3,028)
Exchange realignment	(1,810)	—	—	—	(1,810)
As at 31 December 2024 and 1 January 2025	126,781	32,172	—	—	158,953
Additions	44,661	—	—	134	44,795
Acquisition of subsidiaries *(note 40)*	1,947	—	—	—	1,947
Depreciation charge	(25,383)	(1,145)	—	(50)	(26,578)
Lease modification/termination	11,820	—	—	—	11,820
Exchange realignment	(135)	—	—	—	(135)
As at 31 December 2025 and 1 January 2026	159,691	31,027	—	84	190,802
Additions	1,685	—	—	—	1,685
Depreciation charge	(6,910)	(286)	—	(17)	(7,213)
Lease modification/termination	7,540	—	—	—	7,540
Exchange realignment	(415)	—	—	—	(415)
As at 31 March 2026	161,591	30,741	—	67	192,399

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	Year ended 31 December			Three months ended 31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	206,947	200,219	193,061	208,667
New leases	2,818	6,351	44,795	1,685
Acquisition of subsidiaries *(note 40)*	816	—	1,829	—
Accretion of interest recognised during the year/ period	8,617	8,774	8,417	2,099
Payments	(26,034)	(27,091)	(50,444)	(3,827)
Lease modification/termination	6,465	6,738	11,167	7,540
Exchange realignment	590	(1,930)	(158)	(491)
Carrying amount at the end of year/period	200,219	193,061	208,667	215,673
Analysed into:				
Current portion				
Within one year	42,800	40,660	31,460	38,575
Non-current portion				
Repayable in the second year	8,411	19,208	24,256	25,553
Repayable in the third to fifth years, inclusive	50,086	53,271	55,293	54,631
Repayable beyond five years	98,922	79,922	97,658	96,914
Subtotal	157,419	152,401	177,207	177,098
Total	200,219	193,061	208,667	215,673

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	8,617	8,774	8,417	2,278	2,099
Depreciation charge of right-of-use assets	33,829	32,207	26,578	7,337	7,213
Gains on lease modification/ termination	—	(78)	(653)	(653)	—
Expense relating to short-term leases	13,323	13,591	15,483	4,250	4,351
Total amount recognised in profit or loss	55,769	54,494	49,825	13,212	13,663

(d) The total cash outflow for leases is disclosed in note 43(c) to the Historical Financial Information.

The Group as a lessor

The Group leases certain of its plant and machinery under finance lease arrangements. Details of finance lease interest income recognised by the Group during the Relevant Periods are included in note 5 to the Historical Financial Information.

During the years ended 31 December 2023, 2024 and 2025 and 31 March 2026, the Group's finance lease receivables were secured and interest-bearing at rates ranging from 3.0% to 6.9%, 3.0% to 6.9%, 3.0% to 6.9% and 3.0% to 6.9%, respectively. Details of lease receivables as well as the reconciliation between the gross investment in finance leases and the present value of minimum lease payments receivable under such leases as at 31 December 2023, 2024 and 2025 and 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross investment in finance leases	237,359	202,524	254,294	241,543
Less: Unearned finance income	(41,079)	(31,993)	(31,709)	(28,920)
Gross lease receivables	196,280	170,531	222,585	212,623
Less: accumulated allowance for impairment	(1,963)	(1,705)	(2,226)	(2,125)
Net lease receivables	194,317	168,826	220,359	210,498
Analysed into:				
Current portion	25,749	28,841	46,499	42,884
Non-current portion	168,568	139,985	173,860	167,614

The analyses of the Group's gross investment in finance leases by relevant maturity groupings as at 31 December 2023, 2024 and 2025 and 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Gross investment in finance leases				
Within 1 year	38,391	36,683	55,818	52,755
After 1 year but within 2 years	36,683	34,607	45,567	45,730
After 2 years but within 3 years	34,607	26,257	41,670	40,700
After 3 years but within 4 years	26,257	27,205	33,266	31,650
After 4 years but within 5 years	27,205	22,807	29,445	28,635
Over 5 years	74,216	54,965	48,528	42,073
Total	237,359	202,524	254,294	241,543

17. GOODWILL

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cost and net carrying amount at the beginning of year/period	—	107,092	107,092	517,867
Acquisition of subsidiaries *(note 40)*	107,092	—	410,775	—
Cost and net carrying amount at the end of year/period	107,092	107,092	517,867	517,867

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGUs") for impairment testing:

- Machine-vision surface defect inspection solutions cash-generating unit, which is mainly engaged in providing intelligent manufacturing solutions for machine-vision surface defect inspection; and
- Intelligent heating and cooling solutions and dual carbon services cash-generating unit, which is mainly engaged in providing green manufacturing solutions for enterprise customers.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

Carrying amount of goodwill	Machine-vision surface defect inspection solutions	Intelligent heating and cooling solutions and dual carbon services	Total
	RMB'000	*RMB'000*	*RMB'000*
At 31 December 2023	107,092	—	107,092
At 31 December 2024	107,092	—	107,092
At 31 December 2025	107,092	410,775	517,867
At 31 March 2026	107,092	410,775	517,867

Machine-vision surface defect inspection solutions

The recoverable amount of the Machine-vision surface defect inspection solutions cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2023, 2024 and 2025 and 31 March 2026, the pre-tax discount rates applied to the cash flow projections were 12.15%, 12.05%, 11.85% and 12.03%; and the growth rates used to extrapolate the cash flows beyond the five-year period were 0%, 0%, 0% and 0%, respectively.

Intelligent heating and cooling solutions and dual carbon services

The recoverable amount of the Intelligent heating and cooling solutions and dual carbon services cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. As at 31 December 2025 and 31 March 2026, the pre-tax discount rates applied to the cash flow projections were 12.57% and 12.54% and the growth rates used to extrapolate the cash flows beyond the five-year period were 0% and 0%.

Assumptions were used in the value-in-use calculation of the above cash-generating units. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Revenue growth rate — The basis used to determine the revenue growth rate is the average growth rate achieved in the year immediately before the budget year, increased for expected market development.

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the actual gross margin achieved in the year immediately before the budget year and expected market development.

Discount rates — The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions are consistent with external information sources.

At 31 December 2023, 2024 and 2025 and 31 March 2026, the amounts by which each unit's recoverable amount exceeds its carrying amount ("headroom") are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Machine-vision surface defect inspection solutions	64,112	75,428	83,703	80,798
Intelligent heating and cooling solutions and dual carbon services	—	—	414,190	412,612

The following table sets forth the impact of reasonably possible changes in each of the key assumptions, with all other variables held constant, on the goodwill impairment testing of each of the CGUs at the dates indicated. If the estimated key assumptions changed as below, the headroom would decrease to:

Machine-vision surface defect inspection solutions

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue growth rate decreases by 1%	28,112	44,428	67,703	65,798
Budgeted gross margin decreases by 1%	55,112	67,428	73,703	70,798
Discount rate increases by 1%	39,112	50,428	56,703	54,798

Intelligent heating and cooling solutions and dual carbon services

	31 December 2025	31 March 2026
	RMB'000	*RMB'000*
Revenue growth rate decreases by 1%	328,842	326,612
Budgeted gross margin decreases by 1%	319,756	315,612
Discount rate increases by 1%	320,347	322,612

The aforementioned reasonable possible changes in key parameters would not cause the carrying amount of the CGU to exceed its recoverable amount.

18. OTHER INTANGIBLE ASSETS

The Group

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023:			
Cost	150	117,650	117,800
Accumulated amortisation	(94)	(66,427)	(66,521)
Net carrying amount	56	51,223	51,279
At 1 January 2023, net of accumulated amortisation	56	51,223	51,279
Additions	—	14,137	14,137
Amortisation provided during the year	(10)	(12,989)	(12,999)
Disposals/Write-off	—	(61)	(61)
Exchange realignment	1	1	2
At 31 December 2023, net of accumulated amortisation	47	52,311	52,358
At 31 December 2023:			
Cost	154	96,494	96,648
Accumulated amortisation	(107)	(44,183)	(44,290)
Net carrying amount	47	52,311	52,358

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024:			
Cost	154	96,494	96,648
Accumulated amortisation	(107)	(44,183)	(44,290)
Net carrying amount	47	52,311	52,358
At 1 January 2024, net of accumulated amortisation	47	52,311	52,358
Additions	—	34,067	34,067
Assets included in a discontinued operation *(note 12)*	—	(5,882)	(5,882)
Amortisation provided during the year	(9)	(16,752)	(16,761)
Disposals/Write-off	—	(6,916)	(6,916)
Exchange realignment	(4)	(12)	(16)
At 31 December 2024, net of accumulated amortisation	34	56,816	56,850
At 31 December 2024:			
Cost	140	104,557	104,697
Accumulated amortisation	(106)	(47,741)	(47,847)
Net carrying amount	34	56,816	56,850

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025:			
Cost	140	104,557	104,697
Accumulated amortisation	(106)	(47,741)	(47,847)
Net carrying amount	34	56,816	56,850
At 1 January 2025, net of accumulated amortisation	34	56,816	56,850
Additions	—	8,038	8,038
Acquisition of subsidiaries *(note 40)*	—	369	369
Amortisation provided during the year	(7)	(11,932)	(11,939)
Disposals/Write-off	—	(2,658)	(2,658)
Exchange realignment	—	(1)	(1)
At 31 December 2025, net of accumulated amortisation	27	50,632	50,659
At 31 December 2025:			
Cost	140	100,523	100,663
Accumulated amortisation	(113)	(49,891)	(50,004)
Net carrying amount	27	50,632	50,659

	Patents and trademark	Software	Total
	RMB'000	*RMB'000*	*RMB'000*
31 March 2026			
At 1 January 2026:			
Cost	140	100,523	100,663
Accumulated amortisation	(113)	(49,891)	(50,004)
Net carrying amount	27	50,632	50,659
At 1 January 2026, net of accumulated amortisation	27	50,632	50,659
Additions	—	1,569	1,569
Amortisation provided during the period	—	(1,997)	(1,997)
Exchange realignment	—*	—*	—*
At 31 March 2026, net of accumulated amortisation	27	50,204	50,231
At 31 March 2026:			
Cost	140	101,922	102,062
Accumulated amortisation	(113)	(51,718)	(51,831)
Net carrying amount	27	50,204	50,231

* The amount is less than RMB1,000.

The Company

	Software	Total
	RMB'000	*RMB'000*
31 December 2023		
At 1 January 2023:		
Cost	4,646	4,646
Accumulated amortisation	(2,202)	(2,202)
Net carrying amount	2,444	2,444
At 1 January 2023, net of accumulated amortisation	2,444	2,444
Amortisation provided during the year	(940)	(940)
At 31 December 2023, net of accumulated amortisation	1,504	1,504
At 31 December 2023:		
Cost	4,646	4,646
Accumulated amortisation	(3,142)	(3,142)
Net carrying amount	1,504	1,504

	Software	Total
	RMB'000	*RMB'000*
31 December 2024		
At 1 January 2024:		
Cost	4,646	4,646
Accumulated amortisation	(3,142)	(3,142)
Net carrying amount	1,504	1,504
At 1 January 2024, net of accumulated amortisation	1,504	1,504
Amortisation provided during the year	(1,034)	(1,034)
At 31 December 2024, net of accumulated amortisation	470	470
At 31 December 2024:		
Cost	4,646	4,646
Accumulated amortisation	(4,176)	(4,176)
Net carrying amount	470	470

	Software	Total
	RMB'000	*RMB'000*
31 December 2025		
At 1 January 2025:		
Cost	4,646	4,646
Accumulated amortisation	(4,176)	(4,176)
Net carrying amount	470	470
At 1 January 2025, net of accumulated amortisation	470	470
Amortisation provided during the year	(470)	(470)
At 31 December 2025, net of accumulated amortisation	—	—
At 31 December 2025:		
Cost	—	—
Accumulated amortisation	—	—
Net carrying amount	—	—

19. INVESTMENTS IN ASSOCIATES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	121,238	133,414	147,570	155,510
Goodwill on acquisition	2,633	2,633	2,633	2,633
Total	123,871	136,047	150,203	158,143

The Group's investments are accounted for as associates of the Group for which the Group is in a position to exercise significant influence. The Group has at least one director on each board of directors and/or has relevant rights regarding certain significant financial and operating decisions in the board meetings of these associates.

None of the Group's associates are considered individually material during the Relevant Periods. The following table illustrates the aggregate financial information of the associates:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Share of the associates' profits for the year/period	27,534	14,829	14,129	4,098	5,737
Share of the associates' other comprehensive income/(loss) for the year/period	229	(51)	74	(61)	3
Total	27,763	14,778	14,203	4,037	5,740

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Aggregate carrying amount of the Group's investments in the associates	123,871	136,047	150,203	158,143

20. INVESTMENTS IN SUBSIDIARIES

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments, net carrying amount:	3,913,683	4,325,407	3,744,052	3,744,052

Particulars of the Company's principle subsidiaries are included in note 1 to the Historical Financial Information.

21. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income				
Listed equity investments, at fair value				
Bank of Qingdao Co., Ltd. (青島銀行股份有限公司)	92,006	117,044	135,144	156,260
Unlisted equity investments, at fair value				
Qingdao Virtual Reality Research Institute Co., Ltd. (青島虛擬現實研究院有限公司)	2,410	1,500	1,600	1,400
Total	94,416	118,544	136,744	157,660

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

22. INVENTORIES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Raw materials	119,012	100,593	175,869	204,184
Work in progress	78,916	265	245	234
Finished goods	234,305	248,338	308,528	267,935
	432,233	349,196	484,642	472,353
Contract fulfilment costs	511,553	567,631	766,669	824,180
Total	943,786	916,827	1,251,311	1,296,533

23. TRADE AND BILLS RECEIVABLES

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	957,941	1,149,842	1,577,851	1,699,062
Impairment	(19,384)	(34,026)	(89,513)	(93,269)
Trade receivables, net	938,557	1,115,816	1,488,338	1,605,793
Bills receivable	761,783	535,645	731,331	536,319
Impairment	(2,285)	(2,240)	(2,496)	(1,609)
Bills receivable, net	759,498	533,405	728,835	534,710
Trade and bills receivables	1,698,055	1,649,221	2,217,173	2,140,503

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	23,849	21,868	7,371	6,319
Impairment	—	—	—	—
Trade receivables, net	23,849	21,868	7,371	6,319
Trade and bills receivables	23,849	21,868	7,371	6,319

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods are generally 30 to 270 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, bills receivable of the Group amounting to RMB395,491,000, RMB187,610,000, RMB156,000,000 and RMB234,078,000, respectively, were restricted by banks as collateral for the issuance of bank acceptance notes.

An ageing analysis of the trade receivables of the Group as at 31 December 2023, 2024 and 2025 and 31 March 2026, based on the invoice date and/or acceptance date and net of loss allowance, is as follows:

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 12 months	914,692	1,091,001	1,403,436	1,537,917
13 to 24 months	23,455	22,692	82,223	66,457
25 to 36 months	410	2,123	2,679	1,419
Total	938,557	1,115,816	1,488,338	1,605,793

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 12 months	23,849	4,696	7,371	6,319
13 to 24 months	—	17,172	—	—
Total	23,849	21,868	7,371	6,319

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	19,519	19,384	34,026	89,513
Impairment losses recognised, net	431	18,691	35,509	2,339
Amount written off as uncollectible	(579)	(1,194)	(357)	(89)
Recovery of amount previously written off	—	1,642	9,636	1,497
Indemnification asset recognised from non-controlling shareholders	—	—	10,662	—
Assets included in a discontinued operation	—	(4,521)	—	—
Exchange realignment	13	24	37	9
At end of the year/period	19,384	34,026	89,513	93,269

The increase in the loss allowance during the Relevant Periods was mainly due to the increase in trade receivables with ageing for over 12 months and the increase in expected credit loss rate.

An impairment analysis is performed at the end of each of the Relevant Periods, using a provision matrix to measure expected credit losses. The provision rates are based on the ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	0.69%	921,080	6,388	914,692
13 to 24 months	24.30%	30,984	7,529	23,455
25 to 36 months	81.88%	2,263	1,853	410
Over 36 months	100.00%	434	434	—
Provision on an individual basis	100.00%	3,180	3,180	—
Total		957,941	19,384	938,557

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	0.89%	1,100,769	9,768	1,091,001
13 to 24 months	23.40%	29,624	6,932	22,692
25 to 36 months	78.87%	10,049	7,926	2,123
Over 36 months	100.00%	2,459	2,459	—
Provision on an individual basis	100.00%	6,941	6,941	—
Total		1,149,842	34,026	1,115,816

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	1.28%	1,421,565	18,129	1,403,436
13 to 24 months	14.68%	96,373	14,150	82,223
25 to 36 months	49.04%	5,256	2,577	2,679
Over 36 months	100.00%	3,883	3,883	—
Provision on an individual basis	100.00%	50,774	50,774	—
Total		1,577,851	89,513	1,488,338

As at 31 March 2026

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	1.04%	1,554,050	16,133	1,537,917
13 to 24 months	24.27%	87,753	21,296	66,457
25 to 36 months	55.14%	3,164	1,745	1,419
Over 36 months	100.00%	4,078	4,078	—
Provision on an individual basis	100.00%	50,017	50,017	—
Total		1,699,062	93,269	1,605,793

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group endorsed certain bills receivable in the Chinese mainland (the "Endorsed Bills") with carrying amounts of RMB254,648,000, RMB201,476,000, RMB305,550,000 and RMB167,245,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, certain bills receivable accepted by banks in the Chinese mainland (the "Discounted Bills") were discounted to the banks in the Chinese mainland with carrying amounts in aggregate of RMB1,000,000, nil, nil and nil, respectively. In accordance with the Law of Negotiable Instruments in the Chinese mainland, the holders of the Discounted Bills have a right of recourse against the Group if the banks in the Chinese mainland default (the "Continuing Involvement"). In the opinion of the directors, the Group has not transferred substantially all risks and rewards relating to the Discounted Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Discounted Bills and the undiscounted cash flows to repurchase these Discounted Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Discounted Bills are not significant. The proceeds received from the discounting of the Discounted Bills with amounts of RMB1,000,000, nil, nil and nil were recorded as interest-bearing bank borrowings at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, because the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Bills.

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments	60,454	49,164	85,200	74,944
Value-added tax recoverable and prepaid taxes	80,737	72,931	86,195	92,195
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	7,040	11,418	9,127	12,470
Dividends receivable	2,728	4,671	7,760	7,673
Land resumption compensation	75,427	55,427	—	—
Disbursements of utility payments on behalf of customers	165,484	185,164	187,451	185,595
Other receivables	25,996	24,517	39,502	41,631
	417,866	403,292	420,867	425,194
Impairment allowance	(7,481)	(7,891)	(7,212)	(8,033)
Total — current	410,385	395,401	413,655	417,161
Non-current:				
Long-term prepayments	27,013	21,297	8,994	15,345
Long-term deposits	24,523	17,950	20,080	20,893
Other assets	—	—	1,765	1,765
	51,536	39,247	30,839	38,003
Impairment allowance	(245)	(179)	(201)	(209)
Total — non-current	51,291	39,068	30,638	37,794
Total	461,676	434,469	444,293	454,955

The Group applies an expected credit loss model to evaluate the credit losses for financial assets included in prepayments, other receivables and other assets. The Group's movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	5,235	7,726	8,070	7,413
Impairment losses/(reversal of impairment losses) recognised, net	2,346	347	(786)	612
Recovery of amount previously written off	145	—	129	217
Assets included in a discontinued operation	—	(3)	—	—
At end of year/period	7,726	8,070	7,413	8,242

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Prepayments	434	336	320	303
Value-added tax recoverable and prepaid taxes	—	99	—	—
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	—	34	5	—
Dividends receivable	98,180	—	200,000	200,000
Amounts due from subsidiaries	840,438	3,027,111	1,614,690	2,186,433
Other receivables	24	—	—	—
Total — current	939,076	3,027,580	1,820,647	2,397,422
Non-current:				
Amounts due from subsidiaries	—	—	576,000	576,000
Total — non-current	—	—	576,000	576,000
Total	939,076	3,027,580	2,396,647	2,973,422

Except for a non-trade amount of due from a subsidiary of RMB583,898,000 and RMB588,869,000 as at 31 December 2025 and 31 March 2026, respectively, with an interest rate of 3.5% of which principal of RMB576,000,000 is repayable by 31 July 2030 and interests of RMB7,898,000 and RMB12,869,000 are repayable within one year as at 31 December 2025 and 31 March 2026, respectively, amounts due from subsidiaries are unsecured, non-interest-bearing and repayable on demand.

25. CONTRACT ASSETS

	1 January	31 December			31 March
	2023	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from					
Retention monies	51,114	52,895	48,507	153,995	155,126
Impairment	(341)	(355)	(427)	(1,185)	(1,391)
Net carrying amount	50,773	52,540	48,080	152,810	153,735

Contract assets are initially recognised for revenue earned from IoT products and data intelligence solutions as the receipt of consideration is conditional on successful completion of warranty conditions. Included in contract assets are retention receivables. Upon completion of warranty conditions and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets during the year ended 31 December 2025 was due to the Group's acquisition of Shanghai Discovery.

The Group's trading terms and credit policy with customers are disclosed in note 23 to the Historical Financial Information.

The expected timing of recovery or settlement for contract assets as at 31 December 2023, 2024 and 2025 and 31 March 2026 is as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	39,691	29,009	88,122	93,767
After one year	12,849	19,071	64,688	59,968
Total contract assets	52,540	48,080	152,810	153,735

The movements in the loss allowance for impairment of contract assets are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	341	355	427	1,185
Impairment losses recognised, net	14	177	758	206
Assets included in a discontinued operation	—	(105)	—	—
At end of year/period	355	427	1,185	1,391

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	31 December			31 March
	2023	2024	2025	2026
Expected credit loss rate	0.69%	0.89%	0.77%	0.90%
Gross carrying amount (RMB'000)	52,895	48,507	153,995	155,126
Expected credit losses (RMB'000)	355	427	1,185	1,391

26. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Assets:				
Non-current assets:				
Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) (a)	25,000	—	—	—
Current assets:				
Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) (a)	—	24,896	—	—
Structured deposits (b)	118,659	101,200	370,563	289,455
Total	143,659	126,096	370,563	289,455
Liabilities:				
Current liabilities:				
Foward currency contracts	—	—	—	819
Total	—	—	—	819

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Structured deposits (b)	—	—	300,563	—

Notes:

(a) Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) was a limited partnership registered in the PRC, in which the Group held a 6.17% ownership interest as at 31 December 2023 and 2024. The equity investment was classified as a financial asset at fair value through profit or loss as initial recognition. During the year ended 31 December 2025, Southeast Digital Transformation Equity Investment (Putian) Partnership (Limited Partnership) completed its liquidation and the liquidation proceed has been fully received.

(b) The structured deposits were issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

27. RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Bank acceptance bills	688,237	873,440	801,560	822,308

The Group endorsed certain bank acceptance bills in the Chinese mainland with aggregate carrying amounts of RMB152,065,000, RMB163,710,000 and RMB206,000,000 and RMB254,452,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the notes mentioned above may exercise the right of recourse against any, several or all of the persons liable for these derecognised bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the Directors, the risk of the Group being claimed by the holders of these derecognised bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the derecognised notes. Accordingly, it has derecognised the full carrying amounts of the derecognised notes and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the derecognised notes and the undiscounted cash flows to repurchase these derecognised notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the derecognised notes are not significant.

As at 31 December 2023, 2024 and 2025 and 31 March 2026, receivables at fair value through other comprehensive income of the Group amounting to RMB504,205,000, RMB705,854,000, RMB568,054,000 and RMB679,349,000, respectively, was restricted by banks as collateral for the issuance of bank acceptance notes.

28. CASH AND CASH EQUIVALENTS, PLEDGED DEPOSITS AND TIME DEPOSITS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	4,234,187	930,846	1,040,598	1,193,962
Time deposits	5,086	3,098,527	2,642,392	2,552,206
Subtotal	4,239,273	4,029,373	3,682,990	3,746,168
Less:				
Pledged deposits:				
Current portion	274,951	172,072	289,924	292,925
Non-current portion	239	239	3,967	3,967
Time deposits with original maturity over three months:				
Current portion	5,086	1,553,792	814,829	986,285
Non-current portion	—	506,838	1,208,140	1,213,801
Cash and cash equivalents	3,958,997	1,796,432	1,366,130	1,249,190

As at 31 December 2023, 2024 and 2025 and 31 March 2026, the Group's cash and cash equivalents and time deposits denominated in RMB amounted to RMB3,933,917,000, RMB3,796,623,000, RMB3,234,000,000 and RMB3,256,150,000, respectively. The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Long-term time deposits are placed for periods of over one year but within three years and short-term deposits are available for withdrawals with varying periods of between one day and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

An analysis of pledged deposits is as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Guarantee deposits for bank acceptance notes	248,905	151,718	265,943	250,995
Restricted for business projects and litigations	23,303	19,313	23,602	41,866
Others	2,743	1,041	379	64
Subtotal	274,951	172,072	289,924	292,925
Non-current				
Restricted for business projects and litigations	239	239	3,967	3,967
Total	275,190	172,311	293,891	296,892

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and bank balances	3,277,238	143,834	99,704	218,087
Time deposits	—	426,355	1,507,747	1,312,663
Subtotal	3,277,238	570,189	1,607,451	1,530,750
Less:				
Time deposits with original maturity over three months:				
Non-current portion	—	—	1,007,747	1,012,555
Cash and cash equivalents	3,277,238	570,189	599,704	518,195

29. TRADE AND BILLS PAYABLES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,614,926	1,701,597	2,231,494	2,044,377
Bills payable	1,304,296	1,184,096	1,222,656	1,376,441
Total	2,919,222	2,885,693	3,454,150	3,420,818

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 31 March 2026, based on the invoice date and/or acceptance date, is as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 12 months	2,863,274	2,818,818	3,331,113	3,311,247
13 to 24 months	41,327	46,715	56,424	45,967
25 to 36 months	11,136	10,616	37,959	33,958
Over 36 months	3,485	9,544	28,654	29,646
Total	2,919,222	2,885,693	3,454,150	3,420,818

The trade payables are non-interest-bearing and are normally settled on 30–270 day terms, which are typically settled through six-month acceptance bills.

30. OTHER PAYABLES AND ACCRUALS

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income	58,701	77,098	77,290	81,637
Payroll and welfare payable	175,719	154,633	183,784	127,286
Other tax payables	62,555	58,162	71,143	80,437
Deposits received	35,077	40,186	41,870	46,414
Accrued expenses	108,056	109,090	137,631	132,382
Payables for purchase of long-term assets	103,027	86,894	156,658	149,191
Payables for acquisition of subsidiaries	—	—	20,000	20,000
Other payables	161,954	159,458	128,348	114,728
Total	705,089	685,521	816,724	752,075

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Deferred income	216	516	—	—
Payroll and welfare payable	15,442	11,589	16,633	14,296
Other tax payables	2,541	179	342	124
Deposits received	100	100	903	903
Accrued expenses	8,724	9,537	20,419	18,011
Payables for purchase of long-term assets	160	—	—	—
Amounts due to subsidiaries	1,694,060	1,481,107	1,376,856	1,575,686
Total	1,721,243	1,503,028	1,415,153	1,609,020

All financial liabilities above are unsecured, non-interest-bearing and repayable on demand.

31. CONTRACT LIABILITIES

	1 January	31 December			31 March
	2023	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
IoT products	108,135	50,483	13,339	8,978	8,679
Data intelligence solutions	559,337	559,947	593,395	747,632	805,588
Total	667,472	610,430	606,734	756,610	814,267

The increase/decrease in contract liabilities during the Relevant Periods was mainly due to the increase/decrease in advances received from customers in relation to IoT products and data intelligence solutions at the end of each of the Relevant Periods. The contract liabilities of the IoT products as at 1 January 2023 and 31 December 2023 were primarily attributable to COSMO Moulds. The balance decreased because there was a reclassification of COSMO Moulds as a disposal group held for sale as of 31 December 2024. The increase in contract liabilities for the year ended 31 December 2025 was mainly due to the acquisition of Shanghai Discovery. The increase in contract liabilities for the three months ended 31 March 2026 was mainly due to the increase in advances received from Shanghai Discovery.

32. INTEREST-BEARING BANK BORROWINGS

	31 December 2023			31 December 2024			31 December 2025			31 March 2026		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans — secured*	1.90	2024	1,000	—	—	—	—	—	—	—	—	—
Bank loans — unsecured	Business Bank Indicator Rate ("BBIR") –5%	2024	10,407	New Zealand bank bill reference rate ("BID")+2%	2025	11,443	2.20 – 2.68	2026	72,886	2.20 – 2.50	2026	45,000
Total			11,407			11,443			72,886			45,000

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank borrowings repayable:				
Within one year	11,407	11,443	72,886	45,000
Total	11,407	11,443	72,886	45,000
Bank borrowings denominated in the following currencies:				
New Zealand dollars ("NZD")	10,407	11,443	—	—
RMB	1,000	—	72,886	45,000
Total	11,407	11,443	72,886	45,000
Bank borrowings by type of interest rate:				
Fixed interest rate	1,000	—	72,886	45,000
Variable interest rate	10,407	11,443	—	—
Total	11,407	11,443	72,886	45,000

* As at 31 December 2023, the Group discounted certain bills receivable with a carrying amount of RMB1,000,000 in exchange for cash. The Group has retained the substantial risks and rewards, which include default risks relating to such discounted bills, and accordingly, it continued to recognise the full carrying amounts of the bills receivable and the associated cash received as secured bank borrowings from the bank, the corresponding discount charges is recorded as interest expense.

33. PROVISION

The movement of provisions for product warranties is as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	44,388	43,502	42,718	69,303
Additional provision	41,325	38,790	57,196	11,346
Acquisition of subsidiaries *(note 40)*	—	—	14,667	—
Amounts utilised during the year/period	(42,261)	(39,488)	(45,259)	(13,338)
Exchange realignment	50	(86)	(19)	(20)
At the end of year/period	43,502	42,718	69,303	67,291
Portion classified as current liabilities	30,226	30,163	48,852	48,171
Non-current portion	13,276	12,555	20,451	19,120

The Group provides warranties to its customers in relation to certain of IoT products and data intelligence solutions for general repairs of defects occurring during the warranty period. The amount of the provision for warranties is estimated based on past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

34. DEFERRED INCOME

The Group

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants				
Asset-related grants (a)	85,092	59,426	45,651	43,146
Reimbursement of future expenses (b)	54,567	67,979	58,666	57,186
Total	139,659	127,405	104,317	100,332

Movements in government grants of the Group during the Relevant Periods are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	150,217	139,659	127,405	104,317
Additions	38,148	39,453	9,257	2,596
Released to profit or loss	(48,706)	(31,103)	(32,345)	(6,581)
Liabilities included in a discontinued operation	—	(20,604)	—	—
At end of year/period	139,659	127,405	104,317	100,332
Current portion	22,426	22,490	22,951	19,603
Non-current portion	117,233	104,915	81,366	80,729

The Company

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants				
Reimbursement of future expenses (b)	700	1,500	2,200	2,200

Movements in government grants of the Company during the Relevant Periods are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	—	700	1,500	2,200
Additions	700	800	700	—
At end of year/period	700	1,500	2,200	2,200
Current portion	—	—	—	—
Non-current portion	700	1,500	2,200	2,200

Notes:

(a) Asset-related grants

The asset-related grants were mainly the subsidies received from the government in relation to the Group's property, plant and equipment.

(b) Reimbursement of future expenses

Government grants, as reimbursement of future expenses, were mainly the subsidies received in relation to the Group's future research and development activities.

35. DEFERRED TAX

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits	Lease liabilities	Unrealised profits	Impairment of assets	Deferred revenue/ income	Sales rebates	Depreciation of finance lease assets	Provision	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	19,913	26,667	2,880	2,222	1,292	—	—	928	53,902
Acquisition of subsidiaries *(note 40)*	164	—	—	199	—	—	—	—	363
Deferred tax (charged)/ credited to profit or loss during the year	1,284	(4,553)	892	207	13	14	—	1,285	(858)
Gross deferred tax assets at 31 December 2023	21,361	22,114	3,772	2,628	1,305	14	—	2,213	53,407
At 1 January 2024	21,361	22,114	3,772	2,628	1,305	14	—	2,213	53,407
Deferred tax (charged)/ credited to profit or loss during the year	(2,198)	(3,122)	1,304	2,757	1,084	131	—	1,848	1,804
Gross deferred tax assets at 31 December 2024	19,163	18,992	5,076	5,385	2,389	145	—	4,061	55,211
At 1 January 2025	19,163	18,992	5,076	5,385	2,389	145	—	4,061	55,211
Acquisition of subsidiaries *(note 40)*	4,128	274	—	4,776	18,987	—	4,625	2,212	35,002
Deferred tax (charged)/ credited to profit or loss during the year	11,077	6,370	(2,222)	(600)	(18,597)	744	106	(33)	(3,155)
Gross deferred tax assets at 31 December 2025	34,368	25,636	2,854	9,561	2,779	889	4,731	6,240	87,058
At 1 January 2026	34,368	25,636	2,854	9,561	2,779	889	4,731	6,240	87,058
Deferred tax (charged)/ credited to profit or loss during the period	1,142	1,382	(1,040)	(1,288)	274	(307)	(124)	(601)	(562)
Gross deferred tax assets at 31 March 2026	35,510	27,018	1,814	8,273	3,053	582	4,607	5,639	86,496

Deferred tax liabilities

	Right-of-use assets	Accelerated depreciation of fixed assets	Fair value change of equity instruments	Fair value adjustments of financial assets at fair value through profit or loss	Lease receivables	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	26,615	13,045	6,135	376	—	18,857	65,028
Deferred tax charged/(credited) to profit or loss during the year	(4,432)	697	—	(303)	—	—	(4,038)
Deferred tax credited to other comprehensive income during the year	—	—	(1,623)	—	—	—	(1,623)
Gross deferred tax liabilities at 31 December 2023	22,183	13,742	4,512	73	—	18,857	59,367
At 1 January 2024	22,183	13,742	4,512	73	—	18,857	59,367
Deferred tax charged/(credited) to profit or loss during the year	(3,320)	62	—	(23)	—	(17,500)	(20,781)
Deferred tax charged to other comprehensive income during the year	—	—	4,296	—	—	—	4,296
Gross deferred tax liabilities at 31 December 2024	18,863	13,804	8,808	50	—	1,357	42,882

	Right-of-use assets	Accelerated depreciation of fixed assets	Fair value change of equity instruments	Fair value adjustments of financial assets at fair value through profit or loss	Lease receivables	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	18,863	13,804	8,808	50	—	1,357	42,882
Acquisition of subsidiaries *(note 40)*	292	—	—	—	6,370	—	6,662
Deferred tax charged/(credited) to profit or loss during the year	6,035	(175)	—	(50)	80	(1,357)	4,533
Deferred tax charged to other comprehensive income during the year	—	—	2,712	—	—	—	2,712
Gross deferred tax liabilities at 31 December 2025	25,190	13,629	11,520	—	6,450	—	56,789
At 1 January 2026	25,190	13,629	11,520	—	6,450	—	56,789
Deferred tax charged/(credited) to profit or loss during the period	1,056	(106)	—	38	(478)	—	510
Deferred tax charged to other comprehensive income during the period	—	—	3,167	—	—	—	3,167
Gross deferred tax liabilities at 31 March 2026	26,246	13,523	14,687	38	5,972	—	60,466

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	16,442	21,792	42,645	41,676
Net deferred tax liabilities recognised in the consolidated statements of financial position	22,402	9,463	12,376	15,646

Deferred tax assets have not been recognised in respect of the following items:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Tax losses not recognised	1,772,284	1,881,232	2,008,399	1,781,893
Deductible temporary differences	435,190	500,578	419,832	393,641
Total	2,207,474	2,381,810	2,428,231	2,175,534

Tax losses of RMB1,657,624,000, RMB1,732,717,000, RMB1,798,704,000 and RMB1,555,750,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, arising in the Chinese mainland will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group also had tax losses arising in New Zealand, Singapore, and Hong Kong with aggregate amounts RMB114,660,000, RMB148,515,000, RMB209,695,000 and 226,143,000 as at 31 December 2023, 2024 and 2025 and 31 March 2026, respectively, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

36. OTHER LIABILITIES

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current				
Contingent consideration				
Hangzhou Chixiao Technology Co., Ltd. ("Hangzhou Chixiao") *(note (a))*	—	—	5,910	5,960
Put option liability				
Hangzhou Chixiao *(note (a))*	20,000	36,820	53,025	54,658
Total — current	20,000	36,820	58,935	60,618
Non-current				
Contingent consideration				
Hangzhou Chixiao *(note (a))*	5,440	5,730	—	—
Put option liability				
Hangzhou Chixiao *(note (a))*	75,641	41,999	—	—
Shanghai Discovery *(note (b))*	—	—	101,424	102,261
Total — non-current	81,081	47,729	101,424	102,261
Total	101,081	84,549	160,359	162,879

Notes:

(a) As part of the purchase agreement in relation to the Group's acquisition of a 51% interest in Hangzhou Chixiao in March 2023, there were (i) a contingent consideration which is determined with reference to Hangzhou Chixiao's annual operating results in the next three years; and (ii) a put option granted to the seller which allows the seller to sell the remaining 28% interest in Hangzhou Chixiao to the Group at a price to be determined based on an agreed formula. The contingent consideration and put option liability are carried at fair value, as at 31 December 2023 and 2024, both of which are categorised in Level 3 of the fair value measurement and transferred to Level 2 as at 31 December 2025. As at 31 March 2026, the contingent consideration and put option liability are categorised in Level 2 of the fair value measurement.

(b) As part of the purchase agreement in relation to the Group's acquisition of a 67% interest in Shanghai Discovery in August 2025, a put option was granted to the non-controlling shareholder of Shanghai Discovery which allows the non-controlling shareholder to sell the remaining 13% interest in Shanghai Discovery to the Group at a price based on an agreed amount. The put option liability was measured at amortised cost.

37. SHARE CAPITAL

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Issued and fully paid	1,526,632	1,526,632	1,526,632	1,526,632

A summary of movements in the Company's share capital is as follows:

	Year ended 31 December 2023		Year ended 31 December 2024		Year ended 31 December 2025		Three months ended 31 March 2026	
	Number of shares in issue	Share capital *RMB'000*	Number of shares in issue	Share capital *RMB'000*	Number of shares in issue	Share capital *RMB'000*	Number of shares in issue	Share capital *RMB'000*
At beginning of year/period	1,504,603,433	1,504,603	1,526,631,611	1,526,632	1,526,631,611	1,526,632	1,526,631,611	1,526,632
Exercise of share options *(note (a))*	22,028,178	22,029	—	—	—	—	—	—
At end of year/ period	1,526,631,611	1,526,632	1,526,631,611	1,526,632	1,526,631,611	1,526,632	1,526,631,611	1,526,632

On 30 December 2022, the Company was converted into a joint stock company with limited liability.

Note:

(a) The subscription rights attaching to 22,028,178 share options were exercised and transferred to Share Award Scheme at the subscription price of RMB2.46 per share (note 38), resulting in the issue of 22,028,178 shares for a total cash consideration of RMB54,102,000.

38. SHARE-BASED PAYMENTS

On 9 January 2019, the Group approved and adopted a share incentive plan, which includes a share option scheme (the "Share Option Scheme") and a share award scheme (the"Share Award Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The eligible participants of the Share Option Scheme and the Share Award Scheme include the directors, employees and consultants of the Group, and the above schemes are administered by the board of directors of the Company, which has the authority, at its discretion, to select the employees, directors and consultants to whom shares and share options may be granted from time to time hereunder, to determine whether and to what extent the shares and share options are granted hereunder, and to determine the number of shares and share options.

Share Option Scheme

The Share Option Scheme became effective on 9 January 2019 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The maximum aggregate number of shares under the Share Option Scheme is 34,100,163 shares of the Company.

All of the options granted to the participants are subject to a performance-based condition, which is related to the revenue or the net profit of the Group and the performance of the individuals. Upon satisfaction of the performance-based condition, the granted options would become exercisable over a three-year period, with 30%, 30% and 40% of total options in 12, 24 and 36 months subsequent to the grant date, respectively. Besides, the share options granted are subject to a service condition which will be satisfied at the later of (i) the date of completion of **[REDACTED]** of the Company's shares and (ii) 3 years after the date of grant. Once exercised, the share options granted would transfer to incentive shares under the Share Award Scheme.

During the period from 1 January 2023 to 2 November 2023, 16,049,814 share options were exercised and on 2 November 2023, the board of directors of the Company passed a resolution to approve the aforementioned exercise of all outstanding share options of 5,978,364 to incentive shares under Share Award Scheme as at that date, the service condition remained unchanged.

Movements in the number of share options and their respective weighted average exercise price under the Share Option Scheme were as follows:

	Year ended 31 December 2023	
	Weighted average exercise price per share *RMB*	Number of shares
At beginning of year	2.46	26,228,909
Granted during the year	2.46	2,213,404
Forfeited during the year	2.46	(6,414,135)
Exercised and transferred to Share Award Scheme during the year	2.46	(22,028,178)
At end of year	—	—

The fair value of the share options granted during the year ended 31 December 2023 is as follows:

	Year ended 31 December 2023
Fair value of share options granted:	
Total amount (RMB'000)	19,031
Per share amount (RMB)	8.53–8.65

The comparable companies method of the market approach was used to determine the total equity value of the Group and the fair value of ordinary shares. Based on the fair value of the underlying ordinary shares, the fair value of share options was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to estimate the fair value of share options granted during the year ended 31 December 2023:

	Year ended 31 December 2023
Dividend yield (%)	—
Expected volatility (%)	39.70
Risk-free interest rate (%)	2.26
Expected life of share options (year)	3.00
Weighted average share value (RMB/share)	8.60

The expected life of share options is based on the contract terms. The expected volatility is determined by using the average of historical volatilities of the share prices of the comparable companies, which may also not necessarily be the actual outcome. The risk-free interest rate is based on the yield of China treasury bills. No other feature of the share options granted was incorporated into the measurement of fair value.

Share Award Scheme

In order to implement the Share Award Scheme, Shanghai Wuxuan Enterprise Management Partnership (Limited Partnership) (上海物暄企業管理合夥企業(有限合夥)), Shanghai Wuxing Enterprise Management Partnership (Limited Partnership) (上海物星企業管理合夥企業(有限合夥)), Shanghai Wuqi Enterprise Management Partnership (Limited Partnership) (上海物祈企業管理合夥企業(有限合夥)), Shanghai Wukui Enterprise Management Partnership (Limited Partnership) (上海物夔企業管理合夥企業(有限合夥)), Shanghai Wuqu Enterprise Management Partnership (Limited Partnership) (上海物瞿企業管理合夥企業(有限合夥)), Shanghai Wupan Enterprise Management Partnership (Limited Partnership) (上海物磐企業管理合夥企業(有限合夥)), Shanghai Kesimeng Enterprise Management Partnership (Limited Partnership) (上海科思盟企業管理合夥企業(有限合夥)), Shanghai Kesimeng II Enterprise Management Partnership (Limited Partnership) (上海科思盟貳企業管理合夥企業(有限合夥)) and Shanghai Wukun Enterprise Management Partnership (Limited Partnership) (上海物鯤企業管理合夥企業(有限合夥)) were established and designated as share incentive platforms to hold the incentive shares specially awarded to the eligible participants as the ultimate beneficial owners.

The incentive shares granted are subject to a service condition which will be satisfied at the later of (i) the date of completion of **[REDACTED]** of the Company's shares and (ii) 3 years after the date of grant.

The fair values of the incentive shares granted at the grant date were determined with reference to the fair value of the underlying shares which were determined using the comparable companies method of the market approach, taking into account the terms and conditions upon which the shares were granted. The following table lists the key inputs to the model used:

	31 December			31 March
	2023	2024	2025	2026
Average enterprise value to sales ("EV/Sales")	3.58	3.87	3.27	N/A
Discount for lack of marketability (%)	30.96	33.47	34.91	N/A

Movements in the number of incentive shares and their respective weighted average grant price under the Share Award Scheme were as follows:

	Year ended December 31 2023		Year ended December 31 2024		Year ended December 31 2025		Three months ended 31 March 2026	
	Weighted average grant price per share	Number of incentive shares	Weighted average grant price per share	Number of incentive shares	Weighted average grant price per share	Number of incentive shares	Weighted average grant price per share	Number of incentive shares
	RMB		*RMB*		*RMB*		*RMB*	
At beginning of year/period	2.46	13,011,876	2.46	35,489,084	2.46	35,489,084	2.46	35,489,084
Granted during the year/ period	2.46	2,575,994	2.46	2,156,822	2.46	6,898,940	N/A	—
Transferred from Share Option Scheme during the year/period	2.46	22,028,178	—	—	—	—	—	—
Forfeited during the year/ period	2.46	(2,126,964)	2.46	(2,156,822)	2.46	(6,898,940)	2.46	(603,003)
At end of year/period	2.46	35,489,084	2.46	35,489,084	2.46	35,489,084	2.46	34,886,081

The aforesaid Share Option Scheme and Share Award Scheme have been accounted for as share-based payment transactions. During the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, the Group recognised expenses of RMB29,606,000, RMB27,685,000, RMB39,316,000, RMB8,656,000 (unaudited) and RMB11,115,000, respectively.

39. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve mainly represents the amount paid by shareholders for capital injection in excess of the nominal value of the shares issued, the amount arising from the conversion to a joint stock company, eliminating the portion which was converted into share capital, the reserves resulting from transactions with non-controlling interests as well as share of change in reserve of associate.

(b) Share-based payment reserve

The share-based payment reserve of the Group is attributable to the fair value of share options and share awards granted to the Group's employees, less the corresponding grant price, details of which are set out in note 38 to the Historical Financial Information.

(c) Statutory surplus reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of their registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities, provided that the balance after such conversion is not less than 25% of the registered capital. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

(d) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2.3 to the Historical Financial Information.

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

The Company

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	(Accumulated loss)/ Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	4,823,481	52,901	—	(17,712)	4,858,670
Loss for the year	—	—	—	(1,211)	(1,211)
Total comprehensive loss for the year	—	—	—	(1,211)	(1,211)
Capital contribution from shareholders	32,073	—	—	—	32,073
Equity-settled share-based payment arrangements	—	17,343	—	—	17,343
Share issue expenses	(100)	—	—	—	(100)
At 31 December 2023 and 1 January 2024	4,855,454	70,244	—	(18,923)	4,906,775
Loss for the year	—	—	—	(8,056)	(8,056)
Total comprehensive loss for the year	—	—	—	(8,056)	(8,056)
Equity-settled share-based payment arrangements	—	15,635	—	—	15,635
At 31 December 2024 and 1 January 2025	4,855,454	85,879	—	(26,979)	4,914,354
Profit for the year	—	—	—	179,809	179,809
Total comprehensive income for the year	—	—	—	179,809	179,809
Appropriation to statutory surplus reserve	—	—	15,283	(15,283)	—
Equity-settled share-based payment arrangements	—	17,936	—	—	17,936
At 31 December 2025 and 1 January 2026	4,855,454	103,815	15,283	137,547	5,112,099
Loss for the period	—	—	—	(108)	(108)
Total comprehensive loss for the period	—	—	—	(108)	(108)
Equity-settled share-based payment arrangements	—	4,700	—	—	4,700
At 31 March 2026	4,855,454	108,515	15,283	137,439	5,116,691

40. BUSINESS COMBINATION

Acquisition of Hangzhou Chixiao

In May 2023, the Group entered into an equity purchase agreement pursuant to which the Group agreed to acquire a 51% equity interest in Hangzhou Chixiao for a total consideration of RMB126,630,000. The acquisition was made as part of the Group's strategy to expand its market in the data intelligence solution business. The purchase consideration for the acquisition was in the form of cash with RMB121,500,000 fully paid in 2023 and contingent consideration (note(36(a)) with a fair value of RMB5,130,000 as at the date of acquisition.

The fair values of the identifiable assets and liabilities of Hangzhou Chixiao as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** *RMB'000*
Property, plant and equipment	15	981
Right-of-use assets	16(a)	1,266
Deferred tax assets	35	363
Trade and bills receivables		16,696
Prepayments, other receivables and other assets		3,905
Inventories		31,357
Receivables at fair value through other comprehensive income		521
Financial assets at fair value through profit or loss		10,400
Cash and cash equivalents		19,615
Trade and bills payables		(8,164)
Other payables and accruals		(6,893)
Contract liabilities		(30,922)
Lease liabilities	16(b)	(816)
Total identifiable net assets at fair value		38,309
Non-controlling interests		(18,771)
		19,538
Goodwill on acquisition	17	107,092
Satisfied by:		
Cash		121,500
Contingent consideration		5,130
		126,630

The fair values of the trade and bills receivables and other receivables as at the date of acquisition amounted to RMB16,696,000 and RMB1,701,000, respectively. The gross contractual amounts of trade and bills receivables and other receivables were RMB18,343,000 and RMB1,711,000, respectively, of which trade receivables and other receivables of RMB1,647,000 and RMB10,000 are expected to be uncollectible.

The Group incurred transaction costs of RMB590,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statements of profit or loss.

As part of the purchase agreement, contingent consideration is payable, which is determined with reference to Hangzhou Chixiao's annual operating results in the next three years subsequent to the acquisition. The initial amount recognised was RMB5,130,000 which was determined using the discounted cash flow model and is within Level 3 fair value measurement. The finalized consideration will be determined and paid to the seller in 2026.

An analysis of the cash flows in respect of the acquisition of Hangzhou Chixiao is as follows:

	RMB'000
Cash consideration	(121,500)
Cash and cash equivalents acquired	19,615
Net outflow of cash and cash equivalents included in cash flows from investing activities	(101,885)
Transaction costs of the acquisition included in cash flows from operating activities	(590)
Total net cash outflow	(102,475)

Since the acquisition, Hangzhou Chixiao contributed revenue of RMB30,565,000 and net profit of RMB6,812,000 for the year ended 31 December 2023 to the Group.

Had the combination taken place at the beginning of the year ended 31 December 2023, the revenue and the loss of the Group from continuing operations for the year ended 31 December 2023 would have been RMB5,016,141,000 and RMB14,481,000, respectively.

ACQUISITION OF SHANGHAI DISCOVERY

In August 2025, the Group entered into an equity purchase agreement pursuant to which the Group agreed to acquire a 67% equity interest in Shanghai Discovery for a total consideration of RMB576,200,000. The acquisition was made as part of the Group's strategy to expand its market in data intelligence solutions business. The purchase consideration for the acquisition consisted of cash consideration of RMB371,940,000 paid to the sellers and a capital contribution of RMB204,260,000 made to Shanghai Discovery. As at 31 December 2025, except for amount of RMB20,000,000 payable to the sellers remained unsettled, the other aforementioned consideration were fully paid, of which RMB72,812,000 was paid to its former shareholders subsequent to the completion of the acquisition transaction by way of capital reduction by Shanghai Discovery.

The fair values of the identifiable assets and liabilities of Shanghai Discovery as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** *RMB'000*
Property, plant and equipment	15	19,020
Right-of-use assets	16(a)	1,947
Other intangible assets	18	369
Lease receivables		39,620
Deferred tax assets	35	28,340
Inventories		550,903
Trade and bills receivables		224,734
Prepayments, other receivables and other assets		41,450
Contract assets		69,496
Pledged deposits		15,623
Cash and cash equivalents		251,953
Interest-bearing bank borrowings		(110,746)
Trade and bills payables		(130,983)
Other payables and accruals		(130,940)
Contract liabilities		(606,751)
Lease liabilities	16(b)	(1,829)
Provision	33	(14,667)
Total identifiable net assets at fair value		247,539
Non-controlling interests		(82,114)
		165,425
Goodwill on acquisition	17	410,775
Satisfied by:		
Cash		556,200
Other payables		20,000
		576,200

The fair values of the trade and bills receivables and other receivables as at the date of acquisition amounted to RMB224,734,000 and RMB15,052,000, respectively. The gross contractual amounts of trade and bills receivables and other receivables were RMB248,546,000 and RMB17,528,000, respectively, of which trade receivables and other receivables of RMB23,812,000 and RMB2,476,000, respectively, are expected to be uncollectible.

The Group incurred transaction costs of RMB1,242,000 for this acquisition. These transaction costs have been expensed and are included in administrative expenses in the consolidated statement of profit or loss.

An analysis of the cash flows in respect of the acquisition of Shanghai Discovery is as follows:

	RMB'000
Cash consideration	(556,200)
Cash and bank balances acquired	251,953
Cash consideration paid by Shanghai Discovery to its former shareholders through capital reduction	(72,812)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(377,059)
Transaction costs of the acquisition included in cash flows from operating activities	(1,242)
Total net cash outflow	(378,301)

Since the acquisition, Shanghai Discovery contributed RMB541,168,000 to the Group's revenue and RMB79,567,000 to the consolidated profit for the year ended 31 December 2025.

Had the combination taken place at the beginning of the year 31 December 2025, the revenue and the profit from continuing operations of the Group for the year 31 December 2025 would have been RMB6,747,289,000 and RMB189,573,000, respectively.

41. ACQUISITION OF NON-CONTROLLING INTERESTS

In February 2023, the Group acquired an additional 30.00% and 2.00% interest of the voting shares of Qingdao Haidawei Health Technology Co., Ltd. ("Qingdao Haidawei") and Sichuan Haiyuntianzhi IoT Technology Co., Ltd. ("Sichuan Haiyuntianzhi"), respectively, increasing its ownership interest to 100.00% and 48.42%, respectively. A cash consideration of RMB2,008,000 and nil was paid to the non-controlling shareholders. The carrying value of the net assets of Qingdao Haidawei and Sichuan Haiyuntianzhi in February 2023 were RMB8,183,000 and RMB25,000,000, respectively.

In July 2023, the Group acquired an additional 16.00% interest of the voting shares of Hangzhou Chixiao, increasing its ownership interest to 67.00%. A cash consideration of RMB30,975,000 was paid to the non-controlling shareholders. The carrying value of the net liabilities of Hangzhou Chixiao (excluding goodwill on the original acquisition) in July 2023 was of RMB9,125,000.

The following is a schedule of the additional interest acquired in the subsidiaries mentioned above for the year ended 31 December 2023:

	Qingdao Haidawei *RMB'000*	**Sichuan Haiyuntianzhi** *RMB'000*	**Hangzhou Chixiao** *RMB'000*	**Total** *RMB'000*
Cash consideration paid to non-controlling shareholders	2,008	—	30,975	32,983
Less: carrying value of the additional interest	2,455	500	(1,460)	1,495
Difference recognised in capital reserve	(447)	(500)	32,435	31,488

In January 2024, the Group acquired an additional 20.00% interest of the voting shares of Xingwen Zhijiao (Nanjing) Technology Co., Ltd. ("Xingwen Zhijiao"), increasing its ownership interest to 100.00%. A cash consideration of nil was paid to the non-controlling shareholders. The carrying value of the net liabilities of the Xingwen Zhijiao in January 2024 was RMB1,510,000.

In October 2024, the Group acquired an additional 8.00% interest of the voting shares of Hangzhou Chixiao, increasing its ownership interest to 75.00%. A cash consideration of RMB20,000,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Hangzhou Chixiao (excluding goodwill on the original acquisition) in October 2024 was RMB90,787,000.

The following is a schedule of the additional interest acquired in the subsidiaries mentioned above for the year ended 31 December 2024:

	Xingwen Zhijiao *RMB'000*	**Hangzhou Chixiao** *RMB'000*	**Total** *RMB'000*
Cash consideration paid to non-controlling shareholders	—	20,000	20,000
Settlement of other liabilities *(note 36(a))*	—	(20,000)	(20,000)
Less: carrying value of the additional interest	(302)	7,263	6,961
Difference recognised in capital reserve	302	(7,263)	(6,961)

In August 2025, the Group acquired an additional 10.00% interest of the voting shares of Hangzhou Chixiao, increasing its ownership interest to 85.00%. A cash consideration of RMB36,823,000 was paid to the non-controlling shareholders. The carrying value of the net assets of Hangzhou Chixiao (excluding goodwill on the original acquisition) in August 2025 was RMB102,820,000.

The following is a schedule of the additional interest acquired in Hangzhou Chixiao for the year ended 31 December 2025:

	Hangzhou Chixiao	Total
	RMB'000	*RMB'000*
Cash consideration paid to non-controlling shareholders	36,823	36,823
Settlement of other liabilities *(note 36(a))*	(36,823)	(36,823)
Less: carrying value of the additional interest	10,282	10,282
Difference recognised in capital reserve	(10,282)	(10,282)

42. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Haichengfang Digital Technology Qingdao Co., Ltd. ("Haichengfang")

On 13 June 2023, the Group disposed of all its equity interest in Haichengfang at a consideration of RMB625,000.

	13 June 2023
	RMB'000
Net assets disposed of:	
Trade and bills receivables	232
Prepayments, other receivables and other assets	251
Cash and cash equivalents	385
Trade and bills payables	(150)
Subtotal	718
Loss on disposal of a subsidiary	(93)
Total consideration	625
Satisfied by:	
Cash	625

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	Year ended 31 December 2023
	RMB'000
Cash consideration	625
Cash and bank balances disposed of	(385)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	240

(b) Disposal of COSMO Moulds

On 12 March 2025, the Group disposed of all its equity interest in COSMO Moulds as disclosed in note 12 at a consideration of RMB77,750,000.

	Notes	12 March 2025 RMB'000
Net assets disposed of:		
Property, plant and equipment		76,694
Other intangible assets		8,661
Financial assets at fair value through other comprehensive income		992
Long-term prepayments		298
Inventories		138,788
Trade and bills receivables		32,213
Contract assets		10,457
Prepayments, other receivables and other assets		15,289
Pledged deposits		2,096
Cash and cash equivalents		6,055
Deferred income		(17,089)
Trade and bills payables		(117,831)
Other payables and accruals		(30,727)
Contract liabilities		(90,395)
Subtotal		35,501
Gain on disposal of a subsidiary	12	42,249
Total consideration		77,750
Satisfied by:		
Cash		77,750

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	Year ended 31 December 2025 RMB'000
Cash consideration	77,750
Cash and bank balances disposed of	(6,055)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	71,695

(c) Disposal of Gongfu (Shandong) Digital Technology Co., Ltd. ("Gongfu Shandong")

On 23 June 2025, the Group disposed a 41% equity interest in Gongfu Shandong at a consideration of RMB8,217,000, resulting in a loss on disposal of a subsidiary of RMB2,000.

43. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,818,000, RMB6,351,000, RMB44,795,000, RMB15,415,000 (unaudited) and RMB1,685,000, respectively, in respect of lease arrangements for buildings.

Upon the maturity of discounted bills receivable previously not derecognised, the corresponding bank borrowings were extinguished with no actual cash outflows from the Group, details of which are included in note 23 to the Historical Financial Information.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2023

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Other payables and accruals-dividend payable	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	19,320	206,947	—	4,038	230,305
Changes from financing cash flows	(10,204)	(26,034)	—	(4,038)	(40,276)
New leases	—	2,818	—	—	2,818
Interest expense	767	8,617	—	—	9,384
Discounted bills	1,000	—	—	—	1,000
Exchange realignment	524	590	—	—	1,114
Lease modification/termination	—	6,465	—	—	6,465
Fair value losses recognised in profit or loss	—	—	2,866	—	2,866
Additions as a result of acquisition of subsidiaries	—	816	98,215	—	99,031
At 31 December 2023	11,407	200,219	101,081	—	312,707

Year ended 31 December 2024

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	11,407	200,219	101,081	312,707
Changes from financing cash flows	37	(27,091)	(20,000)	(47,054)
New leases	—	6,351	—	6,351
Interest expense	933	8,774	—	9,707
Exchange realignment	(934)	(1,930)	—	(2,864)
Lease modification/termination	—	6,738	—	6,738
Fair value losses recognised in profit or loss	—	—	3,468	3,468
At 31 December 2024	11,443	193,061	84,549	289,053

Year ended 31 December 2025

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	11,443	193,061	84,549	289,053
Changes from financing cash flows	(50,484)	(50,444)	(36,823)	(137,751)
New leases	—	44,795	—	44,795
Interest expense	1,271	8,417	1,244	10,932
Fair value losses recognised in profit or loss	—	—	11,209	11,209
Lease modification/termination	—	11,167	—	11,167
Additions as a result of acquisition of subsidiaries	110,746	1,829	100,180	212,755
Exchange realignment	(90)	(158)	—	(248)
At 31 December 2025	72,886	208,667	160,359	441,912

Three months ended 31 March 2025 (unaudited)

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
At 1 January 2025	11,443	193,061	84,549	289,053
Changes from financing cash flows	(2,534)	(4,091)	—	(6,625)
New leases	—	15,415	—	15,415
Interest expense	106	2,278	—	2,384
Lease modification/termination	—	(1,733)	—	(1,733)
Fair value losses recognised in profit or loss	—	—	395	395
Exchange realignment	(90)	103	—	13
At 31 March 2025	8,925	205,033	84,944	298,902

Three months ended 31 March 2026

	Interest-bearing bank borrowings	Lease liabilities	Other liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	72,886	208,667	160,359	441,912
Changes from financing cash flows	(28,244)	(3,827)	—	(32,071)
New leases	—	1,685	—	1,685
Interest expense	358	2,099	837	3,294
Fair value losses recognised in profit or loss	—	—	1,683	1,683
Lease modification/termination	—	7,540	—	7,540
Exchange realignment	—	(491)	—	(491)
At 31 March 2026	45,000	215,673	162,879	423,552

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows are as follows:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Within operating activities	13,323	13,591	15,483	4,250	4,351
Within financing activities	26,034	27,091	50,444	4,091	3,827
Total	39,357	40,682	65,927	8,341	8,178

44. CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025 and 31 March 2026, neither the Group nor the Company had any significant contingent liabilities.

45. PLEDGE OF ASSETS

Details of the Group's assets pledged are included in note 23, note 27 and note 28 to the Historical Financial Information.

46. COMMITMENTS

The Group had the following capital commitments as at 31 December 2023, 2024 and 2025 and 31 March 2026:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for:				
Property, plant and equipment	58,797	57,742	35,417	61,670

47. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with Haier Corp and its subsidiaries and/or associates (collectively referred to as "Haier Affiliates"), the Group's associates and other related parties during the Relevant Periods:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Related party transactions included in continuing operations					
Haier Affiliates:					
Sales of goods and rendering of services*	3,644,459	3,454,247	3,569,187	816,634	852,017
Purchase of raw materials	866,409	884,891	950,865	213,216	201,101
Purchase of equipment	135,254	20,953	169,583	23,515	205
Catering service expenses	39,974	35,252	34,379	7,100	7,727
Utilities service expenses	19,765	15,494	14,901	3,902	2,727
Logistics service expenses	36,380	36,015	45,749	8,307	15,741
Travel agency service expenses	18,008	17,996	24,907	4,561	5,466
Finance lease interest income	13,137	9,502	10,064	2,184	2,408
Expense relating to short-term leases	6,894	3,742	6,732	1,589	1,584
Rental income under operating lease	—	544	536	276	—
Interest on lease liabilities	4,651	4,562	4,979	1,419	1,230
Interest income	172	208	35	29	—
Other service fee expenses	27,965	14,688	19,949	2,884	3,095
Associates:					
Sales of goods and rendering of services	17,568	10,808	16,212	3,642	19

	Year ended 31 December			Three months ended 31
	2023	2024	2025	March 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Related party transactions included in the discontinued operation				
Haier Affiliates:				
Sales of goods and rendering of services	320,672	386,830	138,909	138,909
Purchase of raw materials	2,653	2,129	—	—
Purchase of equipment	13,959	—	—	—
Catering service expenses	6,125	5,703	1,787	1,787
Logistics service expenses	4,973	6,118	2,119	2,119
Travel agency service expenses	1,131	942	379	379
Interest on lease liabilities	528	282	—	—
Other service fee expenses	3,582	916	151	151

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

* Included in the Group's sales of goods and rendering of services to Haier Affiliates are sales of goods and rendering of services to Haier Corp and its subsidiaries of RMB3,607,352,000, RMB3,421,065,000, RMB3,468,849,000, RMB782,457,000 (unaudited) and RMB828,710,000 during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2025 and 2026 which are included in note 4 to the Historical Financial Information.

(b) Outstanding balances with related parties

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Outstanding balances with related parties included in continuing operations				
Trade nature				
Trade and bills receivables				
Haier Affiliates	580,760	623,884	889,174	939,829
Associates	1,604	145	1,229	1,081
Less: Impairment allowance	(8,789)	(11,841)	(16,335)	(19,245)
	573,575	612,188	874,068	921,665
Contract assets				
Haier Affiliates	10,314	29,447	24,358	17,307
Associates	1,230	1,341	1,058	920
Less: Impairment allowance	(115)	(307)	(255)	(182)
	11,429	30,481	25,161	18,045
Receivables at fair value through other comprehensive income				
Haier Affiliates	40,422	68,660	153,692	297,915
Associates	1,300	630	774	15
	41,722	69,290	154,466	297,930
Trade and bills payables				
Haier Affiliates	317,768	360,951	368,495	281,397
Contract liabilities				
Haier Affiliates	241,510	224,547	243,241	243,719
Associates	10,410	6,134	649	833
	251,920	230,681	243,890	244,552

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments, other receivables and other assets				
Haier Affiliates	136,672	129,508	147,005	149,243
Associates	5	142	76	169
Less: Impairment allowance	(1,875)	(2,073)	(3,378)	(3,291)
	134,802	127,577	143,703	146,121
Lease receivables				
Haier Affiliates*	196,280	170,531	182,399	173,296
Less: Impairment allowance	(1,963)	(1,705)	(1,824)	(1,733)
	194,317	168,826	180,575	171,563
Lease liabilities				
Haier Affiliates	93,564	95,757	139,681	138,924
Other payables and accruals				
Haier Affiliates	96,830	77,750	137,005	135,248
Associates	—	993	—	841
	96,830	78,743	137,005	136,089
Non-trade nature				
Prepayments, other receivables and other assets				
Haier Affiliates	—	87	—	—
Associates	2,728	4,584	7,673	7,673
	2,728	4,671	7,673	7,673

	31 December	
	2023	2024
	RMB'000	*RMB'000*
Outstanding balances with related parties included in the discontinued operation		
Trade nature		
Trade and bills receivables		
Haier Affiliates	90,004	100,641
Less: Impairment allowance	(1,150)	(721)
	88,854	99,920
Contract assets		
Haier Affiliates	8,681	6,952
Less: Impairment allowance	(87)	(70)
	8,594	6,882
Receivables at fair value through other comprehensive income		
Haier Affiliates	29,747	48,437
Trade and bills payables		
Haier Affiliates	361	229
Contract liabilities		
Haier Affiliates	4,094	6,375
Prepayments, other receivables and other assets		
Haier Affiliates	1,185	121
Less: Impairment allowance	(1)	(3)
	1,184	118
Other payables and accruals		
Haier Affiliates	2,575	4,631
Lease liabilities		
Haier Affiliates	12,013	—

* The Group leased certain plant and machinery to Haier Affiliates under finance lease arrangements during the Relevant Periods, and the gross lease receivables recognised for those finance lease arrangements for the years ended 31 December 2023, 2024 and 2025 and 31 March 2026 was RMB50,015,000, RMB3,742,000, RMB48,569,000 and nil, respectively.

The non-trade nature outstanding balances are unsecured, interest free and are receivable on demand, and the directors of the group confirmed that the non-trade nature outstanding balances will be fully settled prior to the initial listing of the shares of the Company on the Stock Exchange.

(c) Compensation of key management personnel of the Group:

	Year ended 31 December			Three months ended 31 March	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	5,759	4,129	4,387	1,101	1,179
Discretionary performance related bonuses	5,796	5,525	5,728	1,476	1,680
Share-based payments	4,639	5,496	8,575	1,856	2,313
Pension scheme contributions	408	345	344	78	80
Total	16,602	15,495	19,034	4,511	5,252

Further details of directors' and the supervisors' emoluments are included in note 9 to the Historical Financial Information.

(d) Disposal of subsidiaries

On 13 June 2023, the Group disposed of all its equity interest in Haichengfang to Qingdao Yingkang Hospital Management Co., Ltd. at a consideration of RMB625,000. Further details are set out in note 42 to the Historical Financial Information.

On 12 March 2025, the Group disposed of all its equity interest in COSMO Moulds to Haier Smart Home Co., Ltd. at a consideration of RMB77,750,000. Further details are set out in note 12 to the Historical Financial Information.

(e) Redemption right granted to the Pre-[REDACTED] Investors

Pursuant to the share redemption agreements entered between Haier Corp and certain Pre-**[REDACTED]** Investors, in June 2025 and January 2026, Anhui SAIF Haika Private Equity Venture Capital Fund (Limited Partnership) (安徽賽富海卡私募創業投資基金(有限合夥)), Jiaxing Jiangyu Equity Investment Partnership (Limited Partnership) (嘉興江裕股權投資合夥企業(有限合夥)), Chizhou Zhong'an Zhaoshang Equity Investment Partnership (Limited Partnership) (池州中安招商股權投資合夥企業(有限合夥)), Guoshou (Shenzhen) Technology Innovation Private Equity Investment Fund Partnership (Limited Partnership) (國壽(深圳)科技創新私募股權投資基金合夥企業(有限合夥), Qingdao Guoxin Zhaoshang Mass Entrepreneurship Investment Master Fund Partnership (Limited Partnership) (青島國信招商大眾創業投資母基金合夥企業(有限合夥)), Qingdao Qingyue Boheng Equity Investment Management Partnership (Limited Partnership) (青島青樾博恒股權投資管理企業(有限合夥)), Qingdao Tongchuang Yingxing Heyi Equity Investment Partnership (Limited Partnership) (青島同創贏行合壹股權投資合夥企業(有限合夥)), Shenzhen Investment Holding Donghai Small, Medium and Micro Venture Capital Enterprise (Limited Partnership) (深圳市投控東海中小微創業投資企業(有限合夥)) and Guokai Zhizao Transformation and Upgrading Fund (Limited Partnership) (國開製造業轉型升級基金(有限合夥)) exercise their redemption rights, and Haier Corp repurchased 15,591,746 shares, 599,172 shares, 12,280,115 shares, 18,343,230 shares, 12,926,437 shares, 10,088,776 shares, 843,788 shares, 1,834,323 shares and 18,466,339 shares at the considerations of RMB199,412,000, RMB7,783,000, RMB87,248,000, RMB238,274,000, RMB91,840,000, RMB131,051,000, RMB10,961,000, RMB23,827,000 and RMB132,762,000, respectively.

On 29 January 2026, the Shareholders entered into a termination agreement, pursuant to which, among others, (i) the redemption rights granted to the Pre-**[REDACTED]** Investors against Haier Corp shall be irrevocably terminated on the day immediately preceding the submission of the first **[REDACTED]** by the Company to the Stock Exchange, and shall not be reinstated thereafter under any circumstances; and (ii) all the other special rights granted to the Pre-**[REDACTED]** Investors shall be terminated upon completion of the **[REDACTED]**. For further details of the Pre-**[REDACTED]** Investments, see "History, Development, and Corporate Structure" section in this Document. There is no guarantee provided by the Company in respect of the redemption rights; and no liability regarding such rights has been recorded during the Relevant Periods given that the Company is not a party to the redemption agreements.

48. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at 31 December 2023, 2024 and 2025 and 31 March 2026 were as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	94,416	—	94,416
Lease receivables	—	—	—	194,317	194,317
Trade and bills receivables	—	—	—	1,698,055	1,698,055
Financial assets included in prepayments, other receivables and other assets	—	—	—	293,472	293,472
Financial assets at fair value through profit or loss	143,659	—	—	—	143,659
Receivables at fair value through other comprehensive income	—	688,237	—	—	688,237
Time deposits	—	—	—	5,086	5,086
Pledged deposits	—	—	—	275,190	275,190
Cash and cash equivalents	—	—	—	3,958,997	3,958,997
Total	143,659	688,237	94,416	6,425,117	7,351,429

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	101,081	—	101,081
Trade and bills payables	—	2,919,222	2,919,222
Financial liabilities included in other payables and accruals	—	408,114	408,114
Interest-bearing bank borrowings	—	11,407	11,407
Lease liabilities	—	200,219	200,219
Total	101,081	3,538,962	3,640,043

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	118,544	—	118,544
Lease receivables	—	—	—	168,826	168,826
Trade and bills receivables	—	—	—	1,649,221	1,649,221
Financial assets included in prepayments, other receivables and other assets	—	—	—	291,077	291,077
Financial assets at fair value through profit or loss	126,096	—	—	—	126,096
Receivables at fair value through other comprehensive income	—	873,440	—	—	873,440
Time deposits	—	—	—	2,060,630	2,060,630
Pledged deposits	—	—	—	172,311	172,311
Cash and cash equivalents	—	—	—	1,796,432	1,796,432
Total	126,096	873,440	118,544	6,138,497	7,256,577

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	84,549	—	84,549
Trade and bills payables	—	2,885,693	2,885,693
Financial liabilities included in other payables and accruals	—	395,628	395,628
Interest-bearing bank borrowings	—	11,443	11,443
Lease liabilities	—	193,061	193,061
Total	84,549	3,485,825	3,570,374

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	136,744	—	136,744
Lease receivables	—	—	—	220,359	220,359
Trade and bills receivables	—	—	—	2,217,173	2,217,173
Financial assets included in prepayments, other receivables and other assets	—	—	—	256,507	256,507
Financial assets at fair value through profit or loss	370,563	—	—	—	370,563
Receivables at fair value through other comprehensive income	—	801,560	—	—	801,560
Time deposits	—	—	—	2,022,969	2,022,969
Pledged deposits	—	—	—	293,891	293,891
Cash and cash equivalents	—	—	—	1,366,130	1,366,130
Total	370,563	801,560	136,744	6,377,029	7,685,896

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	58,935	101,424	160,359
Trade and bills payables	—	3,454,150	3,454,150
Financial liabilities included in other payables and accruals	—	484,507	484,507
Interest-bearing bank borrowings	—	72,886	72,886
Lease liabilities	—	208,667	208,667
Total	58,935	4,321,634	4,380,569

As at 31 March 2026

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	Financial assets at fair value through other comprehensive income-debt investments	Financial assets at fair value through other comprehensive income-equity investments	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income	—	—	157,660	—	157,660
Lease receivables	—	—	—	210,498	210,498
Trade and bills receivables	—	—	—	2,140,503	2,140,503
Financial assets included in prepayments, other receivables and other assets	—	—	—	260,020	260,020
Financial assets at fair value through profit or loss	289,455	—	—	—	289,455
Receivables at fair value through other comprehensive income	—	822,308	—	—	822,308
Time deposits	—	—	—	2,200,086	2,200,086
Pledged deposits	—	—	—	296,892	296,892
Cash and cash equivalents	—	—	—	1,249,190	1,249,190
Total	289,455	822,308	157,660	6,357,189	7,626,612

Financial liabilities

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Other liabilities	60,618	102,261	162,879
Trade and bills payables	—	3,420,818	3,420,818
Financial liabilities included in other payables and accruals	—	462,715	462,715
Interest-bearing bank borrowings	—	45,000	45,000
Lease liabilities	—	215,673	215,673
Financial liabilities at fair value through profit or loss	819	—	819
Total	61,437	4,246,467	4,307,904

49. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts				Fair values			
	31 December			31 March	31 December			31 March
	2023	2024	2025	2026	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets								
Receivables at fair value through other comprehensive income	688,237	873,440	801,560	822,308	688,237	873,440	801,560	822,308
Equity investments designated at fair value through other comprehensive income	94,416	118,544	136,744	157,660	94,416	118,544	136,744	157,660
Lease receivables	194,317	168,826	220,359	210,498	207,844	186,134	241,011	230,639
Financial assets at fair value through profit or loss	143,659	126,096	370,563	289,455	143,659	126,096	370,563	289,455
Financial assets included in prepayments, other receivables and other assets, non-current portion	24,278	17,771	19,879	20,684	23,468	17,237	19,300	20,082
Time deposits, non-current portion	—	506,838	1,208,140	1,213,801	—	508,220	1,206,720	1,211,958
Pledged deposits, non-current portion	239	239	3,967	3,967	242	249	4,004	4,017
Total	1,145,146	1,811,754	2,761,212	2,718,373	1,157,866	1,829,920	2,779,902	2,736,119
Financial liabilities								
Financial liabilities at fair value through profit or loss	—	—	—	819	—	—	—	819
Other liabilities	101,081	84,549	160,359	162,879	101,081	84,549	160,359	162,879
Total	101,081	84,549	160,359	163,698	101,081	84,549	160,359	163,698

Management has assessed that the fair values of cash and cash equivalents, current portion of time deposits and pledged deposits, trade and bills receivables, current portion of financial assets included in prepayments, other receivables and other assets, trade and bills payables, financial liabilities included in other payables and accruals, and current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At 31 December 2023, 2024 and 2025 and 31 March 2026, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of structured deposits and equity investment included in financial assets at fair value through profit or loss and bank acceptance bills included in receivables at fair value through other comprehensive income have been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair value of a listed equity investment included in equity investments designated at fair value through other comprehensive income is based on a quoted market price. The fair values of the unlisted equity investment designated at fair value through other comprehensive have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an enterprise value to book value ("EV/B") multiple for each comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable company by the book value. The multiple is then discounted for considerations such as illiquidity. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair value, which are recorded in other comprehensive income, are reasonable and are the most appropriate values at 31 December 2023, 2024 and 2025 and 31 March 2026.

The fair values of contingent consideration and put option liability include in other liabilities have been estimated using the Monte Carlo Simulation model, based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to make estimates about the expected future annual operating results. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statements of financial position, and the related changes in fair values, which are recorded in the consolidated statements of profit or loss, are reasonable, and that they were the most appropriate values at 31 December 2023, 2024 and 2025 and 31 March 2026.

The fair value of forward currency contracts are measured using valuation techniques similar to forward pricing and present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts are the same as their fair values.

The fair values of the non-current portion of time deposits, pledged deposits, financial assets included in prepayments, other receivables and other assets, lease receivables and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at the end of each of the Relevant Periods were assessed to be insignificant.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 and 2025 and 31 March 2026:

As at 31 December 2023

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.21	10	240
				(10)	(240)
		Discount for lack of marketability	30.77%	10	(110)
				(10)	110
Other liabilities	Monte Carlo Simulation model	Expected future annual operating results	RMB23,493,000	10	4,017
				(10)	(4,017)

As at 31 December 2024

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.09	10	140
				(10)	(160)
		Discount for lack of marketability	33.49%	10	(90)
				(10)	60
Other liabilities	Monte Carlo Simulation model	Expected future annual operating results	RMB23,493,000	10	1,863
				(10)	(1,863)

As at 31 December 2025

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.54	10	120
				(10)	(190)
		Discount for lack of marketability	30.71%	10	(110)
				(10)	30

As at 31 March 2026

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input	Increase/ (decrease) in fair value
				%	*RMB'000*
Equity investments designated at fair value through other comprehensive income	Valuation multiples	Average EV/B multiple of peers	2.66	10	190
				(10)	(100)
		Discount for lack of marketability	35.50%	10	(40)
				(10)	120

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	688,237	—	688,237
Equity investments designated at fair value through other comprehensive income *(note 21)*	92,006	—	2,410	94,416
Financial assets at fair value through profit or loss *(note 26)*	—	143,659	—	143,659
Total	92,006	831,896	2,410	926,312

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	873,440	—	873,440
Equity investments designated at fair value through other comprehensive income *(note 21)*	117,044	—	1,500	118,544
Financial assets at fair value through profit or loss *(note 26)*	—	126,096	—	126,096
Total	117,044	999,536	1,500	1,118,080

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	801,560	—	801,560
Equity investments designated at fair value through other comprehensive income *(note 21)*	135,144	—	1,600	136,744
Financial assets at fair value through profit or loss *(note 26)*	—	370,563	—	370,563
Total	135,144	1,172,123	1,600	1,308,867

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income *(note 27)*	—	822,308	—	822,308
Equity investments designated at fair value through other comprehensive income *(note 21)*	156,260	—	1,400	157,660
Financial assets at fair value through profit or loss *(note 26)*	—	289,455	—	289,455
Total	156,260	1,111,763	1,400	1,269,423

The movements in fair value measurements within Level 3 during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments designated at fair value through other comprehensive income				
At the beginning of the year/period	2,330	2,410	1,500	1,600
Fair value gains/(losses) recognised in other comprehensive income	80	(910)	100	(200)
At the end of the year/period	2,410	1,500	1,600	1,400

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	—	101,081	101,081

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	—	84,549	84,549

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	58,935	—	58,935

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities at fair value through profit or loss	—	819	—	819
Other liabilities	—	60,618	—	60,618
Total	—	61,437	—	61,437

The movements in fair value measurements within Level 3 during the years ended 31 December 2023, 2024 and 2025 and the three months ended 31 March 2026 are as follows:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities				
At the beginning of the year/period	—	101,081	84,549	—
Additions as a result of acquisition of subsidiaries	98,215	—	—	—
Fair value losses recognised in profit or loss	2,866	3,468	11,209	—
Payment	—	(20,000)	(36,823)	—
Transfer to Level 2 financial instruments	—	—	(58,935)	—
At the end of the year/period	101,081	84,549	—	—

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into Level 3 for both financial assets and financial liabilities. The fair value measurements of other liabilities were transferred form level 3 to level 2 as at 31 December 2025 as the expected future annual operating results were based on actual performance outcomes.

Assets for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	207,844	—	207,844
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	23,468	—	23,468
Pledged deposits, non-current portion	—	242	—	242
Total	—	231,554	—	231,554

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	186,134	—	186,134
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	17,237	—	17,237
Time deposits, non-current portion	—	508,220	—	508,220
Pledged deposits, non-current portion	—	249	—	249
Total	—	711,840	—	711,840

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	241,011	—	241,011
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	19,300	—	19,300
Time deposits, non-current portion	—	1,206,720	—	1,206,720
Pledged deposits, non-current portion	—	4,004	—	4,004
Total	—	1,471,035	—	1,471,035

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	230,639	—	230,639
Financial assets included in prepayments, other receivables and other assets, non-current portion	—	20,082	—	20,082
Time deposits, non-current portion	—	1,211,958	—	1,211,958
Pledged deposits, non-current portion	—	4,017	—	4,017
Total	—	1,466,696	—	1,466,696

Liabilities for which fair values are disclosed:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	101,424	—	101,424

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Other liabilities	—	102,261	—	102,261

50. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, time deposits, pledged deposits and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at 31 December 2023, 2024 and 2025 and 31 March 2026 to a reasonably possible change in the United States dollars ("USD") and RMB exchange rates, with all other variables held constant, of the Group's profit before tax (arising from USD denominated financial instruments).

	Increase/ (decrease) in foreign currency/RMB rate	Increase/ (decrease) in profit before tax
	%	*RMB'000*
As at 31 December 2023		
If RMB weakens against USD	5	5,626
If RMB strengthens against USD	(5)	(5,626)
As at 31 December 2024		
If RMB weakens against USD	5	9,990
If RMB strengthens against USD	(5)	(9,990)
As at 31 December 2025		
If RMB weakens against USD	5	9,322
If RMB strengthens against USD	(5)	(9,322)
As at 31 March 2026		
If RMB weakens against USD	5	8,239
If RMB strengthens against USD	(5)	(8,239)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits, pledged deposits, financial assets included in prepayments, other receivables and other assets and lease receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year/period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2023, 2024 and 2025 and 31 March 2026.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	196,280	196,280
Trade and bills receivables*	—	—	—	1,719,724	1,719,724
Contract assets*	—	—	—	52,895	52,895
Financial assets included in prepayments, other receivables and other assets					
— Normal**	301,198	—	—	—	301,198
Pledged deposits	275,190	—	—	—	275,190
Time deposits	5,086	—	—	—	5,086
Cash and cash equivalents	3,958,997	—	—	—	3,958,997
Total	4,540,471	—	—	1,968,899	6,509,370

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	170,531	170,531
Trade and bills receivables*	—	—	—	1,685,487	1,685,487
Contract assets*	—	—	—	48,507	48,507
Financial assets included in prepayments, other receivables and other assets					
— Normal**	299,147	—	—	—	299,147
Pledged deposits	172,311	—	—	—	172,311
Time deposits	2,060,630	—	—	—	2,060,630
Cash and cash equivalents	1,796,432	—	—	—	1,796,432
Total	4,328,520	—	—	1,904,525	6,233,045

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	222,585	222,585
Trade and bills receivables*	—	—	—	2,309,182	2,309,182
Contract assets*	—	—	—	153,995	153,995
Financial assets included in prepayments, other receivables and other assets					
— Normal**	263,920	—	—	—	263,920
Pledged deposits	293,891	—	—	—	293,891
Time deposits	2,022,969	—	—	—	2,022,969
Cash and cash equivalents	1,366,130	—	—	—	1,366,130
Total	3,946,910	—	—	2,685,762	6,632,672

As at 31 March 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	—	—	212,623	212,623
Trade and bills receivables*	—	—	—	2,235,381	2,235,381
Contract assets*	—	—	—	155,126	155,126
Financial assets included in prepayments, other receivables and other assets					
— Normal**	268,262	—	—	—	268,262
Pledged deposits	296,892	—	—	—	296,892
Time deposits	2,200,086	—	—	—	2,200,086
Cash and cash equivalents	1,249,190	—	—	—	1,249,190
Total	4,014,430	—	—	2,603,130	6,617,560

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 and note 25 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and the financial assets included in prepayments, other receivables and other assets are disclosed in notes 23 and 24 to the Historical Financial Information.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of each of the Relevant Periods, the Group had certain concentrations of credit risk and the following table summarises the Group's largest debtor and top five debtors as the percentage of the Group's total accounts receivable balances:

	31 December			31 March
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Largest customer	52%	50%	42%	41%
Five largest customers	71%	71%	62%	58%

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, lease liabilities and other interest-bearing loans.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	408,114	—	—	—	408,114
Interest-bearing bank borrowings	—	11,807	—	—	11,807
Trade and bills payables	—	2,919,222	—	—	2,919,222
Lease liabilities	—	49,364	85,470	123,925	258,759
Other liabilities	—	20,000	86,950	—	106,950
Total	408,114	3,000,393	172,420	123,925	3,704,852

As at 31 December 2024

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	395,628	—	—	—	395,628
Interest-bearing bank borrowings	—	11,574	—	—	11,574
Trade and bills payables	—	2,885,693	—	—	2,885,693
Lease liabilities	—	48,535	96,221	99,036	243,792
Other liabilities	—	36,820	50,126	—	86,946
Total	395,628	2,982,622	146,347	99,036	3,623,633

As at 31 December 2025

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	484,507	—	—	—	484,507
Interest-bearing bank borrowings	—	73,556	—	—	73,556
Trade and bills payables	—	3,454,150	—	—	3,454,150
Lease liabilities	—	38,115	99,025	119,187	256,327
Other liabilities	—	63,331	111,800	—	175,131
Total	484,507	3,629,152	210,825	119,187	4,443,671

As at 31 March 2026

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	462,715	—	—	—	462,715
Interest-bearing bank borrowings	—	45,271	—	—	45,271
Trade and bills payables	—	3,420,818	—	—	3,420,818
Lease liabilities	—	46,503	99,268	117,268	263,039
Financial liabilities at fair value through profit or loss	—	819	—	—	819
Other liabilities	—	61,065	111,800	—	172,865
Total	462,715	3,574,476	211,068	117,268	4,365,527

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using the gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings, other liabilities, lease liabilities and financial liabilities at fair value through profit or loss, less cash and cash equivalents and time deposits. Capital includes equity attributable to owners of the parent. At 31 December 2023, 2024 and 2025 and 31 March 2026, the gearing ratios were as follows:

	31 December			31 March
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	2,919,222	2,885,693	3,454,150	3,420,818
Financial liabilities included in other payables and accruals	408,114	395,628	484,507	462,715
Interest-bearing bank borrowings	11,407	11,443	72,886	45,000
Other liabilities	101,081	84,549	160,359	162,879
Lease liabilities	200,219	193,061	208,667	215,673
Financial liabilities at fair value through profit or loss	—	—	—	819
Less: Cash and cash equivalents	(3,958,997)	(1,796,432)	(1,366,130)	(1,249,190)
Less: Time deposits with original maturity over three months	(5,086)	(2,060,630)	(2,022,969)	(2,200,086)
Net debt	(324,040)	(286,688)	991,470	858,628
Equity attributable to owners of the parent	5,122,208	5,249,444	5,399,515	5,440,641
Capital and net debt	4,798,168	4,962,756	6,390,985	6,299,269
Gearing ratio	N/A	N/A	16%	14%

51. EVENTS AFTER THE RELEVANT PERIODS

The Group had no material subsequent events after the Relevant Periods.

52. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 March 2026.

[To insert the firm's letterhead with official address upon final stage]

ACCOUNTANTS' REPORT ON THE SHANGHAI DISCOVERY GROUP HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF COSMOPLAT IOT TECHNOLOGY CO., LTD., CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND HSBC CORPORATE FINANCE (HONG KONG) LIMITED.

Introduction

We report on the historical financial information of Shanghai Discovery Energy Services Co., Ltd. ("Shanghai Discovery") and its subsidiaries (together, the "Shanghai Discovery Group") set out on pages [•] to [•], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of Shanghai Discovery Group for each of the years ended 31 December 2023 and 2024, and the period from 1 January 2025 to 13 August 2025 (the "Pre-acquisition Periods"), and the consolidated statements of financial position of Shanghai Discovery Group and the statements of financial position of Shanghai Discovery as at 31 December 2023 and 2024 and 13 August 2025 and material accounting policy information and other explanatory information (together, the "Shanghai Discovery Group Historical Financial Information"). The Shanghai Discovery Group Historical Financial Information set out on pages [•] to [•] forms an integral part of this report, which has been prepared for inclusion in the document of COSMOPlat loT Technology Co., Ltd. (the"Company") dated **[REDACTED]** (the "document") in connection with the initial **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Shanghai Discovery Group Historical Financial Information

The directors of Shanghai Discovery are responsible for the preparation of the Shanghai Discovery Group Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Shanghai Discovery Group Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Shanghai Discovery Group Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Shanghai Discovery Group 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 Shanghai Discovery Group Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Shanghai Discovery Group Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Shanghai Discovery Group Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Shanghai Discovery Group Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Shanghai Discovery Group 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 Shanghai Discovery Group 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 Shanghai Discovery Group Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of Shanghai Discovery Group and Shanghai Discovery as at 31 December 2023 and 2024 and 13 August 2025 and of the financial performance and cash flows of Shanghai Discovery Group for each of the Pre-acquisition Periods in accordance with the basis of preparation set out in note 2.1 to the Shanghai Discovery Group Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of Shanghai Discovery Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 1 January 2024 to 13 August 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of Shanghai Discovery are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Shanghai Discovery Group Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Shanghai Discovery Group Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Shanghai Discovery Group Historical Financial Information, no adjustments to the Shanghai Discovery Underlying Financial Statements as defined on page [•] have been made.

Dividends

We refer to note 10 to the Shanghai Discovery Group Historical Financial Information which contains information about the dividends paid by Shanghai Discovery in respect of the Pre-acquisition Periods.

[•]
Certified Public Accountants
Hong Kong
[Date]

I. SHANGHAI DISCOVERY GROUP HISTORICAL FINANCIAL INFORMATION

Preparation of Shanghai Discovery Group Historical Financial Information

Set out below is the Shanghai Discovery Group Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of Shanghai Discovery Group for the Pre-acquisition Periods, on which the Shanghai Discovery Group Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Shanghai Discovery Group Underlying Financial Statements").

The Shanghai Discovery Group Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		Period from 1 January to 13 August	
		2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
REVENUE	5	407,301	608,676	200,818	396,141
Cost of sales		(323,127)	(503,566)	(160,793)	(320,854)
Gross profit		84,174	105,110	40,025	75,287
Other income and gains	6	11,454	9,785	3,566	4,540
Selling and distribution expenses		(23,311)	(21,671)	(10,752)	(11,663)
Administrative expenses		(26,475)	(26,944)	(16,008)	(17,548)
Research and development expenses		(34,349)	(26,699)	(14,949)	(16,073)
Impairment losses on financial and contract assets, net	7	(5,427)	(1,417)	(3,613)	(7,601)
Other expenses		(73)	(106)	(106)	(445)
Finance costs	8	(13,643)	(14,464)	(8,679)	(7,671)
(LOSS)/PROFIT BEFORE TAX	7	(7,650)	23,594	(10,516)	18,826
Income tax credit/(expense)	9	1,807	(3,383)	1,740	(2,368)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/ PERIOD		(5,843)	20,211	(8,776)	16,458
Attributable to:					
Owners of the parent		(4,593)	21,764	(8,163)	17,382
Non-controlling interests		(1,250)	(1,553)	(613)	(924)
		(5,843)	20,211	(8,776)	16,458

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December		13 August
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	11	10,819	5,310	19,020
Right-of-use assets	12(a)	3,338	3,089	1,947
Other intangible assets		715	505	369
Trade and bills receivables	14	1,481	—	—
Contract assets	16	24,991	42,774	42,737
Lease receivables	12(d)	30,773	33,787	33,038
Prepayments, other receivables and other assets	15	1,843	1,766	1,766
Deferred tax assets	25	34,091	30,708	28,340
Total non-current assets		108,051	117,939	127,217
CURRENT ASSETS				
Inventories	13	942,294	767,913	550,903
Trade and bills receivables	14	119,275	154,346	224,734
Contract assets	16	12,907	19,329	26,759
Lease receivables	12(d)	4,515	5,891	6,582
Prepayments, other receivables and other assets	15	23,848	15,930	39,684
Financial assets at fair value through profit or loss	17	40,021	80,023	—
Receivables at fair value through other comprehensive income	18	8,612	4,736	—
Pledged deposits	19	8,679	12,679	15,623
Cash and cash equivalents	19	109,547	92,256	47,693
Total current assets		1,269,698	1,153,103	911,978
CURRENT LIABILITIES				
Trade and bills payables	20	280,327	196,461	130,983
Other payables and accruals	21	285,674	259,704	130,940
Contract liabilities	22	759,382	699,710	606,751
Interest-bearing bank borrowings	23	34,739	63,724	107,210
Lease liabilities	12(b)	1,609	2,021	702
Tax payable		9,196	—	—
Provision	24	5,314	7,522	9,265
Total current liabilities		1,376,241	1,229,142	985,851
NET CURRENT LIABILITIES		(106,543)	(76,039)	(73,873)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,508	41,900	53,344

		31 December		13 August
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	23	4,711	23,857	3,536
Lease liabilities	12(b)	1,939	1,292	1,127
Deferred income		800	—	—
Provision	24	2,917	4,421	5,402
Total non-current liabilities		10,367	29,570	10,065
Net (deficiency in assets)/assets		(8,859)	12,330	43,279
EQUITY				
Equity attributable to owners of the parent				
Share capital	26	57,709	57,709	57,709
Reserves	27	(68,151)	(45,409)	(15,066)
		(10,442)	12,300	42,643
Non-controlling interests		1,583	30	636
Total (deficits)/equity		(8,859)	12,330	43,279

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent							
	Share capital	**Capital reserve***	**Share-based payment reserve***	**Statutory surplus reserve***	**Accumulated losses***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 26)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	57,709	(4,969)	23	3,829	(42,691)	13,901	(162)	13,739
Total comprehensive loss for the year	—	—	—	—	(4,593)	(4,593)	(1,250)	(5,843)
Equity-settled share-based payment arrangements	—	—	250	—	—	250	—	250
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	2,995	2,995
Dividends declared	—	—	—	—	(20,000)	(20,000)	—	(20,000)
As at 31 December 2023	57,709	(4,969)	273	3,829	(67,284)	(10,442)	1,583	(8,859)

Year ended 31 December 2024

	Attributable to owners of the parent							
	Share capital	**Capital reserve***	**Share-based payment reserve***	**Statutory surplus reserve***	**Accumulated losses***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 26)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	57,709	(4,969)	273	3,829	(67,284)	(10,442)	1,583	(8,859)
Total comprehensive income for the year	—	—	—	—	21,764	21,764	(1,553)	20,211
Equity-settled share-based payment arrangements	—	—	978	—	—	978	—	978
As at 31 December 2024	57,709	(4,969)	1,251	3,829	(45,520)	12,300	30	12,330

Period from 1 January 2024 to 13 August 2024 (unaudited)

	Attributable to owners of the parent							
	Share capital	**Capital reserve**	**Share-based payment reserve**	**Statutory surplus reserve**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 26)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	57,709	(4,969)	273	3,829	(67,284)	(10,442)	1,583	(8,859)
Total comprehensive loss for the period (unaudited)	—	—	—	—	(8,163)	(8,163)	(613)	(8,776)
Equity-settled share-based payment arrangements (unaudited)	—	—	146	—	—	146	—	146
As at 13 August 2024 (unaudited)	57,709	(4,969)	419	3,829	(75,447)	(18,459)	970	(17,489)

Period from 1 January 2025 to 13 August 2025

	Attributable to owners of the parent							
	Share capital	**Capital reserve***	**Share-based payment reserve***	**Statutory surplus reserve***	**Accumulated losses***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 26)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000* (note 27)	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	57,709	(4,969)	1,251	3,829	(45,520)	12,300	30	12,330
Total comprehensive income for the period	—	—	—	—	17,382	17,382	(924)	16,458
Capital contribution from shareholders	—	12,961	—	—	—	12,961	—	12,961
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	1,530	1,530
As at 13 August 2025	57,709	7,992	1,251	3,829	(28,138)	42,643	636	43,279

* These reserve accounts comprise the negative balances of consolidated reserves of RMB68,151,000, RMB45,409,000 and RMB15,066,000 in the consolidated statements of financial position as at 31 December 2023, 31 December 2024 and 13 August 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		Period from 1 January to 13 August	
		2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before tax		(7,650)	23,594	(10,516)	18,826
Adjustments for:					
Finance costs	8	13,643	14,464	8,679	7,671
Bank interest income	6	(2,058)	(964)	(626)	(313)
Finance lease interest income	6	(1,968)	(1,841)	(1,075)	(1,077)
Investment income from financial assets at fair value through profit or loss	6	(140)	(510)	(250)	(811)
Gains on a lease modification/ termination	6	—	(18)	—	—
Write-down of inventories to net realisable value	7	8,814	53	26	—
Impairment losses of other assets	7	—	77	77	—
Impairment losses on financial and contract assets, net	7	5,427	1,417	3,613	7,601
Depreciation of property, plant and equipment	7	2,057	2,368	1,399	1,432
Depreciation of right-of-use assets	7	1,660	1,799	974	950
Amortisation of other intangible assets	7	211	240	148	136
Equity-settled share-based payments expense	7	250	978	146	—
Fair value gains on financial assets at fair value through profit or loss	6	(21)	(23)	(7)	—
Government grants and subsidies credited to the statement of profit or loss during the year/ period		(400)	(800)	(800)	—
		19,825	40,834	1,788	34,415

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(Increase)/decrease in inventories	(318,289)	174,328	(5,916)	217,010
Increase in trade and bills receivables	(65,568)	(34,586)	(56,430)	(77,219)
Increase in contract assets	(7,283)	(24,560)	(5,067)	(8,128)
Decrease/(increase) in prepayments, other receivables and other assets	4,706	8,303	(46,414)	(10,719)
(Increase)/decrease in receivables at fair value through other comprehensive income	(1,860)	3,876	7,064	4,736
Decrease in trade and bills payables	(17,044)	(83,866)	(35,246)	(65,478)
Increase/(decrease) in other payables and accruals	18,805	(17,081)	(41,204)	(5,785)
Increase/(decrease) in contract liabilities	241,644	(59,672)	35,536	(92,959)
Increase in provisions	1,570	3,712	2,420	2,724
Decrease/(increase) in pledged deposits	47,897	(4,000)	3,346	(2,944)
Cash (used in)/generated from operations	(75,597)	7,288	(140,123)	(4,347)
Interest received	2,058	964	626	313
Income tax paid	(11,036)	(9,603)	(9,335)	(109)
Net cash flows used in operating activities	(84,575)	(1,351)	(148,832)	(4,143)

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Net cash flows used in operating activities	(84,575)	(1,351)	(148,832)	(4,143)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment	(6,439)	(7,579)	(4,404)	(15,101)
Purchases of items of other intangible assets	(383)	(30)	(30)	—
Receipt of lease fulfilment payments	15,704	6,919	3,862	3,562
Investment income received from financial assets instruments at fair value through profit or loss	140	531	271	834
Purchases of financial assets at fair value through profit or loss	(110,000)	(325,000)	(100,000)	(270,000)
Proceeds from maturity of financial assets at fair value through profit or loss	70,000	285,000	130,000	350,000
Proceeds from disposal of items of property, plant and equipment	1	41	41	—
Net cash flows (used in)/from investing activities	(30,977)	(40,118)	29,740	69,295
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
Capital contribution by non-controlling shareholders	2,995	—	—	1,530
New bank borrowings	39,618	89,800	64,800	60,000
Repayment of bank borrowings	(44,237)	(41,708)	(7,818)	(36,690)
Interest paid for bank borrowings	(1,223)	(1,995)	(720)	(1,758)
Principal portion of lease payments	(1,752)	(1,767)	(1,049)	(1,292)
Interest portion of lease payments	(187)	(152)	(85)	(57)
Dividends paid	—	(20,000)	(20,000)	—
Repayment of put option liabilities	—	—	—	(131,448)
Net cash flows (used in)/from financing activities	(4,786)	24,178	35,128	(109,715)

	Notes	Year ended 31 December		Period from 1 January to 13 August	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
NET DECREASE IN CASH AND CASH EQUIVALENTS		(120,338)	(17,291)	(83,964)	(44,563)
Cash and cash equivalents at beginning of year/period		229,885	109,547	109,547	92,256
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		109,547	92,256	25,583	47,693
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	19	118,226	104,935	30,916	63,316
Less: pledged deposits	19	8,679	12,679	5,333	15,623
Cash and cash equivalents as stated in the statements of cash flows and financial position	19	109,547	92,256	25,583	47,693

STATEMENTS OF FINANCIAL POSITION OF SHANGHAI DISCOVERY

		31 December		13 August
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	11	10,624	5,109	18,033
Right-of-use assets	12(a)	2,998	3,089	1,947
Other intangible assets		715	505	369
Investments in subsidiaries	1	9,505	11,505	13,100
Trade and bills receivables	14	1,481	—	—
Contract assets	16	24,991	42,774	42,737
Lease receivables	12(d)	30,773	33,787	33,038
Prepayments, other receivables and other assets	15	1,843	1,766	1,766
Deferred tax assets	25	34,091	30,708	28,340
Total non-current assets		117,021	129,243	139,330
CURRENT ASSETS				
Inventories	13	941,257	767,913	549,820
Trade and bills receivables	14	119,275	154,346	224,734
Contract assets	16	12,805	19,227	26,657
Lease receivables	12(d)	4,515	5,891	6,582
Prepayments, other receivables and other assets	15	23,680	15,475	39,547
Financial assets at fair value through profit or loss	17	40,021	80,023	—
Receivables at fair value through other comprehensive income	18	8,612	4,736	—
Pledged deposits	19	8,679	12,679	15,623
Cash and cash equivalents	19	105,067	89,645	46,306
Total current assets		1,263,911	1,149,935	909,269
CURRENT LIABILITIES				
Trade and bills payables	20	280,091	196,360	130,930
Other payables and accruals	21	284,626	258,882	130,823
Contract liabilities	22	759,382	699,415	606,456
Interest-bearing bank borrowings	23	34,739	63,724	107,210
Lease liabilities	12(b)	1,609	2,021	702
Tax payable		9,196	—	—
Provision	24	5,314	7,522	9,265
Total current liabilities		1,374,957	1,227,924	985,386
NET CURRENT LIABILITIES		(111,046)	(77,989)	(76,117)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,975	51,254	63,213

		31 December		13 August
		2023	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	23	4,711	23,857	3,536
Lease liabilities	12(b)	1,693	1,292	1,127
Deferred income		800	—	—
Provision	24	2,917	4,421	5,402
Total non-current liabilities		10,121	29,570	10,065
Net (deficiency in assets)/assets		(4,146)	21,684	53,148
EQUITY				
Equity attributable to owners of the parent				
Share capital	26	57,709	57,709	57,709
Reserves	27	(61,855)	(36,025)	(4,561)
Total (deficiency)/equity		(4,146)	21,684	53,148

II. NOTES TO THE SHANGHAI DISCOVERY GROUP HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Shanghai Discovery Energy Services Co., Ltd. ("Shanghai Discovery") is a limited liability company established under the laws of the PRC on May 30, 2011. The registered office of Shanghai Discovery is Room A, No. 6, Lane 99, Chunguang Road, Minhang District, Shanghai City, the PRC.

During the Pre-acquisition Periods, Shanghai Discovery and its subsidiaries ("Shanghai Discovery Group") was involved in providing green manufacturing solutions.

Since 14 August 2025, COSMOPlat Energy Technology Co., Ltd. (the "COSMOPlat Energy") has become the holding company of Shanghai Discovery along with its subsidiaries. The Shanghai Discovery Group Historical Financial Information incorporates the financial statements of Shanghai Discovery and its subsidiaries for the years ended 31 December 2023 and 2024, and the period from 1 January 2025 to 13 August 2025.

As at 13 August 2025, Shanghai Discovery had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary share capital/ registered capital	Percentage of equity directly attributable to the Company	Principal activities
Xiamen Carbon Commerce Technology Co., Ltd.* (廈門碳商科技有限公司 *(note (a))*)	PRC/Chinese mainland 13 May 2021	RMB30,000,000	100%	Provide green manufacturing solutions
Zhejiang Carbon Commerce Technology Co., Ltd.* (浙江碳商科技有限公司 *(note (a))*)	PRC/Chinese mainland 29 April 2021	RMB10,000,000	100%	Provide green manufacturing solutions
Shanghai Carbon Heng Energy Technology Co., Ltd.* (上海碳之衡能源科技有限公司 *(note (b))*)	PRC/Chinese mainland 11 Nov 2022	RMB10,000,000	51%	Provide green manufacturing solutions

* The English names of these subsidiaries represent the best efforts made by the management of Shanghai Discovery to translate the Chinese names as they do not have official English names registered in the PRC.

Note:

(a) No audited financial statements have been prepared for these entities for the years ended 31 December 2023 and 2024, as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of registration.

(b) The statutory financial statements for this entity for the years ended 31 December 2023 and 2024 prepared in accordance with the Accounting Standards for Business Enterprises ("ASBEs") were audited by Shanghai Honghua Certified Public Accountants Co., Ltd. (上海宏華會計師事務所有限公司), certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

The Shanghai Discovery Group Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Shanghai Discovery Group in the preparation of the Shanghai Discovery Group Historical Financial Information throughout the Pre-acquisition Periods and the period from 1 January 2024 to 13 August 2024.

The Shanghai Discovery Group Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and receivables at fair value through other comprehensive income, which have been measured at fair value.

Going concern

Shanghai Discovery Group's current liabilities exceeded its current assets by approximately RMB106,543,000, RMB76,039,000 and RMB73,873,000 as at 31 December 2023, 2024 and 13 August 2025, respectively.

On 13 August 2025, COSMOPlat Energy entered into an investment agreement (the "Investment Agreement") with the then shareholders of Shanghai Discovery. As part of the Investment Agreement, COSMOPlat Energy has agreed to subscribe for the increased registered capital of RMB12,084,000 of Shanghai Discovery at a consideration of RMB204,260,000. Accordingly, the Shanghai Discovery Historical Financial Information has been prepared on a going concern basis.

Basis of consolidation

The Shanghai Discovery Group Historical Financial Information include the financial statements of Shanghai Discovery and its subsidiaries for the Pre-acquisition Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by Shanghai Discovery Group. Control is achieved when Shanghai Discovery Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give Shanghai Discovery Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Shanghai Discovery has less than a majority of the voting or similar rights of an investee, the Shanghai Discovery considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Shanghai Discovery Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as Shanghai Discovery, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Shanghai Discovery Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Shanghai Discovery Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Shanghai Discovery Group are eliminated in full on consolidation.

The Shanghai Discovery Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Shanghai Discovery Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Shanghai Discovery Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Shanghai Discovery Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Shanghai Discovery Group has not adopted the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Shanghai Discovery Group Historical Financial Information. The Shanghai Discovery Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual/reporting periods beginning on or after 1 January 2027
[3] No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Shanghai Discovery Group is described below:

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present

two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the Shanghai Discovery Grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have a material impact on the financial performance and financial position of the Shanghai Discovery Group but is expected to affect the presentation and disclosure of the statement of profit or loss and other comprehensive income. The Shanghai Discovery Group will continue to assess the impact of IFRS 18 on the Shanghai Discovery Group's financial information.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS18 for entities that use these measures. Earlier application is permitted. Some of the Shanghai Discovery's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Shanghai Discovery Group's financial information.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Shanghai Discovery Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Shanghai Discovery Group's financial information.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Shanghai Discovery Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing*

IFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Shanghai Discovery Group's financial information.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Shanghai Discovery Group's financial information.

- IFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Shanghai Discovery Group's financial information.

- IAS 7 *Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Shanghai Discovery Group's financial statements.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Shanghai Discovery Group measures financial assets at fair value through profit or loss and receivables at fair value through other comprehensive income at the end of each of the Pre-acquisition Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Shanghai Discovery Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Shanghai Discovery Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Shanghai Discovery Group Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	—	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	—	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Shanghai Discovery Group Historical Financial Information on a recurring basis, the Shanghai Discovery Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Pre-acquisition Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Pre-acquisition Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Shanghai Discovery Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Shanghai Discovery Group;

  (ii) has significant influence over the Shanghai Discovery Group; or

  (iii) is a member of the key management personnel of the Shanghai Discovery Group or of a parent of the Shanghai Discovery Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Shanghai Discovery Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Shanghai Discovery Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Shanghai Discovery Group or an entity related to the Shanghai Discovery Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Shanghai Discovery Group or to the parent of the Shanghai Discovery Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Shanghai Discovery Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	12.37% to 92.31%
Tools, furniture and fixtures	19.00% to 31.67%
Motor vehicles	23.70%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Shanghai Discovery Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Shanghai Discovery Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Shanghai Discovery Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Shanghai Discovery Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	2 to 10 years

If ownership of the leased asset transfers to the Shanghai Discovery Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Shanghai Discovery Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Shanghai Discovery Group applies the short-term lease recognition exemption to its short-term leases of offices premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Shanghai Discovery Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Shanghai Discovery Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Shanghai Discovery Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Shanghai Discovery Group's business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Shanghai Discovery Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Shanghai Discovery Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Shanghai Discovery Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Shanghai Discovery Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Shanghai Discovery Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Shanghai Discovery Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Shanghai Discovery Group has transferred substantially all the risks and rewards of the asset, or (b) the Shanghai Discovery Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Shanghai Discovery Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Shanghai Discovery Group continues to recognise the transferred asset to the extent of the Shanghai Discovery Group's continuing involvement. In that case, the Shanghai Discovery Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Shanghai Discovery Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Shanghai Discovery Group could be required to repay.

Impairment of financial assets

The Shanghai Discovery Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Shanghai Discovery Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Pre-acquisition Periods, the Shanghai Discovery Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Shanghai Discovery Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

In certain cases, the Shanghai Discovery Group consider a financial asset to be in default when internal or external information indicates that the Shanghai Discovery Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Shanghai Discovery Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Shanghai Discovery Group applies the practical expedient of not adjusting the effect of a significant financing component, the Shanghai Discovery Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Shanghai Discovery Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Shanghai Discovery Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For lease receivables, the Shanghai Discovery Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Shanghai Discovery Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Shanghai Discovery Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

The Shanghai Discovery Group recognises the contract fulfilment cost from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future;

(c) and the costs are expected to be recovered.

The contract fulfilment cost presented in inventories is amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates. The Shanghai Discovery Group recognises an impairment loss in profit or loss to the extent that the carrying amount of contract fulfilment cost recognised exceeds the remaining amount of the consideration that the entity expects to receive in exchange for the services to which the asset relates less the costs that relate directly to the provision of those services and that have not been recognised as expenses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Shanghai Discovery Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Shanghai Discovery Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Pre-acquisition Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statements of profit or loss.

The Shanghai Discovery Group provides for warranties in relation to the provision of green manufacturing solutions and the provision to the technical support and maintenance services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Shanghai Discovery Group are initially recognised based on past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general policy for provisions above and (ii) the amount initially recognised less, when appropriate, the amount of income recognised in accordance with the policy for revenue recognition.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Pre-acquisition Periods, taking into consideration interpretations and practices prevailing in the countries in which the Shanghai Discovery Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Pre-acquisition Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Pre-acquisition Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Pre-acquisition Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Pre-acquisition Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Shanghai Discovery Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Shanghai Discovery Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Shanghai Discovery Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Green manufacturing solutions

The Shanghai Discovery Group provides green manufacturing solutions for customers, including the design of solutions, delivery of products and software as well as construction services. These deliverables are accounted for as a single performance obligation because the Shanghai Discovery Group provides integrated products and solutions, and revenue is recognised at the point in time when control of the asset is transferred to the customer, generally upon the final acceptance of the integrated products and solutions by the customers.

In addition, the Shanghai Discovery Group provides technical support and maintenance services to some of its customers. Revenue is recognised over time as services are rendered as the customers simultaneously receive and consume the services provided by the Shanghai Discovery Group over the period.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Shanghai Discovery Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Shanghai Discovery Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Shanghai Discovery Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Shanghai Discovery Group operates share award and option schemes. Employees (including directors) of the Shanghai Discovery Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined with reference to the fair value of the underlying share for share awards.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Pre-acquisition Periods until the vesting date reflects the extent to which the vesting period has expired and the Shanghai Discovery Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Shanghai Discovery Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Shanghai Discovery Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Shanghai Discovery Group can no longer withdraw the offer of those benefits and when the Shanghai Discovery Group recognises restructuring costs involving the payment of termination benefits.

Housing fund and other social insurances

The Shanghai Discovery Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Shanghai Discovery Group makes monthly contributions to the

housing fund and other social insurances. The contributions are charged to the statement of profit or loss on an accrual basis. The Shanghai Discovery Group's liability in respect of these funds is limited to the contributions payable at the end of each of the Pre-acquisition Periods.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after Pre-acquisition Periods

If the Shanghai Discovery Group receives information after the end of the Pre-acquisition Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the Pre-acquisition Periods, it will assess whether the information affects the amounts that it recognises in the Shanghai Discovery Group Historical Financial Information. The Shanghai Discovery Group will adjust the amounts recognised in the Shanghai Discovery Group Historical Financial Information to reflect any adjusting events after the end of the Pre-acquisition Periods and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the end of the Pre-acquisition Periods, the Shanghai Discovery Group will not change the amounts recognised in the Shanghai Discovery Group Historical Financial Information, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Shanghai Discovery Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Shanghai Discovery Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Shanghai Discovery Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are set out in note 25 to the Shanghai Discovery Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Pre-acquisition Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses ("ECL") on trade and bills receivables and contract assets

The Shanghai Discovery Group uses a provision matrix to calculate ECLs for trade and bills receivables and contract assets. The provision rates are based on ageing for groupings of various customer that have similar loss patterns.

The provision matrix is initially based on the Shanghai Discovery Group's historical observed default rates. The Shanghai Discovery Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Shanghai Discovery Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Shanghai Discovery Group' s trade and bills receivables and contract assets is disclosed in note 14 and 16 to the Shanghai Discovery Group Historical Financial Information, respectively.

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Shanghai Discovery Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in the production and provision of products, or from changes in the market demand for the product output of the asset, expected usage of the asset, expected physical wear and tear, care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Shanghai Discovery Group with similar assets that are used in a similar way. Additional depreciation is made if the estimated useful lives and/or residual values of items of property, plant and equipment are different from previous estimates. Useful lives and residual values are reviewed at the end of each of the Pre-acquisition Periods based on changes in circumstances. Further details of the property, plant and equipment are set out in note 11 to the Shanghai Discovery Group Historical Financial Information.

Provision for inventories

The Shanghai Discovery Group periodically assesses the net realisable value of its inventories and provides for inventory impairment based on the difference between the cost of the inventories and the net realisable value. When estimating the net realisable value of inventories, management considers the purpose for which the inventories are held, as well as their future use or sales as the basis for estimation. Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories and the write-down of inventories in the period in which the estimate changed. Further details of the inventories are set out in note 13 to the Shanghai Discovery Group Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Shanghai Discovery Group principally focuses on providing green manufacturing solutions manufacturing enterprises. Information reported to Shanghai Discovery Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of Shanghai Discovery Group as a whole as Shanghai Discovery Group's resources are integrated and no discrete operating segment information is available. Accordingly, no operating segment information is presented.

Geographical information

As Shanghai Discovery Group generated all of its revenue in the Chinese mainland and all the non-current assets of Shanghai Discovery Group were in the Chinese mainland during the Pre-acquisition Periods, no further geographical information is presented.

Information about major customers

During the Pre-acquisition Periods and the period from 1 January 2024 to 13 August 2024, revenue from transactions with single external customers (including entities under common control with those customers) amounting to 10% or more of the Shanghai Discovery Group's revenues are as follows:

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Customer A	959	—	—	137,460
Customer B	—	—	—	69,862
Customer C	545	11,442	737	39,312
Customer D	—	43,164	35,428	34,908
Customer E	—	228,514	131,147	26,864
Customer F	324	153,907	8,060	22,433
Customer G	167,438	2,116	504	1,704
Customer H	132,692	33,334	7,478	1,416
Customer I	120	79,756	79	—
Customer J	52,341	—	—	—

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Revenue from contracts with customers	407,301	608,676	200,818	396,141

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Types of goods or services				
Green manufacturing solutions	407,301	608,676	200,818	396,141
Timing of revenue recognition				
Goods or services transferred at a point in time	395,826	596,339	192,955	390,246
Services transferred over time	11,475	12,337	7,863	5,895
Total	407,301	608,676	200,818	396,141

The following table shows the amounts of revenue recognised in each of the Pre-acquisition Periods and the period from 1 January 2024 to 13 August 2024 that were included in the contract liabilities at the beginning of the respective year/period:

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Green manufacturing solutions	254,650	285,994	131,354	240,728

(b) Performance obligations

The performance obligation for green manufacturing solutions is satisfied upon the final acceptance of the integrated products and solutions by the customers. The performance obligation of technical support and maintenance services is recognised over time as services are rendered. Payment is generally due within 30 to 180 days upon satisfaction of the performance obligations.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Amounts expected to be recognised as revenue:				
Within one year	504,967	511,916	296,093	452,408
After one year	733,966	458,779	772,991	434,789
Total	1,238,933	970,695	1,069,084	887,197

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to green manufacturing solutions, of which the performance obligations are to be satisfied within three years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Government grants	6,886	6,147	1,379	2,325
Bank interest income	2,058	964	626	313
Finance lease interest income	1,968	1,841	1,075	1,077
Investment income from financial assets at fair value through profit or loss	140	510	250	811
Gains on lease modification/ termination	—	18	—	—
Fair value gains on financial assets at fair value through profit or loss	21	23	7	—
Others	381	282	229	14
Total	11,454	9,785	3,566	4,540

7. (LOSS)/PROFIT BEFORE TAX

The Shanghai Discovery Group's (loss)/profit before tax is arrived at after charging/(crediting):

		Year ended 31 December		Period from 1 January to 13 August	
		2023	2024	2024	2025
	Notes	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Cost of inventories sold and services provided*		323,127	503,566	160,793	320,854
Depreciation of property, plant and equipment	11	2,057	2,368	1,399	1,432
Depreciation of right-of-use assets	12(a)	1,660	1,799	974	950
Amortisation of other intangible assets		211	240	148	136
Lease payments not included in the measurement of lease liabilities	12(c)	430	138	95	71
Auditor's remuneration		481	1,225	586	250
Employee benefit expenses:					
Wages and salaries		43,102	47,287	24,132	30,033
Pension scheme contributions		7,711	9,722	4,603	6,088
Social welfare benefits		10,357	11,312	5,263	7,187
Termination benefits		558	636	583	348
Equity-settled share-based payments expense		250	978	146	—
Total		61,978	69,935	34,727	43,656
Impairment losses/(reversal impairment losses) on financial assets, net:					
Trade and bills receivables	14	5,233	996	3,687	6,831
Contract assets	16	263	355	(186)	735
Financial assets included in prepayments, other receivables and other assets	15	(16)	22	88	35
Lease receivables	12(d)	(53)	44	24	—
Total		5,427	1,417	3,613	7,601
Impairment losses of other assets		—	77	77	—
Write-down of inventories to net realisable value		8,814	53	26	—
Total		8,814	130	103	—
Product warranty provision:					
Additional provision		4,847	10,182	6,374	7,997
Amounts utilised during the year/period		(3,277)	(6,470)	(3,953)	(5,273)
Total		1,570	3,712	2,421	2,724

* Cost of inventories sold and services provided include write-down of inventories to net realisable value and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on put option liabilities	12,244	12,278	7,581	6,001
Interest on bank borrowings	1,212	2,034	1,013	1,613
Interest on lease liabilities	187	152	85	57
Total	13,643	14,464	8,679	7,671

9. INCOME TAX

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in the Chinese mainland are subject to corporate income tax ("CIT") at a rate of 25% on the taxable income. During the Pre-acquisition Periods, Shanghai Discovery was entitled to a preferential tax rate of 15% because it was regarded as "High and New Technology Enterprise". In addition, subsidiaries of the Shanghai Discovery Group operating in the Chinese mainland were entitled to effective preferential tax rates of 5% because they were regarded as "small-scaled minimal profit enterprises" with taxable income not exceeding RMB3,000,000.

An analysis of income tax expense is as follows:

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Current — Chinese mainland income tax	13,289	—	—	—
Deferred	(15,096)	3,383	(1,740)	2,368
Total	(1,807)	3,383	(1,740)	2,368

A reconciliation of the income tax (credit)/expense applicable to (loss)/profit before tax using the statutory tax rate for Shanghai Discovery and its subsidiaries to the income tax expense at the effective tax rate is as follows:

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
(Loss)/profit before tax	(7,650)	23,594	(10,516)	18,826
Tax at the statutory tax rate of Chinese mainland	(1,913)	5,899	(2,629)	4,707
Lower tax rates enacted by local authorities	1,266	(1,896)	1,294	(1,678)
Income not subject to tax	(105)	(330)	(204)	(98)
Expenses not deductible for tax	3,370	3,068	1,756	1,346
Tax losses and deductible temporary differences not recognised	198	319	97	102
Additional deductible allowance for research and development expenses	(4,623)	(3,677)	(2,054)	(2,011)
Tax charge/(credit) at the Shanghai Discovery Group's effective rate	(1,807)	3,383	(1,740)	2,368

10. DIVIDEND

On 28 December 2023, Shanghai Discovery declared dividends of RMB20,000,000 to its then shareholders, which were paid in 2024.

11. PROPERTY, PLANT AND EQUIPMENT

Shanghai Discovery Group

	Leasehold improvements	Tools, furniture and fixtures	Motor vehicles	Construction in progress for finance lease investment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023:					
Cost	3,078	1,659	2,829	—	7,566
Accumulated depreciation	(2,254)	(772)	(1,232)	—	(4,258)
Net carrying amount	824	887	1,597	—	3,308
At 1 January 2023, net of accumulated depreciation	824	887	1,597	—	3,308
Additions	2,449	455	412	6,253	9,569
Depreciation provided during the year	(1,009)	(486)	(562)	—	(2,057)
Disposals	—	(1)	—	—	(1)
At 31 December 2023, net of accumulated depreciation	2,264	855	1,447	6,253	10,819
At 31 December 2023:					
Cost	5,527	2,113	3,241	6,253	17,134
Accumulated depreciation	(3,263)	(1,258)	(1,794)	—	(6,315)
Net carrying amount	2,264	855	1,447	6,253	10,819
31 December 2024					
At 1 January 2024:					
Cost	5,527	2,113	3,241	6,253	17,134
Accumulated depreciation and impairment	(3,263)	(1,258)	(1,794)	—	(6,315)
Net carrying amount	2,264	855	1,447	6,253	10,819
At 1 January 2024, net of accumulated depreciation	2,264	855	1,447	6,253	10,819
Additions	1,135	312	559	4,406	6,412
Depreciation provided during the year	(1,247)	(471)	(650)	—	(2,368)
Disposals	—	—	(41)	(9,512)	(9,553)
At 31 December 2024, net of accumulated depreciation	2,152	696	1,315	1,147	5,310
At 31 December 2024:					
Cost	6,662	2,425	2,986	1,147	13,220
Accumulated depreciation and impairment	(4,510)	(1,729)	(1,671)	—	(7,910)
Net carrying amount	2,152	696	1,315	1,147	5,310

	Leasehold improvements	Tools, furniture and fixtures	Motor vehicles	Construction in progress for finance lease investment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
13 August 2025					
At 1 January 2025					
Cost	6,662	2,425	2,986	1,147	13,220
Accumulated depreciation	(4,510)	(1,729)	(1,671)	—	(7,910)
Net carrying amount	2,152	696	1,315	1,147	5,310
At 1 January 2025, net of accumulated depreciation	2,152	696	1,315	1,147	5,310
Additions	—	62	253	17,254	17,569
Depreciation provided during the period	(752)	(233)	(447)	—	(1,432)
Disposals	—	—	—	(2,427)	(2,427)
At 13 August 2025, net of accumulated depreciation	1,400	525	1,121	15,974	19,020
At 13 August 2025					
Cost	6,662	2,487	3,239	15,974	28,362
Accumulated depreciation	(5,262)	(1,962)	(2,118)	—	(9,342)
Net carrying amount	1,400	525	1,121	15,974	19,020

Shanghai Discovery

	Leasehold improvements	Tools, furniture and fixtures	Motor vehicles	Construction in progress for finance lease investment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023					
At 1 January 2023:					
Cost	3,049	1,604	2,530	—	7,183
Accumulated depreciation	(2,254)	(724)	(1,167)	—	(4,145)
Net carrying amount	795	880	1,363	—	3,038
At 1 January 2023, net of accumulated depreciation	795	880	1,363	—	3,038
Additions	2,448	442	412	6,253	9,555
Depreciation provided during the year	(1,009)	(504)	(455)	—	(1,968)
Disposals	—	(1)	—	—	(1)
At 31 December 2023, net of accumulated depreciation	2,234	817	1,320	6,253	10,624
At 31 December 2023:					
Cost	5,497	2,043	2,942	6,253	16,735
Accumulated depreciation	(3,263)	(1,226)	(1,622)	—	(6,111)
Net carrying amount	2,234	817	1,320	6,253	10,624

	Leasehold improvements	Tools, furniture and fixtures	Motor vehicles	Construction in progress for finance lease investment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024					
At 1 January 2024:					
Cost	5,497	2,043	2,942	6,253	16,735
Accumulated depreciation	(3,263)	(1,226)	(1,622)	—	(6,111)
Net carrying amount	2,234	817	1,320	6,253	10,624
At 1 January 2024, net of accumulated depreciation	2,234	817	1,320	6,253	10,624
Additions	1,135	313	559	4,279	6,286
Depreciation provided during the year	(1,217)	(452)	(579)	—	(2,248)
Disposals	—	—	(41)	(9,512)	(9,553)
At 31 December 2024, net of accumulated depreciation	2,152	678	1,259	1,020	5,109
At 31 December 2024:					
Cost	6,632	2,356	2,687	1,020	12,695
Accumulated depreciation	(4,480)	(1,678)	(1,428)	—	(7,586)
Net carrying amount	2,152	678	1,259	1,020	5,109
13 August 2025					
At 1 January 2025					
Cost	6,632	2,356	2,687	1,020	12,695
Accumulated depreciation	(4,480)	(1,678)	(1,428)	—	(7,586)
Net carrying amount	2,152	678	1,259	1,020	5,109
At 1 January 2025, net of accumulated depreciation	2,152	678	1,259	1,020	5,109
Additions	—	50	—	16,655	16,705
Depreciation provided during the period	(752)	(226)	(376)	—	(1,354)
Transfers	—	—	—	(2,427)	(2,427)
At 13 August 2025, net of accumulated depreciation	1,400	502	883	15,248	18,033
At 13 August 2025:					
Cost	6,632	2,406	2,687	15,248	26,973
Accumulated depreciation	(5,232)	(1,904)	(1,804)	—	(8,940)
Net carrying amount	1,400	502	883	15,248	18,033

12. LEASES

The Shanghai Discovery Group and Shanghai Discovery as a lessee

The Shanghai Discovery Group has lease contracts for certain buildings used in its operations, which generally have lease terms between 2 and 10 years and lease terms are negotiated on an individual basis and contain different payment terms and conditions. Generally, the Shanghai Discovery Group is restricted from assigning and subleasing the leased assets outside the Shanghai Discovery Group.

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during each of the Pre-acquisition Periods are as follows:

Shanghai Discovery Group

	Buildings
	RMB'000
As at 1 January 2023	4,931
Additions	67
Depreciation charge	(1,660)
As at 31 December 2023 and 1 January 2024	3,338
Additions	1,790
Depreciation charge	(1,799)
Lease modification/termination	(240)
As at 31 December 2024 and 1 January 2025	3,089
Depreciation charge	(950)
Lease modification/termination	(192)
As at 13 August 2025	1,947

Shanghai Discovery

	Buildings
	RMB'000
As at 1 January 2023	4,471
Additions	67
Depreciation charge	(1,540)
As at 31 December 2023 and 1 January 2024	2,998
Additions	1,790
Depreciation charge	(1,699)
As at 31 December 2024 and 1 January 2025	3,089
Depreciation charge	(950)
Lease modification/termination	(192)
As at 13 August 2025	1,947

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during each of the Pre-acquisition Periods are as follows:

Shanghai Discovery Group

	Year ended 31 December		Period from 1 January to 13 August
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	5,233	3,548	3,313
New leases	67	1,790	—
Accretion of interest recognised during the year/period	187	152	57
Payments	(1,939)	(1,919)	(1,349)
Lease modification/termination	—	(258)	(192)
Carrying amount at the end of year/period	3,548	3,313	1,829
Analysed into:			
Current portion			
Within one year	1,609	2,021	702
Non-current portion			
Repayable in the second year	1,693	341	349
Repayable in the third to fifth years, inclusive	246	752	778
Repayable beyond five years	—	199	—
Subtotal	1,939	1,292	1,127
Total	3,548	3,313	1,829

Shanghai Discovery

	Year ended 31 December		Period from 1 January to 13 August
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year/period	4,873	3,302	3,313
New leases	67	1,790	—
Accretion of interest recognised during the year/period	167	152	57
Payments	(1,805)	(1,931)	(1,349)
Lease modification/termination	—	—	(192)
Carrying amount at the end of year/period	3,302	3,313	1,829
Analysed into:			
Current portion			
Within one year	1,609	2,021	702
Non-current portion			
Repayable in the second year	1,693	341	349
Repayable in the third to fifth years, inclusive	—	752	778
Repayable beyond five years	—	199	—
Subtotal	1,693	1,292	1,127
Total	3,302	3,313	1,829

(c) The amounts recognised in profit or loss in relation to leases are as follows:

Shanghai Discovery Group

	Year ended 31 December		Period from 1 January to 13 August	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	187	152	85	57
Depreciation charge of right-of-use assets	1,660	1,799	974	950
Expense relating to short-term leases	430	138	95	71
Gains on lease modification/ termination	—	18	—	—
Total amount recognised in profit or loss	2,277	2,107	1,154	1,078

Shanghai Discovery

	Year ended 31 December		Period from 1 January to 13 August	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Interest on lease liabilities	167	152	85	57
Depreciation charge of right-of-use assets	1,540	1,699	857	950
Expense relating to short-term leases	430	138	95	71
Total amount recognised in profit or loss	2,137	1,989	1,037	1,078

(d) The total cash outflow for leases is disclosed in note 28(c) to the Shanghai Discovery Group Historical Financial Information.

The Shanghai Discovery Group and Shanghai Discovery as a lessor

Under energy management contract model, Shanghai Discovery Group deployed certain of its plant and machinery at customers' sites and is compensated based on the energy savings achieved, which are accounted for as finance leases. Details of finance lease interest income recognised by the Shanghai Discovery Group during the Pre-acquisition Periods and the period from 1 January 2024 to 13 August 2024 are included in note 6 to the Shanghai Discovery Group Historical Financial Information.

During each of the Pre-acquisition Periods, the Shanghai Discovery Group's finance lease receivables were secured and interest-bearing at rates ranging from 3.65% to 6.60%. Details of lease receivables as well as the reconciliation between the gross investment in finance leases and the present value of minimum lease payments receivable under such leases as at 31 December 2023 and 2024 and 13 August 2025 are as follows:

	31 December		13 August
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Gross investment in finance leases	43,690	47,404	47,838
Less: unearned finance income	(8,046)	(7,326)	(7,818)
Gross lease receivables	35,644	40,078	40,020
Less: accumulated allowance for impairment	(356)	(400)	(400)
Net lease receivables	35,288	39,678	39,620
Analysed into:			
Current portion	4,515	5,891	6,582
Non-current portion	30,773	33,787	33,038

The analyses of the Shanghai Discovery Group's gross investment in finance leases by relevant maturity groupings as at 31 December 2023 and 2024 and 13 August 2025 are as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Gross investment in finance leases			
Within 1 year	5,981	7,688	9,605
After 1 year but within 2 years	5,737	9,481	8,785
After 2 years but within 3 years	7,525	7,863	6,515
After 3 years but within 4 years	5,907	5,372	5,186
After 4 years but within 5 years	3,416	3,963	2,553
Over 5 years	15,124	13,037	15,194
Total	43,690	47,404	47,838

13. INVENTORIES

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract fulfilment costs	942,294	767,913	550,903

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract fulfilment costs	941,257	767,913	549,820

14. TRADE AND BILLS RECEIVABLES

Shanghai Discovery Group and Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	128,968	160,530	245,746
Impairment	(15,709)	(16,867)	(23,804)
Trade receivables, net	113,259	143,663	221,942
Bills receivable	1,792	9,292	2,800
Impairment	(90)	(102)	(8)
Bill receivable, net	1,702	9,190	2,792
Long-term receivables	6,012	1,536	—
Impairment	(217)	(43)	—
Long-term receivables, net	5,795	1,493	—
Trade and bills receivables	120,756	154,346	224,734
Portion classified as non-current			
Long-term receivables	1,481	—	—
Total non-current portion	1,481	—	—
Total current portion	119,275	154,346	224,734

The Shanghai Discovery Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods are generally 30 to 180 days. Shanghai Discovery Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Shanghai Discovery Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables of the Shanghai Discovery Group as at the end of each of the Pre-acquisition Periods, based on the final acceptance date and net of loss allowance, is as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	93,356	122,840	160,875
13 to 24 months	5,879	18,999	56,005
25 to 36 months	14,024	1,824	5,062
Total	113,259	143,663	221,942

The movements in the loss allowance for impairment of trade receivables are as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	10,449	15,709	16,867
Impairment losses recognised, net	5,260	1,158	6,937
At end of the year/period	15,709	16,867	23,804

The increase in the loss allowance during Pre-acquisition Periods the was mainly due to the increase in trade receivables with ageing for over 12 months.

An impairment analysis is performed at the end of each of the Pre-acquisition Periods using a provision matrix to measure expected credit losses. The provision rates are based on the ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Pre-acquisition Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Shanghai Discovery Group's trade receivables using a provision matrix:

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	3.61%	96,850	3,494	93,356
13 to 24 months	18.48%	7,212	1,333	5,879
25 to 36 months	36.16%	21,968	7,944	14,024
Over 36 months	100.00%	2,938	2,938	—
Total		128,968	15,709	113,259

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	2.78%	126,347	3,507	122,840
13 to 24 months	12.41%	21,691	2,692	18,999
25 to 36 months	54.31%	3,992	2,168	1,824
Over 36 months	100.00%	8,500	8,500	—
Total		160,530	16,867	143,663

As at 13 August 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	*RMB'000*	*RMB'000*
Provision on a collective basis:				
Within 12 months	3.49%	166,684	5,809	160,875
13 to 24 months	11.74%	63,457	7,452	56,005
25 to 36 months	45.86%	9,349	4,287	5,062
Over 36 months	100.00%	6,256	6,256	—
Total		245,746	23,804	221,942

Set out below is the information about the credit risk exposure on the Shanghai Discovery Group's long-term receivables using a provision matrix:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Expected credit loss rate	3.61%	2.78%	—
Gross carrying amount	6,012	1,536	—
Expected credit losses	217	43	—

As at 31 December 2023 and 2024 and 13 August 2025, the Shanghai Discovery Group endorsed certain bills receivable in the Chinese mainland (the "Endorsed Bills") with carrying amounts of nil, RMB7,290,000 and RMB2,800,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Shanghai Discovery Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Shanghai Discovery Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

15. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	6,151	12,747	20,290
Value-added tax recoverable and prepaid taxes	11,390	440	867
Deposits	3,201	1,977	3,475
Other receivables	5,525	3,207	17,528
	26,267	18,371	42,160
Impairment allowance	(2,419)	(2,441)	(2,476)
Total — current	23,848	15,930	39,684
Non-current:			
Other assets	1,843	1,843	1,843
Impairment allowance	—	(77)	(77)
Total — non-current	1,843	1,766	1,766
Total	25,691	17,696	41,450

The Shanghai Discovery Group applies an expected credit loss model to evaluate the credit losses for financial assets included in prepayments, other receivables and other assets. The Shanghai Discovery Group's movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	2,435	2,419	2,441
Impairment losses/(reversal impairment losses) recognised, net *(note 7)*	(16)	22	35
At end of year/period	2,419	2,441	2,476

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
Current:			
Prepayments	6,030	12,352	20,202
Value-added tax recoverable and prepaid taxes	11,342	405	546
Deposits	3,201	1,951	3,449
Other receivables	5,526	3,208	17,826
	26,099	17,916	42,023
Impairment allowance	(2,419)	(2,441)	(2,476)
Total — current	23,680	15,475	39,547
Non-current:			
Other assets	1,843	1,843	1,843
Impairment allowance	—	(77)	(77)
Total — non-current	1,843	1,766	1,766
Total	25,523	17,241	41,313

Shanghai Discovery's movements in the loss allowance for impairment of financial assets included in prepayments, other receivables and other assets are as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	2,435	2,419	2,441
(Reversal of impairment losses)/impairment losses recognised, net	(16)	22	35
At end of year/period	2,419	2,441	2,476

16. CONTRACT ASSETS

Shanghai Discovery Group

	1 January	31 December		13 August
	2023	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from				
Retention monies	32,034	39,317	63,877	72,005
Impairment	(1,156)	(1,419)	(1,774)	(2,509)
Net carrying amount	30,878	37,898	62,103	69,496

Shanghai Discovery

	1 January	31 December		13 August
	2023	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract assets arising from				
Retention monies	32,034	39,214	63,774	71,901
Impairment	(1,156)	(1,418)	(1,773)	(2,507)
Net carrying amount	30,878	37,796	62,001	69,394

Contract assets are initially recognised for revenue earned from green manufacturing solutions as the receipt of consideration is conditional on successful completion of warranty conditions. Included in contract assets are retention receivables. Upon completion of warranty conditions and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

The Shanghai Discovery Group's trading terms and credit policy with customers are disclosed in note 14 to the Shanghai Discovery Group Historical Financial Information.

The expected timing of recovery or settlement for contract assets as at end of each of the Pre-acquisition Periods is as follows:

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	12,907	19,329	26,759
After one year	24,991	42,774	42,737
Total contract assets	37,898	62,103	69,496

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	12,805	19,227	26,657
After one year	24,991	42,774	42,737
Total contract assets	37,796	62,001	69,394

The movements in the loss allowance for impairment of contract assets are as follows:

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	1,156	1,419	1,774
Impairment losses recognised, net *(note 7)*	263	355	735
At end of year/period	1,419	1,774	2,509

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	1,156	1,418	1,773
Impairment losses recognised, net	262	355	734
At end of year/period	1,418	1,773	2,507

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Shanghai Discovery Group's and Shanghai Discovery's contract assets using a provision matrix:

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
Expected credit loss rate	3.61%	2.78%	3.49%
Gross carrying amount (RMB'000)	39,317	63,877	72,005
Expected credit losses (RMB'000)	1,419	1,774	2,509

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
Expected credit loss rate	3.61%	2.78%	3.49%
Gross carrying amount (RMB'000)	39,214	63,774	71,901
Expected credit losses (RMB'000)	1,418	1,773	2,507

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Shanghai Discovery Group and Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Structured deposits	40,021	80,023	—

The structured deposits were issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

18. RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Shanghai Discovery Group and Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Bank acceptance bills	8,612	4,736	—

19. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	118,226	104,935	63,316
Less: Pledged deposits	8,679	12,679	15,623
Cash and cash equivalents	109,547	92,256	47,693

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	113,746	102,324	61,929
Less: Pledged deposits	8,679	12,679	15,623
Cash and cash equivalents	105,067	89,645	46,306

The cash and cash equivalents of the Shanghai Discovery Group and Shanghai Discovery are denominated in RMB. The RMB is not freely convertible into other currencies, however, under the Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Shanghai Discovery Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

As at 31 December 2023 and 2024 and 13 August 2025, pledged deposits of the Shanghai Discovery Group and Shanghai Discovery amounting to RMB5,949,000, RMB10,237,000 and RMB12,711,000, respectively, was restricted by banks as collateral for the issuance of bank acceptance notes.

As at 31 December 2023 and 2024 and 13 August 2025, pledged deposits of the Shanghai Discovery Group and Shanghai Discovery amounting to RMB2,730,000, RMB2,442,000 and RMB2,912,000, respectively, was restricted by banks as a letter of credit granted to major suppliers.

20. TRADE AND BILLS PAYABLES

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	212,680	153,768	92,899
Bills payable	67,647	42,693	38,084
Total	280,327	196,461	130,983

An ageing analysis of the trade and bills payables as at the end of each of the Pre-acquisition Periods, based on the invoice date and/or acceptance date, is as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	171,837	79,784	26,576
13 to 24 months	23,522	53,339	27,518
25 to 36 months	13,187	11,100	27,069
Over 36 months	4,134	9,545	11,736
Total	212,680	153,768	92,899

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	212,444	153,667	92,846
Bills payable	67,647	42,693	38,084
Total	280,091	196,360	130,930

An ageing analysis of the trade and bills payables as at the end of each of the Pre-acquisition Periods, based on the date of goods or service received, is as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 12 months	171,601	79,683	26,572
13 to 24 months	23,522	53,339	27,469
25 to 36 months	13,187	11,100	27,069
Over 36 months	4,134	9,545	11,736
Total	212,444	153,667	92,846

The trade payables are non-interest-bearing and are normally settled on 60 to 90 days.

21. OTHER PAYABLES AND ACCRUALS

Shanghai Discovery Group

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	11,759	8,284	6,243
Other tax payables	44,435	30,262	25,574
Deposits received	3,954	2,827	1,408
Accrued expenses and other payables	6,584	7,111	11,942
Dividend payables	20,000	—	—
Put option liabilities *(note (a))*	198,942	211,220	85,773
Total	285,674	259,704	130,940

Shanghai Discovery

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payable	10,958	7,626	6,240
Other tax payables	44,233	30,160	25,533
Deposits received	3,954	2,827	1,408
Accrued expenses and other payables	6,539	7,049	11,869
Dividend payables	20,000	—	—
Put option liabilities *(note (a))*	198,942	211,220	85,773
Total	284,626	258,882	130,823

(a) In year 2017, 2021, and 2022, Shanghai Discovery entered into several investment agreements with independent investors and issued an aggregate of 12,709,281 shares to those investors, which carry special rights of redemption at the holder's option. According to the aforementioned agreements, the redemption rights would be executed at a price based on an agreed amount once triggered, the put option liability was measured at amortised cost.

Except for the put option liabilities, all financial liabilities above are unsecured, non-interest-bearing and repayable on demand.

22. CONTRACT LIABILITIES

Shanghai Discovery Group

	1 January	31 December		13 August
	2023	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Green manufacturing solutions	517,738	759,382	699,710	606,751

Shanghai Discovery

	1 January	31 December		13 August
	2023	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Green manufacturing solutions	517,738	759,382	699,415	606,456

The increase/decrease in contract liabilities during the Pre-acquisition Periods was mainly due to the increase/decrease in short-term advances received from customers in relation to green manufacturing solutions at the end of each of the Pre-acquisition Periods.

23. INTEREST-BEARING BANK BORROWINGS

Shanghai Discovery Group and Shanghai Discovery

	31 December 2023			31 December 2024			13 August 2025		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Current									
Bank loans — unsecured	2.80 – 2.90	2024	27,639	2.60 – 2.68	2024 – 2025	55,044	2.20 – 2.60	2025 – 2026	80,302
Current portion of long-term bank loans — unsecured	3.05	2024	7,100	2.68 – 3.05	2025	8,680	2.60 – 2.68	2026	26,908
			34,739			63,724			107,210
Non-current									
Bank loans — unsecured	3.05	2025	4,711	2.68	2026	23,857	2.60	2026	3,536
Total			39,450			87,581			110,746

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank borrowings repayable:			
Within one year	34,739	63,724	107,210
In the second year	4,711	23,857	3,536
Total	39,450	87,581	110,746
Bank borrowings denominated in the following currencies:			
RMB	39,450	87,581	110,746
Bank borrowings by type of interest rate:			
Fixed interest rate	39,450	87,581	110,746

24. PROVISION

Shanghai Discovery Group and Shanghai Discovery

The movement of provisions for product warranties is as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year/period	6,661	8,231	11,943
Additional provision	4,847	10,182	7,997
Amounts utilised during the year/period	(3,277)	(6,470)	(5,273)
At the end of year/period	8,231	11,943	14,667
Portion classified as current liabilities	5,314	7,522	9,265
Non-current portion	2,917	4,421	5,402

The Shanghai Discovery Group provides warranties to its customers in relation to certain green manufacturing solutions for general repairs of defects occurring during the warranty period. The amount of the provision for warranties is estimated based on past experience of the level of repairs. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

25. DEFERRED TAX

Shanghai Discovery Group and Shanghai Discovery

The movements in deferred tax liabilities and assets during the Pre-acquisition Periods are as follows:

Deferred tax assets

	Losses available for offsetting against future taxable profits	Deferred revenue	Lease liabilities	Impairment of assets	Depreciation of finance lease assets	Provision	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	—	15,032	731	3,752	5,382	999	—	25,896
Deferred tax (charged)/ credited to profit or loss during the year	—	13,141	(236)	2,137	(1,104)	236	—	14,174
Gross deferred tax assets at 31 December 2023	—	28,173	495	5,889	4,278	1,235	—	40,070
At 1 January 2024	—	28,173	495	5,889	4,278	1,235	—	40,070
Deferred tax (charged)/ credited to profit or loss during the year	980	(2,733)	2	(2,253)	563	556	305	(2,580)
Gross deferred tax assets at 31 December 2024	980	25,440	497	3,636	4,841	1,791	305	37,490
At 1 January 2025	980	25,440	497	3,636	4,841	1,791	305	37,490
Deferred tax (charged)/ credited to profit or loss during the period	3,148	(6,453)	(223)	1,140	(216)	421	(305)	(2,488)
Gross deferred tax assets at 13 August 2025	4,128	18,987	274	4,776	4,625	2,212	—	35,002

Deferred tax liabilities

	Right-of-use assets	Fair value adjustments of financial assets at fair value through profit or loss	Lease receivables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	671	—	6,230	6,901
Deferred tax charged/(credited) to profit or loss during the year	(221)	3	(704)	(922)
Gross deferred tax liabilities at 31 December 2023	450	3	5,526	5,979
At 1 January 2024	450	3	5,526	5,979
Deferred tax charged/(credited) to profit or loss during the year	13	—	790	803
Gross deferred tax liabilities at 31 December 2024	463	3	6,316	6,782
At 1 January 2025	463	3	6,316	6,782
Deferred tax charged/(credited) to profit or loss during the period	(171)	(3)	54	(120)
Gross deferred tax liabilities at 13 August 2025	292	—	6,370	6,662

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Shanghai Discovery Group for financial reporting purposes:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statement of financial position	34,091	30,708	28,340

Deferred tax assets have not been recognised in respect of the following items:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses not recognised	6,372	12,659	14,706
Deductible temporary differences	247	1	1
Total	6,619	12,660	14,707

Tax losses of RMB6,372,000, RMB12,659,000 and RMB14,706,000 for the years ended 31 December 2023 and 2024 and the period from 1 January 2025 to 13 August 2025, respectively, arising in the Chinese mainland will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

26. SHARE CAPITAL

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid	57,709	57,709	57,709

27. RESERVES

Shanghai Discovery Group

The amounts of the Shanghai Discovery Group's reserves and the movements therein for the Pre-acquisition Periods are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The capital reserve of the Shanghai Discovery Group represents amount due to conversion to a joint stock company, eliminating the portion which was converted into share capital, as well as the reserves resulting from equity transactions with its then shareholders.

(b) Share-based payment reserve

The share-based payment reserve of the Shanghai Discovery Group is attributable to the fair value of share options and share awards granted to the Shanghai Discovery Group's employees, less the corresponding grant price.

(c) Statutory surplus reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of their registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities, provided that the balance after such conversion is not less than 25% of the registered capital. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

The amounts of the Shanghai Discovery's reserves and the movements therein for the Pre-acquisition Periods are presented as follows:

Shanghai Discovery

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	(4,805)	23	3,829	(40,312)	(41,265)
Total comprehensive loss for the year	—	—	—	(840)	(840)
Equity-settled share-based payment arrangements	—	250	—	—	250
Dividends declared	—	—	—	(20,000)	(20,000)
At 31 December 2023 and 1 January 2024	(4,805)	273	3,829	(61,152)	(61,855)

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2023 and 1 January 2024	(4,805)	273	3,829	(61,152)	(61,855)
Total comprehensive income for the year	—	—	—	24,852	24,852
Equity-settled share-based payment arrangements	—	978	—	—	978
At 31 December 2024 and 1 January 2025	(4,805)	1,251	3,829	(36,300)	(36,025)

	Capital reserve	Share-based payment reserve	Statutory surplus reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024 and 1 January 2025	(4,805)	1,251	3,829	(36,300)	(36,025)
Total comprehensive income for the period	—	—	—	18,503	18,503
Capital contribution from shareholders	12,961	—	—	—	12,961
At 13 August 2025	8,156	1,251	3,829	(17,797)	(4,561)

28. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Pre-acquisition Periods, the Shanghai Discovery Group had non-cash additions to right-of-use assets and lease liabilities of RMB67,000, RMB1,790,000 and nil, respectively, in respect of lease arrangements for buildings.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2023

	Interest-bearing bank borrowings	Lease liabilities	Dividends payable	Put option liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	44,080	5,233	—	186,698	236,011
Changes from financing cash flows	(5,842)	(1,939)	—	—	(7,781)
New leases	—	67	—	—	67
Dividends declared	—	—	20,000	—	20,000
Interest expense	1,212	187	—	12,244	13,643
At 31 December 2023	39,450	3,548	20,000	198,942	261,940

Year ended 31 December 2024

	Interest-bearing bank borrowings	Lease liabilities	Dividends payable	Put option liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	39,450	3,548	20,000	198,942	261,940
Changes from financing cash flows	46,097	(1,919)	(20,000)	—	24,178
New leases	—	1,790	—	—	1,790
Interest expense	2,034	152	—	12,278	14,464
Lease modification/ termination	—	(258)	—	—	(258)
At 31 December 2024	87,581	3,313	—	211,220	302,114

Period from 1 January 2024 to 13 August 2024 (unaudited)

	Interest-bearing bank borrowings	Lease liabilities	Dividends payable	Put option liabilities	Total
	RMB'000 (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)	*RMB'000* (unaudited)
At 1 January 2024	39,450	3,548	20,000	198,942	261,940
Changes from financing cash flows	56,262	(1,134)	(20,000)	—	35,128
New leases	—	1,790	—	—	1,790
Interest expense	1,013	85	—	7,581	8,679
At 13 August 2024	96,725	4,289	—	206,523	307,537

Period from 1 January 2025 to 13 August 2025

	Interest-bearing bank borrowings	Lease liabilities	Put option liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	87,581	3,313	211,220	302,114
Changes from financing cash flows	21,552	(1,349)	(131,448)	(111,245)
Interest expense	1,613	57	6,001	7,671
Lease modification/termination	—	(192)	—	(192)
At 13 August 2025	110,746	1,829	85,773	198,348

(c) Total cash outflow for leases

	Year ended 31 December		Period from 1 January to 13 August	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (unaudited)	*RMB'000*
Within operating activities	430	138	95	71
Within financing activities	1,939	1,919	1,134	1,349
Total	2,369	2,057	1,229	1,420

29. RELATED PARTY TRANSACTIONS

(a) Names of related parties and relationships with the Shanghai Discovery Group

Name	Relationship
Fujian Yuanzhi Environmental Protection Technology Co., Ltd. 福建遠致環保科技有限公司 ("Yuanzhi")	Entity controlled by a person that has significant influence over Shanghai Discovery Group
Fujian Yuanqing New Material Technology Co., Ltd 福建遠青新材料科技有限公司 ("Yuanqing")	Entity controlled by a person that has significant influence over Shanghai Discovery Group
Fujian Xi-Fu Environmental Technology Ltd 福建璽富新材料有限公司 ("Xifu")	Entity controlled by a person that has significant influence over Shanghai Discovery Group

(b) In addition to the transactions detailed elsewhere in the Shanghai Discovery Group Historical Financial Information, the Shanghai Discovery Group had the following transactions with related parties during the Pre-acquisition Periods:

	Period from 1 January 2025 to 13 August 2025
	RMB'000
Related party transactions	
Entity controlled by a person that has significant influence over Shanghai Discovery Group:	
Sales of goods and rendering of services	21,035
Purchase of goods	7,879

The above transactions were conducted in accordance with the terms and conditions mutually agreed by the parties involved.

(c) **Outstanding balances with related parties**

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Outstanding balances with related parties			
Trade nature			
Trade and bills receivables			
Entity controlled by a person that has significant influence over Shanghai Discovery Group	—	—	22,536
Less: Impairment allowance	—	—	(787)
	—	—	21,749
Prepayments, other receivables and other assets			
Entity controlled by a person that has significant influence over Shanghai Discovery Group	—	3,334	—
Trade and bills payables			
Entity controlled by a person that has significant influence over Shanghai Discovery Group	—	60	154
Contract liabilities			
Entity controlled by a person that has significant influence over Shanghai Discovery Group	—	852	—

30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2023 and 2024 and 13 August 2025 were as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	**Financial assets at fair value through other comprehensive income-equity investments**	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial investments				
Trade and bills receivables	—	—	120,756	120,756
Financial assets included in prepayments, other receivables and other assets	—	—	6,307	6,307
Financial assets at fair value through profit or loss	40,021	—	—	40,021
Receivables at fair value through other comprehensive income	—	8,612	—	8,612
Pledged deposits	—	—	8,679	8,679
Cash and cash equivalents	—	—	109,547	109,547
Lease receivables	—	—	35,288	35,288
Total	40,021	8,612	280,577	329,210

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	280,327
Financial liabilities included in other payables and accruals	229,480
Interest-bearing bank borrowings	39,450
Lease liabilities	3,548
Total	552,805

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss-mandatorily designated as such	**Financial assets at fair value through other comprehensive income-equity investments**	**Financial assets at amortised cost**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial investments				
Trade and bills receivables	—	—	154,346	154,346
Financial assets included in prepayments, other receivables and other assets	—	—	2,743	2,743
Financial assets at fair value through profit or loss	80,023	—	—	80,023
Receivables at fair value through other comprehensive income	—	4,736	—	4,736
Pledged deposits	—	—	12,679	12,679
Cash and cash equivalents	—	—	92,256	92,256
Lease receivables	—	—	39,678	39,678
Total	80,023	4,736	301,702	386,461

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	196,461
Financial liabilities included in other payables and accruals	221,158
Interest-bearing bank borrowings	87,581
Lease liabilities	3,313
Total	508,513

As at 13 August 2025

Financial assets

	Financial assets at amortised cost
	RMB'000
Financial investments	
Trade and bills receivables	224,734
Financial assets included in prepayments, other receivables and other assets	18,527
Pledged deposits	15,623
Cash and cash equivalents	47,693
Lease receivables	39,620
Total	346,197

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	130,983
Financial liabilities included in other payables and accruals	99,123
Interest-bearing bank borrowings	110,746
Lease liabilities	1,829
Total	342,681

31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Shanghai Discovery Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts			Fair values		
	31 December		13 August	31 December		13 August
	2023	2024	2025	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets						
Receivables at fair value through other comprehensive income	8,612	4,736	—	8,612	4,736	—
Financial assets at fair value through profit or loss *(note 17)*	40,021	80,023	—	40,021	80,023	—
Trade and bills receivables, non-current portion	1,481	—	—	1,482	—	—
Lease receivables	35,288	39,678	39,620	35,741	39,666	38,733
Total	85,402	124,437	39,620	85,856	124,425	38,733
Financial liabilities						
Interest-bearing bank borrowings, non-current portion	4,711	23,857	3,536	4,772	27,544	3,562

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, financial assets included in prepayments, other receivables and other assets, current portion of trade and bills receivables, trade and bills payables, financial liabilities included in other payables and accruals and current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Shanghai Discovery Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Pre-acquisition Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of structured deposits included in financial assets at fair value through profit or loss and the fair values of bank acceptance bills included in receivables at fair value through other comprehensive income has been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of the non-current portion of interest-bearing bank borrowings, non current portion of trade and bills receivables and lease receivables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Shanghai Discovery Group's own non-performance risk for interest-bearing bank borrowings as at the end of each of the Pre-acquisition Periods were assessed to be insignificant.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Shanghai Discovery Group's financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income	—	8,612	—	8,612
Financial assets at fair value through profit or loss	—	40,021	—	40,021
Total	—	48,633	—	48,633

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Receivables at fair value through other comprehensive income	—	4,736	—	4,736
Financial assets at fair value through profit or loss	—	80,023	—	80,023
Total	—	84,759	—	84,759

Assets for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables, non-current portion	—	1,482	—	1,482
Lease receivables	—	35,741	—	35,741
Total	—	37,223	—	37,223

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	39,666	—	39,666

As at 13 August 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease receivables	—	38,733	—	38,733

Liabilities for which fair values are disclosed:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings, non-current portion	—	4,772	—	4,772

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings, non-current portion	—	27,544	—	27,544

As at 13 August 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest-bearing bank borrowings, non-current portion	—	3,562	—	3,562

During the Pre-acquisition Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from Shanghai Discovery Group's financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Shanghai Discovery Group trades only with recognised and creditworthy third parties. It is the Shanghai Discovery Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Shanghai Discovery Group's exposure to bad debts is not significant. The credit risk of the Shanghai Discovery Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, financial assets included in prepayments, other receivables and other assets and lease receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year/period-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Shanghai Discovery Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year/period-end staging classification as at 31 December 2023 and 2024 and 13 August 2025.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs	
	Stage 1	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	136,772	136,772
Financial assets included in prepayments, other receivables and other assets			
— Normal**	8,726	—	8,726
Pledged deposits	8,679	—	8,679
Cash and cash equivalents	109,547	—	109,547
Contract assets*	—	39,317	39,317
Lease receivables	—	35,644	35,644
Total	126,952	211,733	338,685

As at 31 December 2024

	12-month ECLs	Lifetime ECLs	
	Stage 1	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	171,358	171,358
Financial assets included in prepayments, other receivables and other assets			
— Normal**	5,184	—	5,184
Pledged deposits	12,679	—	12,679
Cash and cash equivalents	92,256	—	92,256
Contract assets*	—	63,877	63,877
Lease receivables	—	40,078	40,078
Total	110,119	275,313	385,432

As at 13 August 2025

	12-month ECLs	Lifetime ECLs	
	Stage 1	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	248,546	248,546
Financial assets included in prepayments, other receivables and other assets			
— Normal**	21,003	—	21,003
Pledged deposits	15,623	—	15,623
Cash and cash equivalents	47,693	—	47,693
Contract assets*	—	72,005	72,005
Lease receivables	—	40,020	40,020
Total	84,319	360,571	444,890

* For trade and bills receivables and contract assets to which the Shanghai Discovery Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 14 and note 16 to the Shanghai Discovery Group Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Further quantitative data in respect of the Shanghai Discovery Group's exposure to credit risk arising from trade and bills receivables and the financial assets included in prepayments, other receivables and other assets are disclosed in notes 14 and 15 to the Shanghai Discovery Group Historical Financial Information.

Since the Shanghai Discovery Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty. At the end of each of the Pre-acquisition Periods, the Shanghai Discovery Group had certain concentrations of credit risk and the following table summarises the Shanghai Discovery Group's largest debtor and top five debtors as the percentage of the Shanghai Discovery Group's total accounts receivable balances:

	31 December		13 August
	2023	2024	2025
Largest customer	21%	39%	31%
Five largest customers	71%	69%	65%

Liquidity risk

The Shanghai Discovery Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Shanghai Discovery Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Shanghai Discovery Group's financial liabilities as at the end of each of the Pre-acquisition Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023

	On demand	Less than 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	229,480	—	—	229,480
Interest-bearing bank borrowings	—	35,662	4,707	40,369
Trade and bills payables	—	280,327	—	280,327
Lease liabilities	—	1,846	4,185	6,031
Total	229,480	317,835	8,892	556,207

As at 31 December 2024

	On demand	Less than 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	221,158	—	—	221,158
Interest-bearing bank borrowings	—	65,142	24,106	89,248
Trade and bills payables	—	196,461	—	196,461
Lease liabilities	—	2,759	1,426	4,185
Total	221,158	264,362	25,532	511,052

As at 13 August 2025

	On demand	Less than 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities included in other payables and accruals	99,123	—	—	99,123
Interest-bearing bank borrowings	—	108,489	3,595	112,084
Trade and bills payables	—	130,983	—	130,983
Lease liabilities	—	1,384	1,158	2,542
Total	99,123	240,856	4,753	344,732

Capital management

The primary objectives of the Shanghai Discovery Group's capital management are to safeguard the Shanghai Discovery Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Shanghai Discovery Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Shanghai Discovery Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Shanghai Discovery Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Pre-acquisition Periods.

The Shanghai Discovery Group monitors capital using the gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank and lease liabilities, less cash and cash equivalents. Capital includes equity attributable to owners of the parent. At the end of each of the Pre-acquisition Periods, the gearing ratios were as follows:

	31 December		13 August
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	280,327	196,461	130,983
Financial liabilities included in other payables and accruals	229,480	221,158	99,123
Interest-bearing bank borrowings	39,450	87,581	110,746
Lease liabilities	3,548	3,313	1,829
Less: Cash and cash equivalents	109,547	92,256	47,693
Net debt	443,258	416,257	294,988
Total (deficits)/equity	(8,859)	12,330	43,279
Capital and net debt	434,399	428,587	338,267
Gearing ratio	102%	97%	87%

33. EVENTS AFTER THE PRE-ACQUISITION PERIODS

No significant subsequent events have occurred in the Shanghai Discovery after the Pre-acquisition Periods that require additional disclosure or adjustments.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about changes or adjustments to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of this document, which is subject to change or adjustment and may have retrospective effect. The discussion only covers income tax, capital gains tax, business tax/value-added tax, stamp duty and inheritance tax in the PRC and Hong Kong, and does not cover other tax issues. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

The PRC Taxation

Taxation on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was most recently amended on August 31, 2018 and implemented on January 1, 2019 (hereinafter collectively referred to as the "IIT Law"), and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was most recently amended on December 18, 2018 and came into effect on January 1, 2019, dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Circular on Issues Concerning Taxation and Administration of Individual Income Tax After the Repeal of the Document Guo Shui Fa [1993] No. 045 (《關於國税發 [1993]045 號文件廢止後有關個人所得税徵管問題的通知》) issued and implemented by the STA on June 28, 2011, domestic non-foreign-invested enterprises that issue shares in Hong Kong can generally withhold individual income tax at a rate of 10% when paying dividends to overseas resident individuals during the term of the tax agreement. When the 10% tax rate does not apply, the withholding company shall: (1) refund the excess tax in accordance with due procedures if the applicable tax rate is less than 10%; (2) if the applicable tax rate is between 10% and 20%, the income tax of the foreign individual shall be withheld at the agreed actual tax rate; (3) if there is no applicable tax treaty, the income tax of the foreign individual shall be withheld at the rate of 20%.

Meanwhile, according to Circular on Issues Relating to Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the MOF, the SAT and the CSRC on September 7, 2015 and effective on September 8, 2015, for shares of listed companies obtained by individuals via public offerings and market transfer and held for more than one year, the income from dividends and bonuses thereof shall temporarily be exempt from individual income tax. For shares of listed companies obtained by individuals via public offerings and market transfer and held for less than one month (including one month), the income from dividends and bonuses thereof shall be fully included in the individual's taxable income amount; where the shares are held for a period from one month up to one year (including one year), 50% of the income from dividends and bonuses therefrom shall temporally be included in the individual's taxable income amount; the aforesaid income shall be subject to individual income tax based on 20% tax rate on a unified basis.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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》), promulgated on 21 August 2006 and implemented on 8 December 2006, if the beneficial owner is a company that directly owns at least 25% of the capital of the dividend-paying company, the PRC company is subject to withholding tax at the rate of 5% when paying dividends to the Hong Kong tax resident. If the beneficial owner directly holds less than 25% of the equity interest in a PRC company, the PRC company is subject to withholding tax at the rate of 10% when distributing dividends to the Hong Kong tax resident.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (hereafter referred to as the "EIT Law") amended and effective on December 29, 2018 by the SCNPC, and the Implementation Regulations for 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》) (hereafter referred to as the "Implementation Regulations for the EIT Law") amended by the State Council on December 6, 2024 and effective on January 20, 2025, the corporate income tax rate is 25%. If a non-resident enterprise has not established an institution or place of business within the PRC, or if it has established such an institution or place of business within the PRC but its income derived from within the PRC bears no actual connection with that institution or place of business, it shall be liable to pay a 10% corporate income tax on income derived from within the PRC (including dividends distributed by PRC resident enterprises whose shares are issued in Hong Kong). The aforementioned income tax payable by non-resident enterprises shall be withheld at source. The payer shall act as the withholding agent, and the withholding agent shall withhold the income tax from the amount payable.

The Circular of the State Administration of Taxation on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (III-6 III-7 III-8《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》)promulgated by the SAT and effective on November 6, 2008 further clarifies that, when distributing dividends for 2008 and subsequent years, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends earned by overseas non-resident enterprise holders of H Shares.

According to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Tax Evasion 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》), signed on 21 August 2006 and effective on 8 December 2006, the Chinese government may tax dividends paid by Chinese companies to Hong Kong residents (including natural persons and legal entities), but the tax rate generally does not exceed 10% of the total dividends. If a Hong Kong resident directly holds 25% or more of the equity interest in the PRC company, the tax rate does not exceed 5% of the total dividend. The Fifth Protocol to the Arrangement between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion on Income, which came into force on 6 December 2019, has added criteria for preferential eligibility for treaties. Notwithstanding any other provisions contained in this Arrangement, the tax incentives under this Agreement shall not apply if, having combined all relevant facts and conditions, it can reasonably be assumed that the acquisition of a direct or indirect benefit arising from this Arrangement is one of the main purposes of the relevant transaction or arrangement, unless the concession of such circumstances is consistent with the object and objective of the Arrangement. In addition, the application of dividend clauses in tax treaties also needs to comply with the provisions of Chinese tax laws and regulations, such as the Notice of the State Administration of Taxation on Issues Concerning the Implementation of Dividend Clauses in Tax Treaties.

Tax Treaties

Non-resident investors residing in jurisdictions that have concluded double taxation treaties or similar arrangements with the PRC may benefit from a reduced rate of enterprise income tax on dividends received from PRC companies. The PRC currently maintains double taxation treaties or arrangements with numerous countries and regions, including the Hong Kong Special Administrative Region, the Macao Special Administrative Region, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States. Non-resident enterprises entitled to preferential tax rates under relevant tax treaties are required to apply to the Chinese tax authorities for a refund of corporate income tax exceeding the agreed rate, and the refund application is subject to approval by the PRC tax authorities before it can take effect.

Taxes on Transfer of Shares

VAT and Local Surcharges

Pursuant to the Circular of Taxation on Full Implementation the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業税改徵增值税試點的通知》) (the "Circular 36") implemented on May 1, 2016, entities and individuals engaged in sales of services within the PRC are subject to VAT and "sales of services within the PRC" refers to the situation where either the seller or the buyer of a taxable service is located within the PRC. Circular 36 also provides that for general or foreign VAT taxpayers, transfers of financial products (including the transfer of ownership of securities) are subject to 6% VAT on taxable income (i.e. the balance of sales price upon deduction of purchase price). However, the transfer of financial products by individuals is exempt from VAT, which is also provided in Circular of the Ministry of Finance and the State Administration of Taxation on Several Policies concerning the Exemption of Business Tax on Transactions of Individual Financial Commodities and Other Transactions (《財政部、國家税務總局關於個人金融商品買賣等營業税若干免税政策的通知》) effective on January 1, 2009. According to the above regulations, if the shareholder is a non-resident individual, the sale or disposal of H Shares is exempt from the PRC VAT; if the holder is a non-resident enterprise and the H Share buyer is an individual or entity located outside the PRC, the shareholder may not necessarily be subject to PRC VAT, but if the H Share buyer is an individual or entity located in the PRC, the shareholder may be subject to PRC VAT. However, in practice, it is still uncertain whether non-PRC resident enterprises are subject to PRC VAT on the disposal of H Shares.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as "local surcharge "), which are usually 12% of the VAT payable (if any).

Income Tax

Individual Investors

According to the IIT Law, the income from the transfer of equity interests in Chinese resident enterprises is subject to 20% individual income tax. Pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF and the SAT and came into effect on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. In the latest revision of the Individual Income Tax Law, the SAT did not specify whether it would continue to temporarily exempt individual income tax on the income from the transfer of shares of listed enterprises.

Enterprise Investors

Under the EIT Law, if a non-resident enterprise has not established an establishment or place of business within the PRC, or if it has established such an establishment or place of business but its income derived from within the PRC bears no real connection with that establishment or place of

business, then the non-resident enterprise is generally required to pay a 10% enterprise income tax on its income derived from within the PRC (including gains from the sale of equity interests in PRC resident enterprises). The aforementioned income tax payable by non-resident enterprises shall be withheld at source, with the payer acting as the withholding agent. The income tax shall be withheld by the withholding agent from the amount payable. Such tax may be exempted or reduced in accordance with relevant tax treaties or agreements for the avoidance of double taxation.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花税法》), which was issued on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty is applicable to the entities and individuals that conclude taxable document or conduct securities trading within the territory of the PRC, and the entities and individuals that conclude taxable document outside the territory of the PRC and use such taxable document within the territory of the PRC. Therefore, the relevant provisions of the Stamp Duty Law of the PRC does not apply to the purchase and disposal of H shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this document, no estate duty has been levied in the PRC under the PRC laws.

The Principal Taxes of the Company in the PRC

Please refer to the section "Regulatory Overview" of this document.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China, or the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on August 5, 2008, classifies all international payments and transfers into current account items and capital account items. Current account items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in settlement and sale of foreign currencies and supervision and inspection by the foreign exchange administrative authorities. For capital account items, overseas organizations and overseas individuals making direct investments in China shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange administrative authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current account items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current account item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Notice on Issues Concerning the Fund Administration of Domestic Enterprises' Overseas Listing (《關於境內企業境外上市資金管理有關問題的通知》), issued by the People's Bank of China and the State Administration of Foreign Exchange on December 24, 2025 and effective as of April 1, 2026, a domestic company shall apply to a bank within the provincial-level or separately listed city where it is registered for overseas listing registration within 30 working days from the first trading day of its overseas listing or the completion of the over-allotment option. Funds raised by a domestic enterprise from overseas listing shall, in principle, be promptly repatriated to the Chinese mainland. If such funds are retained overseas to conduct overseas direct investment, overseas securities investment, overseas lending or other businesses, the enterprise shall obtain the approval or filing document from the competent authority prior to the completion of the overseas listing offering or the over-allotment option, and shall comply with the relevant cross-border fund administration regulations.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《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》), which was issued by the SAFE on February 13, 2015, came into effect on June 1, 2015 and partially repealed on December 30, 2019, the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment shall be directly examined and handled by banks. SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Circular 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》) which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment of the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary does not purport to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of the Company, see "Regulatory Overview".

I. THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules and regulations, rules and regulations of local governments, international treaties signed by the PRC government, and other regulatory documents. Court verdicts are not binding precedents, but may be used as judicial reference and guidance. Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), the National People's Congress (the "**NPC**") and the Standing Committee of the National People's Congress (the "**NPCSC**") of the PRC are empowered to exercise the legislative power of the state. The NPC has the power to formulate and amend the basic laws governing civil and criminal matters, state institutions and other matters. The NPCSC is empowered to formulate and amend laws other than those which shall be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during its adjournment, provided that such supplements and amendments do not contravene the general principles of such laws.

The State Council is the highest administrative organ of the PRC, and has the power to enact administrative regulations under the Constitution and laws.

The people's congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may, in accordance with the specific circumstances and practical needs of the local administrations concerned, formulate local regulations subject to the Constitution, laws and administrative regulations.

The ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, institutions with administrative functions directly under the State Council, and institutions prescribed by law may, in accordance with the laws and the administrative regulations, decisions and rulings of the State Council, formulate rules within their respective purview. The people's congresses of cities divided into districts and their respective standing committees may, in accordance with the specific circumstances and practical needs of the cities concerned, formulate local regulations in such aspects as urban and rural development and management, ecological progress, grassroots governance, and protection of historical and cultural heritage subject to the Constitution, laws, administrative regulations, and the local regulations of the provinces or autonomous regions concerned. The local regulations as formulated shall become enforceable after being reported to and approved by the standing committees of the people's congresses of the provinces or autonomous regions concerned. The people's congresses of ethnic autonomous areas have the power to formulate autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the local ethnic groups concerned.

The people's governments of the provinces, autonomous regions and municipalities directly under the central government, and the cities divided into districts or autonomous prefectures, may enact rules in accordance with laws, administrative regulations and the local regulations of the provinces, autonomous regions or municipalities concerned.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the

provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts or autonomous prefectures within the administrative areas of the provinces or autonomous regions concerned.

The NPC has the power to alter or annul any inappropriate laws enacted by its standing committee, and to annul any autonomous regulations or separate regulations which have been approved by its standing committee but which contravene the Constitution or the Legislation Law. The NPCSC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate departmental rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level. According to the Constitution and the Legislation Law, the power to interpret laws is vested in the NPCSC.

According to the Decision of the Standing Committee of the National People's Congress Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, general interpretation on the application of laws and decrees in court trials shall be given by the Supreme People's Court of the PRC (the "**Supreme People's Court**"). The State Council and its ministries and commissions have the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretation of the local laws, regulations and administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

II. THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of the PRC on the Organisation of the People's Courts (《中華人民共和國人民法院組織法》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts at all levels and special people's courts.

The local people's courts at all levels are composed of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher people's courts supervise the primary people's courts and the intermediate people's courts. The People's Procuratorate also has the right to exercise legal supervision over the civil proceedings of the people's court at the same level or at a lower level. The Supreme People's Court is the highest judicial organ in the PRC and supervises the trial work of people's courts at all levels.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**") was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, and its latest version has come into effect on January 1, 2024. The Civil Procedure Law sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the province, municipality or city in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be instituted, provided that the judicial court is either at the plaintiff's or the defendant's place of domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

In general, foreign nationals or enterprises shall have equal procedural rights and obligations as citizens or legal persons of the PRC. Where the judicial system of a foreign country imposes any restrictions on the procedural rights of PRC citizens or enterprises, the PRC courts shall impose reciprocal restrictions on citizens or enterprises of that foreign country within the PRC.

If a party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There is a time limit of two years imposed on the right to apply for such enforcement. If a party fails to satisfy a judgment made by the court within the stipulated period of time, the court may, upon application by either party, enforce the judgment in accordance with law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is outside the territory of the PRC or whose property is not located in the PRC, may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognised and enforced by the people's court according to enforcement procedures in the PRC in the event that the PRC has entered into or acceded to an international treaty which provides for such recognition and enforcement with the foreign country concerned, or that the judgment or ruling satisfies the court's examination according to the principle of reciprocity. However, if the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the general principles of the PRC laws, cause harm to its sovereignty, security or public interests, or if other circumstances as specified in Article 300 of the Civil Procedure Law occur, the people's court shall, upon examination, not to recognise or enforce such judgment or ruling.

III. COMPANY LAW OF THE PRC, INTERIM MEASURES FOR THE ADMINISTRATION OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC ENTERPRISES, AND GUIDELINES ON THE BYLAWS OF LISTED COMPANIES

A joint stock company incorporated in the PRC seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was latest amended by the NPCSC on December 29, 2023, came into effect on July 1, 2024.

The Interim Measures for the Administration 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》) and 7 supporting guidelines, which were issued by the CSRC on February 17, 2023 and came into effect from March 31, 2023, are applicable to overseas offering and listing of securities by joint stock companies. The Guidelines on the Bylaws of Listed Companies (《上市公司章程指引》) (the "**Bylaws Guidelines**") were latest amended by the CSRC on March 28, 2025 and effective from that date. The Bylaws Guidelines are in the Articles of Association, with a summary thereof provided in the section headed "Appendix V — Summary of the Articles of Association" in this document.

The following sets out a summary of the principal provisions of the Company Law, the Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, and the Bylaws Guidelines.

1. General

A joint stock company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares. The liabilities of its shareholders are limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise prescribed by law, the joint stock company may not be a contributor that assumes joint and several liabilities for the debts of the invested companies.

2. Incorporation

A joint stock company may be incorporated by promotion or public subscription.

To incorporate a joint stock company by promotion, there shall be more than one but not more than 200 promoters, with over half of them residing within the territory of the PRC.

For a joint stock company incorporated by promotion, the timing and voting procedures for the inaugural meeting are determined by the company's articles of association or the promoters' agreement. For a joint stock company incorporated by public subscription, the promoters must convene the inaugural meeting within thirty days from the date when the subscription monies for the shares are paid up. The promoters shall notify all subscribers or make a public announcement of the meeting date at least fifteen days in advance. The inaugural meeting may only be held if more than half of the shareholders with voting rights are present. The meeting will discuss and adopt the company's articles of association and elect directors. Any resolutions made at the inaugural meeting shall be approved by a majority of the voting rights held by the shareholders present.

Within 30 days following the conclusion of the inaugural meeting, an authorised representative of the board of directors shall apply for the registration of the joint stock company's incorporation with the company registration authorities.

If a promoter fails to pay for the shares they have subscribed to, or if the actual value of non-monetary properties contributed as capital is significantly less than the value of the subscribed shares, the other promoters shall assume joint and several liabilities for the deficiency.

3. Share Capital

The promoters of a company may contribute capital in cash, or by way of valued non-monetary properties such as intellectual property rights and land use rights that can be monetarily valued and legally transferred.

If capital contribution is made other than in cash, valuation and verification of the properties contributed must be carried out and converted into shares.

A company may issue registered shares.

Pursuant to the Interim Measures for the Administration 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》), a domestic enterprise issuing shares overseas may raise funds and distribute its profits in a foreign currency or Renminbi.

According to the Company Law, a company shall decide between issuing par value shares or no-par value shares as specified in its articles of association.

The transfer of shares by shareholders shall be conducted via a legally established stock exchange or in such other ways as specified by the State Council.

A joint stock company shall prepare a register of shareholders, with a copy of which maintained in the company, detailing the following: (i) the names and addresses of each shareholder; (ii) The type and number of shares subscribed by each shareholder; (iii) If shares are issued in physical (paper) form, the serial numbers of the share certificates; and (iv) The date on which each shareholder acquired the shares.

4. Allotment and Issue of Shares

Any share issuance of a joint stock company shall accord with the principles of fairness and impartiality. Each share of the same class shall carry the same rights. The offering conditions and price per share shall be the same for the shares of the same class in an issue. The offering price of par value shares may be equal to or greater than the nominal value, but shall not be less than the nominal value.

5. Increase of Share Capital

According to the Company Law, when the joint stock company issues new shares, a resolution shall be passed by a shareholders' meeting approving the class and quantity of the new shares to be issued, the issue price of the new shares, the starting and closing time for the new share issuance, and the class and quantity of the new shares to be issued to existing shareholders. For issuance of no-par value shares, the amount of proceeds from the new share issue shall be credited to the registered capital. When the company is registered by the securities regulatory authority of the State Council to publicly issue new shares, it shall publish a document and financial and accounting reports, and prepare the share subscription form. After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

6. Reduction in Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

it shall prepare a balance sheet and a property list;

the reduction of registered capital shall be approved by the resolution of a shareholders' meeting;

it shall inform its creditors within 10 days, and publish an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days, of the resolution regarding the reduction in registered capital;

creditors may within 30 days upon receipt of the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts; and

it shall apply to the relevant administration of registration for the registration of its reduction in registered capital.

7. Repurchase of Shares

Pursuant to the Company Law, a joint stock company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of corporate bonds issued by the company that can be converted into stock; and (vi) the share purchase is necessary for a listed company to maintain its company value and protect its shareholders' interest.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share purchase under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the company's articles of association or as authorised by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be cancelled within ten days of the date of purchase. The shares shall be assigned or deregistered within six months if the share purchase is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share purchase under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be assigned or deregistered within three years.

Listed companies making a share purchase shall perform their obligation of information disclosure according to the provisions of the Securities Law of the PRC (the "**Securities Law**"). If the share purchase is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralised trading in a public manner shall be adopted.

8. Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be conducted via a legally established stock exchange or in such other ways as specified by the State Council. No changes in the registration of shareholders shall be made within twenty days prior to the convening of a shareholders' meeting, or within five days prior to the record date for the distribution of dividends. Where there are separate provisions by law, administrative regulations or the securities regulatory authorities of the State Council on changes in the registration of shareholders of listed companies, such provisions shall prevail.

Pursuant to the Company Law, shares issued prior to a public offering shall not be transferred within one year from the listing date of the shares on a stock exchange. Where there are separate provisions by law, administrative regulations or the securities regulatory authorities of the State Council on the transfer of shares held by shareholders or de facto controllers of listed companies, such provisions shall prevail. The Directors and senior management of a joint stock company shall not transfer more than 25% of the total amount of the Company's shares held by them each year during their tenure, and the Company's shares held by them shall neither be transferred within one year from the listing date of such shares nor within half a year after they have left office. The articles of association may set other restrictive requirements on the transfer of the Company's shares held by its directors and senior management.

9. Shareholders

In accordance with the Company Law and the Bylaws Guidelines, the rights of holders of ordinary shares of a joint stock company include:

the right to request the convening and calling of, preside over, and attend shareholders' meetings in person or by proxy, and exercise their corresponding voting rights, in accordance with laws;

the right to transfer, gift, or pledge shares held by them in accordance with laws, administrative regulations and the company's articles of association;

the right to oversee the operations of the company, make recommendations or raise enquiries;

the right to inspect the company's articles of association, the register of shareholders, minutes of shareholders' meetings, resolutions of board meetings, and financial and accounting reports;

shareholders who object to resolutions passed by the shareholders' meeting concerning the merger or division of the company shall have the right to require the company to purchase their shares;

the right to receive dividends and other forms of profit distribution commensurate with their shareholding;

upon the company's dissolution or liquidation, the right to participate in the distribution of the Company's residual assets in proportion to their shareholding; and such other rights as stipulated by laws, administrative regulations, departmental rules, and the company's articles of association.

the obligations of shareholders include complying with the Articles of Association, paying the subscription monies in light of their subscribed shares as capital contribution, bearing debts and liabilities to the extent of the quantity of their subscribed shares, and any other shareholder obligations stipulated in the Articles of Association.

10. Shareholders' meetings

The shareholders' meeting constitutes the company's governing body, exercising its powers in accordance with the Company Law. Pursuant to the Company Law, the shareholders' meeting exercises the following principal powers:

to elect and replace directors not serving as employee representatives, determine matters relating to directors' remuneration;

review and approve the directors' report;

to deliberate and approve the company's plans for profit distribution and loss recovery;

to adopt resolutions on the increase or decrease of the company's registered capital;

to adopt resolutions on the issue of corporate bonds;

to adopt resolutions on the company's merger, division, dissolution, liquidation, change in corporate form and other matters;

to amend the Articles of Association; and

to exercise such other powers as stipulated in the company's articles of Association.

An annual shareholders' meeting shall be held once every year. Pursuant to the Company Law, a special shareholders' meeting shall be convened within two months in case of any of the following circumstances:

when the number of directors is less than the number prescribed by law or two-thirds of the number specified by the articles of association;

when the uncovered losses of the company reach one-third of its total share capital;

upon request by a shareholder holding or shareholders in aggregate holding 10% or more of the shares of the company;

where the board of directors deems it necessary;

when the board of supervisors proposes the holding of a special shareholders' meeting; or

such other circumstances as stipulated by the articles of association.

Pursuant to the Company Law, general meetings of shareholders shall be convened by the board of directors and chaired by the chairman. Should the chairman be unable to perform his duties or fail to do so, the vice-chairman shall preside. Should the vice-chairman be unable to perform his duties or fail to do so, a director shall be jointly nominated by a majority of directors to preside.

Where the board of directors is unable or fails to fulfil its duty to convene a shareholders' meeting, the audit committee shall promptly convene and preside over the meeting. Where the audit committee fails to convene and preside, shareholders holding individually or collectively more than 10% of the company's shares for a continuous period of ninety days may convene and preside over the meeting themselves.

Pursuant to the Company Law, notice of a shareholders' general meeting containing the time, venue and agenda of the meeting shall be given to all shareholders twenty days before the meeting. Notice of an extraordinary general meeting shall given to all shareholders fifteen days before the meeting. Pursuant to the Bylaws Guidelines, after the notice of the general meeting is issued, without proper reason, the general meeting shall not be postponed or canceled, and the proposals set out in the notice shall not be canceled. In the case of any postponement or cancellation of the meeting, the convener shall notify the shareholders in writing at least 2 business days prior to the scheduled date of convening and give explanations.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. For the shareholders' meetings convened by the Audit Committee or the shareholders, the board of directors and the secretary to the board of directors shall coordinate accordingly. The Board of Directors shall provide the register of shareholders as of the record date for the registration of shareholding. Where the presence of directors and senior management members is required at a general meeting, the directors and senior management members shall be present at the meeting and reply the enquiries from shareholders. Pursuant to the Bylaws Guidelines, shareholders individually or jointly holding 1% or more of the shares of the Company may submit ad hoc proposals to the convener of a general meeting in writing ten days prior to general meeting. The convener shall issue a supplementary notice of the general meeting to announce the information of such ad hoc proposals within 2 days after receipt thereof, and submit such ad hoc proposals to general meetings for consideration

Pursuant to the Company Law, at a shareholders' meeting, each share held by a shareholder shall carry one vote, except for shares issued by the Company with different voting rights. However, shares held by the Company in its own capital do not carry voting rights.

An accumulative voting system may be adopted for the election of directors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elects directors, each share has the same voting rights as the number of directors to be elected, and the voting rights owned by shareholders can be used collectively.

Pursuant to the Company Law and the Bylaws Guidelines, resolutions of the shareholders' meeting shall be passed by a majority of the votes cast by shareholders present at the meeting. However, resolutions concerning the following matters shall be passed by a majority of two-thirds of the voting rights held by shareholders present at the meeting: (i) amendment of the Articles of Association; (ii) increase or reduction of registered capital; (iii) merger, division, dissolution, liquidation or change of corporate form; (iv) the purchase, sale, or provision of guarantees by the company within one year for major assets exceeding 30% of the company's most recent audited total assets; (v) equity incentive schemes; and (vi) other matters stipulated by laws, administrative regulations, or the Articles of Association, or matters determined by the shareholders' meeting through an ordinary resolution to have a significant impact on the company and requiring approval by a special resolution.

Pursuant to the Company Law, the shareholders' meeting shall prepare minutes recording decisions on matters deliberated. The chairperson and directors present at the meeting shall sign the minutes. The minutes shall be preserved together with the attendance register of shareholders and the proxy authorisation documents for proxy attendance.

11. Board of Directors

Pursuant to the Company Law, a joint stock limited company shall establish a board of directors consisting of no fewer than three members. The members of the board of directors may include representatives of the company's employees, who shall be democratically elected by the employees through an employee representatives' congress, an employees' assembly, or other means. The term of office of directors shall be stipulated in the Company's Articles of Association, provided that each term shall not exceed three years, and directors may be re-elected upon the expiration of

their terms. Where, upon the expiration of a director's term, a re-election is not conducted in a timely manner, or where a director resigns during his or her term resulting in the number of board members falling below the statutory minimum, the original directors shall, prior to the assumption of office by the newly elected directors, continue to perform their duties in accordance with the provisions of laws, administrative regulations, and the Company's Articles of Association.

Pursuant to the Company Law, the Board of Directors shall primarily exercise the following powers and functions: convening shareholders' meetings and reporting on its work to the shareholders' meeting;

implementing the resolutions of the shareholders' meeting;

deciding on the Company's business plans and investment proposals;

formulating plans for profit distribution and loss recovery;

formulating plans for the increase of or reduction in the Company's registered capital and for the issue of corporate bonds;

formulating plans for the merger, division, dissolution, or change in corporate form;

formulating the company's basic management systems; and

exercising such other powers and functions as are stipulated in the Company's articles of association or conferred by the shareholders' meeting.

12. Meetings of Board of Directors

Pursuant to the Company Law, the Board of Directors of a joint stock limited company shall convene at least two meetings each year. Notice of each meeting shall be given to all directors at least ten days prior to the convening of the meeting. Shareholders representing more than ten per cent of the voting rights, or more than one third of the directors, may propose the convening of an interim meeting of the Board of Directors. The chairman of the board shall, within ten days after receipt of such proposal, convene and preside over the meeting of the Board of Directors. A meeting of the Board of Directors shall not be held unless more than one half of the directors are present. Resolutions of the Board of Directors shall be adopted by a majority of all directors. Voting on board resolutions shall be conducted on a one-director-one-vote basis. Meetings of the Board of Directors shall be attended by the directors in person; where a director is unable to attend due to reasons, he or she may appoint another director in writing to attend on his or her behalf, and the written power of attorney shall specify the scope of authorisation.

Where a resolution of the Board of Directors violates laws, administrative regulations, the Articles of Association of the Company, or resolutions of the shareholders' meeting, and causes serious losses to the Company, the directors who participated in the resolution shall be liable to compensate the Company; however, where it is proved that a director expressly stated an objection at the time of voting and such objection was recorded in the meeting minutes, that director may be exempted from liability.

13. Chairman of the Board of Directors

Pursuant to the Company Law, the Board of Directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

14. Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

a person who is unable or has limited ability to undertake any civil liabilities;

a person who has been convicted of bribery, corruption, embezzlement, misappropriation of property, or destruction of the socialist market economy order; or who has been deprived of political rights due to crimes, in cases where less than five years have passed since completing the sentence; or who has been deprived of political rights due to crimes, in cases where less than two years have passed since completing the probation period;

a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or

a person who is liable for a relatively large amount of debts that are overdue or is designated by the people's court as a dishonest person subject to enforcement.

15. Audit Committee

A joint stock company may, in accordance with its articles of association, instead of setting up a supervisory committee or appointing supervisor(s), establish an audit committee consisting of directors within the board of directors and exercise the powers of the supervisory committee as prescribed under the Company law. The audit committee shall consist of not less than three members, with a majority of the members neither holding positions in the company other than as directors nor having any relationship with the company that may affect their independent and objective judgment.

Any resolution of the audit committee shall be passed by a majority of its members. When voting on a resolution of the audit committee, each director shall have one vote. The manner of proceedings and voting procedures of the audit committee should be specified in the articles of association, except as otherwise prescribed by the Company Law.

Where a listed company establishes an audit committee within its board of directors, the board of directors shall obtain the approval of a majority of all members of the audit committee before adopting resolutions on the following matters:

the appointment and dismissal of the accounting firm undertaking the company's audit engagement;

the appointment and dismissal of the person-in-charge of finance;

disclosure of financial and accounting reports;

such other matters as stipulated by the securities regulatory authorities of the State Council.

16. Managers and Senior Management

Pursuant to the Company Law and the Bylaws Guidelines, the Company shall appoint a manager, whose appointment or removal shall be determined by the Board of directors. The manager shall be accountable to the Board of directors and exercise his or her powers in accordance with the provisions of the Articles of Association or as authorised by the Board. The manager shall attend meetings of the Board of directors.

Pursuant to the Company Law, members of the senior management refers the manager, deputy manager, person-in-charge of finance, the secretary to the Board of directors of a listed company, and any other persons specified in the Articles of Association.

17. Obligations of Directors and Senior Management

Pursuant to the Company Law, the directors and senior management of a company shall comply with the relevant laws, regulations and the articles of association, and shall bear the duties of loyalty and diligence to the company. The directors and senior management shall not, by virtue of their powers, accept bribes or other unlawful gains, nor shall they misappropriate the properties of the company. In performing their duties, they shall exercise reasonable care normally expected of a manager in the best interests of the company. Where a company's controlling shareholder or de facto controller does not hold any directorship in the company but in fact performs the company's operational functions, the foregoing provisions shall apply. The directors and senior management shall not engage in any of the following acts:

misappropriating the company's properties or embezzling the company's funds;

depositing the company's funds in accounts opened in his/her own name or in the name of other individuals;

offering bribes or accepting other illegal income by taking advantage of his/her position;

accepting commissions from transactions between others and the company for personal gain;

unauthorized disclosure of company secrets; or

such other acts in breach of the duty of loyalty to the company.

Where the directors or senior management enter into contracts or conduct transactions with the Company, directly or indirectly, they shall report matters relating to the conclusion of such contracts or transactions to the board of directors or the shareholders' meeting and obtain approval by resolution of the board of directors or the shareholders' meeting in accordance with the articles of association of the Company. The foregoing provisions shall also apply to contracts or transactions entered into with the Company by the close relatives of directors or senior management, enterprises directly or indirectly controlled by directors or senior management or their close relatives, and other related parties having an association with directors or senior management.

The Directors and senior management of the company shall not, by taking advantage of their positions, seek for themselves or others commercial opportunities belonging to the Company. However, this restriction shall not apply under any of the following circumstances: (i) where the matter is reported to the board of directors or the shareholders' meeting and approved by resolution of the board of directors or the shareholders' meeting in accordance with the articles of association of the Company; or (ii) where, pursuant to laws, administrative regulations or the articles of association of the Company, the Company is unable to utilise such commercial opportunity.

Without reporting to the board of directors or the shareholders' meeting and obtaining approval by resolution of the board of directors or the shareholders' meeting in accordance with the Articles of Association of the Company, directors and senior management personnel shall not engage in, or operate for others, businesses of the same kind as that of the company in which they hold office.

Any income derived by directors or senior management personnel in violation of the foregoing provisions shall belong to the Company.

Where directors or senior management personnel, in the performance of their duties, violate laws, administrative regulations or the Articles of Association of the Company and thereby cause losses to the Company, they shall bear liability for compensation.

18. Finance and Accounting

Pursuant to the Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the provisions of the financial department of the State Council. A company shall prepare financial accounting reports at the end of each fiscal year and have them audited in accordance with law by an accounting firm. The company's financial accounting reports shall be prepared in accordance with laws, administrative regulations and the provisions of the financial department of the State Council.

Pursuant to the Company Law, a company shall deliver its financial accounting reports to each shareholder within the time limit prescribed by the Company's Articles of Association. The Company's financial accounting reports shall be kept at the Company for shareholders' inspection at least twenty days prior to the annual general meeting of shareholders. The Company shall also make an announcement of its financial accounting reports.

When distributing after-tax profits for the current year, a company shall appropriate 10% of the after-tax profits to the Company's statutory surplus reserve; where the cumulative amount of the statutory surplus reserve has reached 50% of the Company's registered capital, further appropriation may cease. Where the statutory surplus reserve is insufficient to make up losses from previous years, the current year's profits shall first be used to make up such losses before appropriating the statutory surplus reserve in accordance with the foregoing provisions.

After the company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the shareholders' meeting.

The remaining after-tax profits after making up losses and appropriating surplus reserves shall be distributed in proportion to the shares held by the shareholders, unless otherwise provided in the articles of association.

No profits shall be distributed in respect of the shares held by the company itself.

The premium obtained from issuing shares at a price exceeding the par value, the proceeds from issuing no-par-value shares that are not included in registered capital, and other items that shall be included in the capital surplus as prescribed by the financial department of the State Council shall be recorded as the company's capital surplus.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital before such conversion.

In addition to the statutory accounting books, a company shall not maintain any other accounting books. No accounts shall be opened in the name of any individual for the deposit of company funds.

19. Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms for the audit engagement of the company shall be determined by a shareholders' meeting or the board of directors in accordance with the provisions of the Articles of Association. When a shareholders' meeting or the board of directors votes on the dismissal of an accounting firm, the accounting firm should be allowed to make a representation. The company should provide the accounting firm it employs with

true and complete accounting documents, account books, financial and accounting reports and other accounting information. It may not refuse to provide, conceal or falsify such material and information.

The Bylaws Guidelines provides that the company shall ensure the provision of true and complete accounting documents, account books, financial and accounting reports and other accounting information to the accounting firm it employs, and that it may not refuse to provide, conceal or falsify such material and information. The audit fees of the accounting firm shall be determined by a shareholders' meeting.

20. Profit Distribution

Pursuant to the Company Law, a company shall not distribute profits before the recovery of its losses and the allocation of the statutory reserve.

21. Amendments to the Articles of Association

Any amendment to the company's articles of association must be effected in accordance with the procedures stipulated therein. Where such amendments involve matters requiring registration, a change of registration shall be made with the registration authorities. Pursuant to the Company Law, a resolution proposed by a shareholders' meeting to amend the articles of association must be adopted by shareholders holding more than two-thirds of the voting rights present at the meeting.

22. Dissolution and Liquidation

Pursuant to the Company Law, a company may dissolve in one of the following cases: (i) the term of operation prescribed in the articles of association has expired or other conditions for dissolution as prescribed in the articles of association have arisen; (ii) the resolution on dissolution has been adopted by a shareholders' meeting; (iii) the merger or division of the company has necessitated its dissolution; (iv) where the company's business licence has been revoked, its closure ordered, or the company deregistered; or (v) where the company encounters serious difficulties in its business management such that its continuous existence will cause major damage to the interests of shareholders, and when such difficulties cannot be resolved through other means, shareholders holding more than 10% of the voting rights may petition the people's court to dissolve the company.

Where a company falls under the circumstances set out in sub-paragraph (i) or (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its articles of association or by a resolution of the shareholders' meeting. Any such amendment or resolution shall be adopted by shareholders representing not less than two-thirds of the voting rights held by shareholders attending the shareholders' meeting.

Where a company is dissolved due to any of the circumstances set out in sub-paragraphs (i), (ii), (iv) or (v) above, a liquidation group shall be formed to carry out liquidation within fifteen days from the date on which the cause of dissolution arises.

The liquidation group of the company shall be composed of the directors, unless otherwise provided in the articles of association of the company or unless other persons are appointed by a resolution of the shareholders' meeting. Where a liquidation group is not formed within the prescribed time limit to carry out liquidation, or where liquidation is not carried out after the liquidation group is formed, interested parties may apply to the People's Court for designation of relevant personnel to form a liquidation group to carry out liquidation. The People's Court shall accept such application and promptly organize the liquidation group to conduct liquidation.

During the liquidation period, the liquidation group shall exercise the following powers:

to clean up the company's assets and separately prepare a balance sheet and an inventory of assets;

to notify and make public announcements to creditors;

to handle the company's outstanding business related to the liquidation;

to pay outstanding taxes and taxes arising during the liquidation process;

to clean up claims and debts;

to distribute the remaining assets of the company after settlement of debts; and

to represent the company in civil litigation activities.

The liquidation group shall notify the company's creditors within ten days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice. When declaring claims, creditors shall specify the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims. During the period for declaring claims, the liquidation group shall not make repayments to the creditors.

After the liquidation group has sorted out the company's assets, prepared the balance sheet and inventory of assets, it shall formulate a liquidation plan and submit it to the shareholders' meeting or the court for confirmation.

The Company's assets shall be used to pay the liquidation expenses, employees' wages, social insurance fees, and statutory compensation, to pay the taxes owed, and to repay the company's debts. The remaining assets shall be distributed among the shareholders in proportion to their shareholdings. During the liquidation period, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before the aforementioned provisions have been complied with.

After sorting out the Company's assets and preparing the balance sheet and inventory of assets, the liquidation group finds that the Company's assets are insufficient to repay the debts, it shall apply to the court for bankruptcy liquidation in accordance with the law.

After the court accepts the bankruptcy application, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator appointed by the court.

Upon the completion of the company's liquidation, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the court for confirmation, and file it with the company registration authority to apply for the cancellation of the company registration.

Members of the liquidation group shall perform their liquidation duties with obligations of loyalty and due diligence. Where members of the liquidation group fail to perform their liquidation duties and cause losses to the company, they shall bear liability for compensation. In addition, where losses are caused to creditors due to intentional misconduct or gross negligence, they shall bear liability for compensation.

23. Overseas Listing

Subject to the specific circumstances, the Interim Measures for the Administration 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》) and the relevant supporting guidelines provide, among other things, that: (i) where a domestic enterprise conducts an initial public offering or listing overseas, it shall file with the China Securities Regulatory Commission ("CSRC") within 3 working days after submitting the offering and listing application documents overseas; (ii) where, after completing an overseas offering and listing, the issuer issues securities in the same overseas market, it shall file with the CSRC within 3 working days after completion of the issuance; and (iii) where, after completing an overseas offering and listing, the issuer conducts an offering and listing in another overseas market, it shall file with the CSRC within 3 working days after submitting the offering and listing application documents overseas. In

addition, where the filing materials are complete and in compliance with the relevant requirements, the CSRC shall complete the filing within 20 working days from the date of receipt of the filing materials and publish the filing information on its website. Where the filing materials are incomplete or do not comply with the relevant requirements, the CSRC shall, within 5 working days after receipt of the filing materials, notify the issuer of the materials to be supplemented. The issuer shall supplement the required materials within 30 working days.

24. Mergers and Divisions

A company merger may take the form of an absorption merger or a merger by establishment of a new entity. In the case of an absorption merger, the absorbed company shall be dissolved. In the case of a merger by establishment of a new entity, all parties to the merger shall be dissolved.

IV. SECURITIES LAWS AND REGULATIONS

The CSRC is a ministry-level institution directly under the State Council. In accordance with relevant laws, regulations and the authorization of the State Council, it exercises unified supervision and administration over the nationwide securities and futures markets, maintains order in the securities and futures markets, and safeguards the lawful operation of the capital markets.

Pursuant to Article 224 of the Securities Law, as most recently amended by the NPCSC and effective from March 1, 2020, domestic enterprises that directly or indirectly issue securities overseas or list their securities for trading overseas shall comply with the relevant provisions of the State Council. At present, the issuance and trading of shares already issued overseas (including H shares) are mainly regulated by rules and regulations promulgated by the State Council and the CSRC.

Delisting

The Securities Law provides that a stock exchange may decide to terminate the listing and trading of a company's securities.

Where a securities exchange decides to terminate the listing and trading of securities, it shall make a timely announcement and file the decision with the securities regulatory authorities of the State Council for record.

The Interim Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises provide that, where an issuer, after issuing securities and listing them on an overseas market, undergoes voluntary delisting or mandatory delisting, the issuer shall report to the CSRC within three working days from the date of occurrence and announcement of such event.

V. JUDICIAL JUDGMENTS AND THEIR ENFORCEMENT

Pursuant to the Arrangement of the Supreme People's Court on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters between the Courts of the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court (effective from January 29, 2024), parties may apply to the relevant people's courts in the PRC or the courts of Hong Kong for recognition and enforcement of enforceable final judgments rendered by any designated people's court in the PRC or any designated court in Hong Kong in respect of civil and commercial matters (with certain types of cases excluded).

The PRC has not entered into any treaties with the United States, the United Kingdom, Japan or many other countries for the mutual recognition and enforcement of court judgments. In addition, Hong Kong has not entered into any arrangement with the United States for the mutual enforcement of judgments. Pursuant to the Civil Procedure Law and other applicable laws, regulations and interpretations, and subject to the existence of treaties on mutual recognition and

enforcement of judgments between the PRC and the jurisdiction in which the judgment is rendered, court judgments obtained in the United States or any of the other jurisdictions mentioned above may be recognized and enforced in the PRC or Hong Kong.

VI. ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Pursuant to the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "**Arbitration Law**"), as last amended by the NPCSC on September 12, 2025 and effective from March 1, 2026, the Arbitration Law applies to foreign-related economic disputes where the parties have entered into a written agreement to submit the matters to arbitration by an arbitration commission established in accordance with the Arbitration Law. Prior to the promulgation of arbitration rules by the China Arbitration Association, arbitration commissions may formulate provisional arbitration rules in accordance with the Arbitration Law and the relevant provisions of the Civil Procedure Law. Where the parties adopt arbitration as the means of dispute resolution and one party institutes legal proceedings before a people's court, the people's court shall not accept the case.

Pursuant to the Arbitration Law, arbitration follows the principle of finality of a single award, which is binding on all parties to the arbitration. If one party fails to comply with an arbitral award, the other party may apply to a people's court for compulsory enforcement of the arbitral decision in accordance with the Civil Procedure Law. Where there is evidence proving the existence of any of the following circumstances: the parties did not stipulate an arbitration clause in the contract or did not subsequently reach a written arbitration agreement; the respondent was not notified of the appointment of arbitrators or of the conduct of the arbitration proceedings, or was otherwise unable to present its case for reasons not attributable to the respondent; the composition of the arbitral tribunal or the arbitration procedure does not conform to the arbitration rules; or the matters decided in the award fall outside the scope of the arbitration agreement or the arbitration commission has no authority to arbitrate such matters, the people's court may rule not to enforce the relevant award. Where a party seeks to enforce an arbitral award made by a foreign-related arbitration commission against another party and the person subject to enforcement or its property is not located within the territory of Mainland China, the party shall apply directly to the competent foreign court for recognition and enforcement. Likewise, a people's court may, in accordance with the principle of reciprocity or any international treaty concluded or acceded to by China, recognize and enforce arbitral awards rendered by foreign arbitration institutions.

Pursuant to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective from February 1, 2000, and the Supplemental Arrangement on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated on November 26, 2020 and effective from November 27, 2020, arbitral awards made by arbitration institutions in Mainland China may be enforced in Hong Kong.

This Appendix mainly provides investors with a summary of the Articles of Association.

The following information is only a summary and may not include all the materials that may be important to potential investors.

ISSUANCE OF SHARES

The shares of the Company shall take the form of share certificates.

The shares of the Company shall be issued in a transparent, fair and equitable manner, and each share of the same class shall carry equal rights.

Shares issued at the same time and of the same class shall be issued on the same conditions and at the same price. The same price per Share shall be paid by any unit or individual.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Increase and Reduction of Shares

The Company may, upon resolution by the shareholders' general meeting, adopt the following methods to increase its capital in accordance with its business and development needs and pursuant to the provisions of laws and regulations:

(I) issuance of shares to non-specific persons;

(II) issuance of shares to specific persons;

(III) distribution of bonus Shares to existing shareholders;

(IV) conversion of the common reserve fund to additional share capital;

(V) other means as prescribed by laws, administrative regulations, CSRC and the securities regulatory authorities of the place where the shares of the Company are listed.

The Company may reduce its registered capital. Any reduction in the Company's registered capital shall be made in accordance with the procedures stipulated in the Company Law, and other relevant provisions and other related regulations and the Articles of Association.

Repurchase of Shares

The Company may not repurchase its own shares except in any of the following circumstances:

(I) reducing the Company's registered capital;

(II) merging with other companies holding shares of the Company;

(III) issuing shares under employee stock ownership scheme or share incentive scheme;

(IV) purchasing its shares from Shareholders who have voted against the resolutions on the merger or division of the Company at a shareholders' general meeting upon their request;

(V) use of shares for converting the convertible bonds issued by the Company into shares;

(VI) where it is necessary for the Company to maintain its value and protect the interests of the shareholders.

Except for the above circumstances, the Company shall not engage in the trading of its Shares.

The Company's acquisition of its own shares for reasons specified in items (I) to (II) above shall be subject to a resolution of a shareholders' general meeting. The Company's acquisition of its own shares due to the circumstances specified in items (III), (V) or (VI) above shall be subject to a resolution of a board meeting at which more than two-thirds of directors are present.

Following the acquisition of the Company's Shares in accordance with the aforementioned provisions, where the circumstances fall under item (I), such shares shall be cancelled within 10 days of the acquisition date; where the circumstances fall under items (II) or (IV), such shares shall be transferred or cancelled within six months; where the circumstances fall under items (III), (V) or (VI), the aggregate number of shares 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 there are other provisions in laws, regulations, and the securities regulatory authorities of the place where the Company's shares are listed on relevant matters related to share repurchases, such provisions shall prevail.

Transfer of Shares

The Company's shares shall be transferred in accordance with the law.

All transfers of the H shares shall be executed by a written instrument of transfer in a general or common form or in any other form acceptable to the Board of Directors, including the standard transfer format or form of transfer as prescribed by the HKEX from time to time. Such transfer document may only be signed by hand or (where the transferor or transferee is a corporation) stamped with the Company's valid seal. If the transferor or transferee is a recognized clearing house or its nominee as defined by the relevant regulations in force under the laws of Hong Kong from time to time, the transfer may be signed by hand or by machine printing. All instruments of transfer must be placed at the legal address of the Company or such address as the Board of Directors from time to time specify.

The Company shall not accept its own shares as the subject of pledge.

No transfer of shares held by promoter shall be allowed within one year since the Company is incorporated. Shares issued by the Company prior to the public offering shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchanges.

The directors and senior management of the Company shall report their shareholdings and the changes thereof to the Company. During their terms of office they may not transfer more than 25% of the total number of shares of the Company held by them in any given year; 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 aforementioned individuals shall not transfer the shares of the Company held by them within six months from the date of their resignations.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

General Provisions for Shareholders

The Company shall establish a register of shareholders and the register of shareholders is sufficient evidence to prove that the shareholders hold the shares of the Company. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

The original part of the shareholders' register of overseas listed foreign shares related to the holders of shares **[REDACTED]** on the HKEX shall be kept in Hong Kong. The shareholders' register of overseas listed foreign shares kept in Hong Kong is available for inspection by shareholders.

Shareholders of the Company enjoy the following rights:

(I) to receive dividends and other forms of interest distributions in proportion to their shareholdings;

(II) to request, convene, hold and attend or appoint proxies to attend shareholders' general meetings and exercise their corresponding voting rights according to laws;

(III) to supervise, provide recommendations on or make inquiries about the operations of the Company;

(IV) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association;

(V) to review and copy the Articles of Association, the register of shareholders, counterfoil of the corporate bonds, minutes of shareholders' general meetings, resolutions of board meetings, and financial accounting reports; shareholders meeting the prescribed requirements may also inspect the Company's accounting books and accounting vouchers;

(VI) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;

(VII) to request the Company to acquire their shares for the shareholders who voted against any resolution adopted at the shareholders' general meeting concerning the merger or division of the Company;

(VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The shareholder who requests to inspect and copy relevant materials of the Company shall abide by the Company Law, the Securities Law, other laws and administrative regulations, and securities regulatory rules of the where the Company's shares are listed.

If a resolution of a shareholders' general meeting or a meeting of the Board is in violation of any law, administrative regulation, the shareholders are entitled to request the People's Court to invalidate it.

If the procedures for calling a shareholders' general meeting, or a board meeting, or the way of voting, is in violation of any law, administrative regulation or the Articles of Association, or if a resolution is in violation of the Articles of Association, the shareholders may, within 60 days from the day when the resolution is made, request the People's Court to revoke it. However, this does not apply if the procedures for convening the shareholders' general meeting or the board meeting, or the voting methods, only have minor defects that do not substantially affect the resolution.

Under any of the following circumstances, a resolution passed by a shareholders' general meeting or a board meeting of the Company is not valid:

(I) the resolution is passed without holding a shareholders' general meeting or board meeting;

(II) the resolution is not voted on at a shareholders' general meeting or board meeting;

(III) the number of persons present at the meeting or the number of votes held does not attain the number stipulated in the Company Law or the Articles of Association, or the number of votes held;

(IV) the number of persons who consent to the resolution or the number of votes held does not attain the number stipulated in the Company Law or the Articles of Association, or the number of votes held.

If any director or senior management other than members of the Audit Committee violates the relevant laws and administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association in performing his/her duties in the Company, causing any loss to the Company, the shareholder(s) individually or

collectively holding 1% or more of the shares of the Company for more than 180 consecutive days shall have the right to request in writing the Audit Committee to bring an action before the People's Court. If the Audit Committee violates the relevant laws and administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association in performing its duties in the Company, causing any loss to the Company, the shareholder may request in writing the Board of Directors to bring an action before the people's court.

In the event that the Audit Committee or the Board of Directors refuses to initiate legal proceedings upon receipt of the aforesaid shareholders' written request, or fails to initiate legal proceedings within 30 days upon receipt thereof, or in case of emergency or in the event that the failure to immediately initiate legal proceedings will incur irrecoverable damage to the interests of the Company, the shareholders mentioned in the preceding paragraph shall have rights to, in their own names, directly initiate legal proceedings in the People's Court for the interests of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the aforementioned shareholders may initiate legal proceedings in the People's Court according to the provisions of the preceding two paragraphs.

If a director, supervisor or senior management of a wholly-owned subsidiary of the Company violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association during the performance of his/her duties and causes losses to the Company, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses to the Company, the shareholders who have held more than one percent of the shares of the Company, either individually or in aggregate, for a period of more than 180 consecutive days, may request in writing the supervisory committee (or supervisors) or the Board of Directors of such wholly-owned subsidiary to file a lawsuit with the People's Court or directly file a lawsuit in their own names with the people's court in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law.

In the event of a director or a senior management member violates the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, which causes damage to the interests of shareholders, the shareholders may initiate legal proceedings in the People's Court.

Shareholders of the Company shall assume the following obligations:

(I) to abide by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;

(II) to pay capital contribution according to the number of shares subscribed for and the method of subscription;

(III) not to withdraw the shares unless required by the laws and administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed;

(IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders, and not to abuse the status of the Company as an independent legal entity and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;

(V) other obligations imposed by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages according to laws. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability of shareholders for the purposes of evading debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

Shareholders who hold more than 5% or more voting shares of the Company pledge any of their shares shall report the same to the Company in writing on the day the fact occurs.

The controlling shareholder and actual controller of the Company shall exercise their rights and perform their obligations in accordance with applicable laws, administrative regulations, the regulations of the CSRC and the securities regulatory authorities of the place where the Company's shares are listed, and shall safeguard the interests of the Company.

The controlling shareholder and actual controller of the Company shall comply with the following provisions:

(I) to exercise shareholder rights in accordance with the law, and not to abuse control or use related relationships to harm the legitimate rights and interests of the Company or other shareholders;

(II) to strictly fulfill all public statements and commitments made, and not to alter or waive them without proper authorization;

(III) to fulfill information disclosure obligations in strict compliance with relevant regulations, actively cooperate with the Company in discharging its disclosure responsibilities, and promptly notify the Company of any major events that have occurred or are expected to occur;

(IV) not to misappropriate the Company's funds in any manner;

(V) not to compel, instruct, or request the Company or relevant personnel to provide guarantees in violation of laws or regulations;

(VI) not to seek personal gain by using undisclosed material information of the Company, not to disclose such information in any manner, or not to engage in insider trading, short-swing trading, market manipulation, or other illegal or non-compliant activities;

(VII) not to harm the legitimate rights and interests of the Company or other shareholders through unfair related transactions, profit distribution, asset restructuring, external investments, or by any other means;

(VIII) to ensure the Company's independence with respect to its assets, personnel, finance, institutions, operations, and business, and not to affect such independence in any way;

(IX) to comply with other provisions under laws, administrative regulations, the rules of the CSRC, the securities regulatory authorities of the place where the Company's shares are listed, and the Articles of Association.

If the controlling shareholder or actual controller of the Company does not serve as the Director of the Company but effectively manages the Company's affairs, the provisions of the Articles of Association concerning the fiduciary duties and duties of diligence of Directors shall apply.

Where the controlling shareholder or actual controller instructs a Director or senior management to engage in acts that harm the interests of the Company or its shareholders, such controlling shareholder or actual controller shall bear joint and several liability together with the

relevant Director or senior management. Where the controlling shareholder or actual controller pledges Shares of the Company that they hold or effectively control, they shall maintain the stability of the Company's control and business operations.

Where the controlling shareholder or de facto controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, the provisions of the CSRC and the securities regulatory rules of the place where the Company's shares are listed, as well as his/her undertakings in respect of the restriction on the transfer of shares.

General Provisions of the Shareholders' General Meeting

The shareholders' general meeting shall consist of all shareholders. It is the Company's governing body and shall exercise the following powers in accordance with the law:

(I) to elect and replace staff representatives, directors and to decide on matters concerning the remuneration of directors and supervisors;

(II) to review and approve the report of the Board of Directors;

(III) to review and approve the Company's profit distribution plans and plans for loss compensation;

(IV) to resolve on the increase or decrease of the Company's registered capital;

(V) to resolve on the issuance of corporate bonds;

(VI) to resolve on matters such as mergers, divisions, dissolution, liquidation, or changes of corporate form;

(VII) to amend the Articles of Association;

(VIII) to resolve on the engagement or dismissal of accounting firms responsible for the Company's audit services;

(IX) to consider and approve the guarantee matters stipulated in the Articles of Association;

(X) to consider and approve the transactions under the Articles of Association;

(XI) to consider the Company's purchase or disposal of material assets within one year which reach over 30% of the latest audited total assets of the Company;

(XII) to consider and approve matters relating to changes in the use of proceeds raised;

(XIII) to consider and approve equity incentive plan and employee stock ownership plans;

(XIV) to approve the listing plan of the Company;

(XV) to consider other matters required by laws, administrative regulations, departmental regulations, the securities regulatory rules of the place where the Company's shares are listed or the provisions of the Articles of Association to be decided by the shareholders' general meeting.

The shareholders' general meeting includes annual and extraordinary meetings. The annual shareholders' general meeting shall be held once each year, within six months after the end of the previous fiscal year.

Under any of the following circumstances, the Company shall convene an extraordinary shareholders' general meeting within two months from the date of the event:

(I) When the number of directors is less than two-thirds of the number prescribed in the Articles of Association;;

(II) When the Company's uncovered losses reach one-third of its total share capital;

(III) When requested by one or more shareholders holding at least 10% of the Company's Shares;

(IV) When the Board of Directors deems it necessary;

(V) When proposed by the Audit Committee;

(VI) Other circumstances as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

Convening of Shareholders' General Meetings

The Board of Directors shall convene the shareholders' general meeting.

Independent non-executive directors are entitled to propose to the Board of Directors to convene an extraordinary shareholders' general meeting. Where independent non-executive directors require to convene an extraordinary shareholders' general meeting, the Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, issue a written reply on whether or not it agree to convene the extraordinary shareholders' general meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' general meeting, a notice to convene such meeting shall be issued within 5 days after such resolution of the Board of Directors. If the Board of Directors disagrees to convene an extraordinary shareholders' general meeting, it shall state the reasons in an announcement.

The Audit Committee is entitled to propose to the Board of Directors to convene an extraordinary shareholders' general meeting, and such proposals shall be made in writing to the Board of Directors. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, issue a written reply on whether or not it agrees to convene the extraordinary shareholders' general meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary shareholders' general meeting, a notice to convene such meeting shall be issued within 5 days after such resolution of the Board of Directors. Any changes to the original proposal in the notice require the consent of the Audit Committee.

If the Board of Directors disagrees to convene an extraordinary shareholders' general meeting or fails to give a response within 10 days after receipt of such proposal, it shall be deemed that the Board of Directors is unable or fails to fulfill the obligation to convene the shareholders' general meeting, and the Audit Committee may convene and preside over the meeting on its own initiative.

Shareholder(s) severally or jointly holding more than 10% of the Shares of the Company is/are entitled to request the Board of Directors to convene an extraordinary shareholders' general meeting, and such request shall be made in writing to the Board of Directors. The Board of Directors shall, pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of

the place where the Company's shares are listed and the Articles of Association, issue a written reply on whether or not it agrees to convene the extraordinary shareholders' general meeting within 10 days upon the receipt of the request.

If the Board of Directors agrees to convene an extraordinary shareholders' general meeting, a notice to convene such meeting shall be issued within 5 days after such resolution of the Board of Directors. Any changes to the original request in the notice require the consent of relevant shareholder(s).

If the Board of Directors disagrees to convene an extraordinary shareholders' general meeting or fails to give a response within 10 days after receipt of such request, shareholder(s) severally or jointly holding more than 10% of the Shares of the Company shall be entitled to propose to the Audit Committee to convene an extraordinary shareholders' general meeting, and such request shall be made in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' general meeting, a notice to convene such meeting shall be issued within 5 days upon receipt of such request. Any changes to the original request in the notice require the consent of relevant shareholder(s).

Where the Audit Committee fails to issue a notice of the shareholders' general meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene and preside over the shareholders' general meeting, and the shareholder(s) severally or jointly holding more than 10% of the shares of the Company for 90 consecutive days or more may convene and preside over the meeting on their own initiative.

Where the Audit Committee or shareholders resolve to convene a shareholders' general meeting on their own, a written notice shall be given to the Board of Directors.

The shareholders that convene the general meeting shall hold at least 10% of the shares of the Company prior to the conclusion of general meeting.

Proposals and Notices of Shareholders' General Meetings

The contents of the proposals shall fall within the terms of reference of the shareholders' general meeting, have clear subjects and specific matters to be resolved, and comply with the relevant provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

When the Company convenes a shareholders' general meeting, the Board of Directors, the Board of Supervisors and shareholders who individually or collectively hold more than 1% of the shares of the Company shall have the right to put forward proposals to the Company.

Shareholders who individually or collectively hold more than 1% of the shares of the Company may submit a provisional proposal in writing to the convener 10 days prior to the convening of the shareholders' general meeting. The convener shall issue a supplemental notice of the shareholders' general meeting within 2 days after receiving the proposal and announce the contents of the provisional proposal.

Except as provided in the preceding paragraph, the convener shall not amend the proposals set out in the notice of the shareholders' general meeting or add new proposals after issuing the notice of the shareholders' general meeting.

Proposals not set out in the notice of the shareholders' general meeting or not in compliance with the provisions above shall not be voted on or resolved at the shareholders' general meeting.

The convener of an annual general meeting shall notify shareholders of the meeting in any form of writing (letter, fax or email) 20 days before the meeting is held; the convener of an extraordinary general meeting shall notify shareholders of the meeting in any form of writing (letter, fax or email) 15 days before the meeting is held.

When calculating the starting date and ending date by the Company, the date when the meeting is held shall be excluded.

The notice of the shareholders' general meeting shall include the following:

(I) the time, venue and duration of the meeting;

(II) the matters and proposals presented to the meeting for consideration;

(III) relevant information on the matters discussed;

(IV) a prominent statement stating that all shareholders are entitled to attend the shareholders' general meeting and appoint a proxy by written to attend and vote on his/her behalf, and such proxy need not be a shareholder of the Company;

(V) the record date of shareholders entitled to attend the shareholders' general meeting;

(VI) the name and phone number of the contact person in connection with the meeting;

(VII) date of notice;

Where the shareholders' general meeting adopts other methods of voting, the notice shall also specify the time for such voting, the voting procedures, and the matters subject to audit.

The interval between the record date and the date of the meeting shall not be more than 7 business days. Once the record date is confirmed, no change may be made thereto.

Subsequent to the dispatch of a notice of the shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the shareholders' general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons thereof at least 2 business days prior to the original date of the meeting.

Conducting the Shareholders' General Meetings

The Board of Directors and other conveners shall take all necessary measures to ensure that the shareholders' general meeting is conducted in an orderly manner, and shall take steps to prevent any activities interfering with the shareholders' general meeting or infringing upon the legal interests of shareholders and report such activities to competent authority in a timely manner.

All shareholders in the register of shareholders as of the shareholding registration date or their proxies are entitled to attend the shareholders' general meeting, and exercise voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Shareholders may attend a shareholders' general meeting in person, or may appoint proxies to attend and vote on his/her behalf. Shareholders may attend the shareholders' general meeting in person or appoint a proxy to attend and vote on their behalf; such proxy need not be a shareholder of the Company. The attendance of a proxy shall be deemed equivalent to the shareholder's personal attendance. If a shareholder is a recognized clearing house (or its nominee) as defined in the relevant ordinances in force in Hong Kong from time to time, the shareholder may authorize his/her/its corporate representative or one or more persons as he/she/it thinks fit to act as his/her/its proxy(ies) at any shareholders' general meeting or creditors' meeting and to exercise such rights as to speak and to vote.

Where the shareholders' general meeting requires Directors and senior management to attend, Directors and senior management shall attend the meeting and answer the inquiries of shareholders. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend or present at the meeting through the internet, video, telephone or other means with equivalent effect.

A shareholders' general meeting shall be presided over by the chairman of the Board of Directors. If the chairman is unable to or fails to perform his/her duties, the deputy chairman shall chair the meetings; where there is no deputy chairman or the deputy chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

The chairman of the Audit Committee shall preside over the shareholders' general meeting that is convened by the chairperson Audit Committee. If the chairperson of the Audit Committee is unable to or fails to perform his/her duties, a chairperson of the Audit Committee jointly elected by more than half of the members of the Audit Committee shall preside over the meeting.

A shareholders' general meeting convened by the shareholders shall be presided over by the conveners' nominated representative.

Where the chairman of the shareholders' general meeting violates the rules of procedure when holding the meeting and as a result, the shareholders' general meeting is unable to continue, subject to the consent of the shareholders with more than half of voting rights of all the shareholders attending the shareholders' general meeting, a person may be nominated in the shareholders' general meeting to act as the chairman of the meeting and such meeting may continue.

Voting at and Resolutions of Shareholders' General Meetings

Resolutions at the shareholders' general meeting are classified into ordinary resolutions and special resolutions.

An ordinary resolution put forward at a shareholders' general meeting shall be passed by votes representing more than half of the voting rights held by the shareholders (including shareholders' proxies) attending the shareholders' general meeting.

Special resolutions put forward at a shareholders' general meeting shall be passed by votes representing more than two-thirds of voting rights held by the shareholders (including shareholders' proxies) attending the meeting.

The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

(I) work reports of the Board of Directors;

(II) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(III) appointment and dismissal of the members of the Board of Directors, their remunerations and the method of payment thereof;

(IV) matters other than those prescribed by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association that shall be approved by special resolutions.

The following matters shall be approved by special resolutions at the shareholders' general meeting:

(I) increase or reduction of the registered capital of the Company;

(II) division, spin-off, merger, dissolution and liquidation or change of corporate form of the Company;

(III) amendments to the Articles of Association;

(IV) purchase or sale of material assets or guarantees by the Company in excess of 30% of the Company's latest audited total assets within a period of 1 year;

(V) newly-implemented share incentive schemes;

(VI) approval of the listing plan of the Company

(VII) other matters prescribed by the laws, administrative regulations and securities regulatory rules of the place where the Company's shares are listed or the Articles of Association, and those matters determined by ordinary resolutions at a shareholders' general meeting to have a material impact on the Company and required to be approved by special resolutions.

Shareholders (including proxies) shall exercise their voting rights based on the number of the shares with voting rights they represent, each share shall carry one vote.

The Company's shares which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders attending a shareholders' general meeting.

When the shareholders' general meeting votes on the election of Directors, it may, pursuant to the Articles of Association or a resolution of the shareholders' general meeting, do so by cumulative voting.

The cumulative voting system referred to in the preceding paragraph means each share, when voting to elect directors at the general meeting, carries the number of voting rights equivalent to the number of directors to be elected, and a shareholder may concentrate his/her/its voting rights. The Board of Directors shall inform the shareholders of the resumes and basic information of candidates for director.

If the proposal on cash distribution, bonus issue or conversion of capital reserve into share capital is passed at the general meeting, the Company shall implement the specific plan within 2 months after the conclusion of the general meeting.

BOARD OF DIRECTORS

General Provisions for Directors

A director of the Company who is a natural person may not act as a director of the Company under any of the following circumstances:

(I) having no capacity for civil conducts or limited capacity for civil conducts;

(II) having been sentenced to imprisonment for corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economy, where less than 5 years have lapsed since the expiration of the execution period, or who have been deprived of political rights as a result of any criminal offenses, where less than 5 years have lapsed since the expiration of the execution period, or where probation has been granted, less than 2 years have lapsed since the expiration of the probationary period;

(III) where he/she is a director, factory manager, or manager of a company or enterprise that were declared insolvent and liquidated and was personally liable for the insolvency of the company or enterprise, and less than 3 years have lapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(IV) where he/she is the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to violation of the law and was personally liable for the company or enterprise, less than 3 years have lapsed since the date when the company or enterprise's business license was revoked or it was ordered to close down;

(V) having been listed as a dishonest judgment defaulter by the People's Court for not being able to settle a large amount of debt due;

(VI) having been subject to a securities market ban imposed by the CSRC with the term yet to be expired;

(VII) having been publicly determined by the stock exchange as unfit to serve as, among others, a director or senior management member of listed companies, with the term yet to be expired;

(VIII) other circumstances stipulated by laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are listed or departmental rules.

Any election, appointment or engagement of directors in contravention of this provision shall be null and void. Should a director become subject to the circumstances described herein during their tenure, the Company shall terminate their appointment.

Directors shall be elected or replaced at the shareholders' general meeting and may be removed from office by the shareholders' general meeting before the expiration of their terms of office. The term of office of a director is 3 years. Upon expiry of the term of office he or she may be re-elected and re-appointed.

The term of office of a director commenced from the date of taking office, until the current term of office of the Board of Directors ends. If a director is not re-elected in a timely manner upon the expiration of the term of office, the original director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association until the re-elected director takes office.

A director may be concurrently held by the manager or other senior management member, but the number of directors concurrently serving as manager or other senior management member shall not exceed 1/2 of the total number of directors of the Company.

The Board of Directors of the Company shall include one director representing the staff. Staff representative of the Board shall be chosen through the staff and workers' congress, the staff and workers' assembly or other forms of democratic elections.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, owe fiduciary obligations to the Company, shall take measures to avoid conflicts between their own interests and those of the Company, and shall not use their authority to seek improper benefits.

Directors and shall owe the following fiduciary obligations to the Company:

(I) shall not embezzle the assets or misappropriate the funds of the Company;

(II) shall not be deposit the Company's funds into any account opened in his/her own or any other person's name;

(III) shall not use his/her position to solicit bribes or accept other unlawful income;

(IV) shall not directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or the shareholders' general meeting and obtaining approval through resolutions passed by the Board of Directors or the shareholders' general meeting in accordance with the provisions of these Articles of Association;

(V) shall not use his/her position to seek commercial opportunities belonging to the Company for himself/herself or others, except where such opportunities are reported to the Board of Directors or the shareholders' general meeting and approved by a resolution of the shareholders' general meeting, or where the Company is unable to utilise such commercial opportunities pursuant to the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

(VI) shall not engage in business operations of a similar nature to those of the Company, either on one's own behalf or on behalf of others, without reporting to the Board of Directors or the shareholders' general meeting and obtaining approval through a resolution passed by the shareholders' general meeting.

(VII) shall not accept the commissions arising from transactions between others and the Company for his/her own account;

(VIII) shall not disclose the Company's secrets without authorization;

(IX) shall not take advantage of his/her related relationship to compromise the interests of the Company;

(X) shall fulfill other fiduciary obligations as required by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any income derived by a director in violation of the abovementioned provisions shall belong to the Company; and if any loss is caused to the Company, he/she shall be liable for compensation.

The provisions in item (IV) above shall apply to contracts or transactions entered into by close relatives of directors or senior management, enterprises directly or indirectly controlled by directors, senior management or their close relatives, and other related parties having other affiliations with directors or senior management.

Directors shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and these Articles of Association, owe duty of diligence to the Company, and, in performing their duties, exercise the reasonable care ordinarily expected of a prudent manager in the best interests of the Company.

Directors shall owe the following duty of diligence to the Company:

(I) shall exercise the rights conferred by the Company in a prudent, conscientious and diligent manner, so as to ensure that the business activities of the Company comply with the requirements of national laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and various national economic policies, and that the commercial activities do not go beyond the scope stipulated in the business license;

(II) shall treat all shareholders fairly;

(III) shall maintain a timely awareness of the operation and management of the Company;

(IV) shall sign written confirmations on the regular reports of the Company and ensure the information disclosed by the Company is true, accurate and complete;

(V) shall truthfully provide relevant information and materials to the Audit Committee, and shall not obstruct the Audit Committee or the supervisors from performing their functions and powers;

(VI) to ensure that they have reserved sufficient time and effort for participating in the Company's affairs and cautiously judging the risks and gains arising from the resolutions proposed;

(VII) the directors, in principle, shall attend the meeting of the Board in person. Any director who fails to attend the meeting due to some reasons and authorises another director to attend on his/her behalf shall cautiously select a proxy, with specific and clear authorised matters and intent of decision-making, and shall not give carte blanche to his/her proxy;

(VIII) to actively promote the regulated operation of the Company, timely rectify and report the irregularities of the Company and support the Company to fulfil its social responsibilities;

(IX) to actively understand and maintain ongoing oversight of the Company's operational management through multiple means including reviewing documentation, consulting responsible personnel, and conducting on-site inspections and research, and to promptly report relevant issues and risks to the Board of Directors;

(X) be familiar with and continuously pay attention to the Company's production, operation and reform management, carefully read the Company's financial report and other documents, and timely report to the Board of Directors the problems that the Board of Directors should pay attention to, especially the Company's major losses and major business crisis events;

(XI) shall discharge other duty of diligence as required by laws, administrative regulations, rules of departments, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

A director may resign before expiry of his/her term of office. The resigning director shall submit a written resignation to the Board of Directors, but a director shall not evade his/her responsibilities by resigning or other means.

If such resignation causes the number of directors to be lower than the quorum of Board meeting, then before a new director takes office, the resigning director shall continue to perform its duties under relevant laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Except for the circumstances listed above, the resignation of a director shall take effect when the resignation letter is delivered to the Board of Directors.

When a director's resignation takes effect or his/her term of service expires, the director shall complete all transfer procedures with the Board. His/Her obligation of loyalty towards the Company does not necessarily cease immediately after the end of his/her term of service. The obligation of confidentiality in respect of trade secrets, technological secrets and other inside information of the Company shall remain in effect after the end of his/her term of office, until such trade secrets become publicly available information. The duration of other fiduciary duties owed to the Company shall be determined comprehensively in accordance with principles of fairness, taking into account factors such as the nature of the matter, its significance to the Company, the period over which it affects the Company, and the relationship with the director concerned. Such duration shall not be less than one year.

The shareholders' general meeting may remove a director by a resolution. The removal shall take effect on the date when the resolution is made. If, without justifiable reason, a director is removed before the expiration of his/her term of office, he/she may request compensation from the Company. Such removal will not affect any claim for damages raised by the director according to any contracts.

Board of Directors

The Company shall have a Board of Directors accountable to the shareholders' general meeting.

The Board of Directors shall consist of 9 directors, including 3 independent non-executive directors and 1 staff representative director. The Board of Directors shall have one chairman and may appoint a deputy chairman as required. The Company shall have at least one independent non-executive director possessing appropriate accounting or related financial management expertise. At least one independent non-executive director shall ordinarily reside in Hong Kong. All independent non-executive directors must satisfy the independence requirements stipulated by the securities regulatory rules of the place where the Company's shares are listed.

The Board of Directors shall exercise the following powers:

(I) to convene the general meeting and report its work to the shareholders' general meeting;

(II) to implement the resolutions of the shareholders' general meeting;

(III) to make decisions on the business plans and investment proposals of the Company;

(IV) to formulate the profit distribution plan and loss compensation plan of the Company;

(V) to formulate plans for the increase or reduction of registered capital, issuance of bonds or other securities and listing of the Company;

(VI) to formulate plans for the Company's material acquisition, share buybacks, mergers, demergers, dissolution, and changes to the Company's legal status;

(VII) to make decisions, within the scope of authorisation granted by the shareholders' general meeting, on matters relating to external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, related transactions, external donations, and other matters;

(VIII) to make decisions on the establishment of internal management structures within the Company;

(IX) to appoint or dismiss of the Company's manager, the secretary to the Board of Directors, and to decide on their remuneration, rewards and punishments; to decide on the appointment or dismissal of the Company's senior management members such as the vice manager and the chief financial officer based on the nomination of the manager, and to decide on their remuneration, rewards and punishments;

(X) to formulate the basic management system of the Company;

(XI) to formulate the amendment proposal to the Articles of Association;

(XII) to propose to the shareholders' general meeting the appointment or replacement of the accounting firm to conduct the Company's audit;

(XIII) to hear the work report of the manager of the Company and review the work of the manager;

(XIV) other functions and powers conferred by laws, administrative regulations, departmental rules, other securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Matters beyond the scope of authorisation granted by the shareholders' general meeting shall be submitted to the shareholders' general meeting for consideration.

The above matters shall exclude matters that necessarily require consideration and approval by the general meeting pursuant to the Company Law and other relevant laws and regulations as well as the securities regulatory rules of the places where the Company's shares are listed.

The chairman of the Board of Directors shall exercise the following functions and powers:

(I) to preside over shareholders' general meeting and to convene and preside over board meetings;

(II) to supervise and examine the implementation of the resolutions of the Board;

(III) to sign company stocks, corporate bonds, and other valuable securities;

(IV) to sign important documents of the Board of Directors and other documents which shall be signed by the legal representative of the Company;

(V) to exercise the functions and powers of the legal representative, including but not limited to executing important documents approved by the Board of Directors or other documents required to be executed by the legal representative of the Company. ;

(VI) in case of emergency of catastrophic natural disasters and other force majeure, to exercise the special right of disposal that is in line with the requirements of laws and interests of the Company on the matters of the Company, and report to the board of directors and the shareholders' general meeting afterwards;

(VII) other functions and powers conferred by the Board of Directors.

The deputy chairman of the Board of the Company shall assist the work of the chairman of the Board and if the chairman is unable to perform his duties or does not perform his duties, the deputy chairman shall perform such duties. If there is no deputy chairman or deputy chairman is unable to perform his duties or does not perform his duties, a director jointly elected by more than half of the directors shall perform his duties.

The Board of Directors shall convene at least four regular meetings annually, approximately once in each quarter. Regular board meetings shall be convened by the chairman of the Board of Directors, with any form of written notice (letter, fax or email) given to all directors at least 14 days prior to the meeting.

Where the board of directors is expected to declare, propose or pay dividend at a meeting, or it shall pass any announcement in respect of profits or loss for any year, half-year or other periods at such meeting, an announcement must be made in accordance with the HKEX Listing Rules at least seven business before the convening of such meeting.

Shareholders representing more than one-tenth of voting rights of the Company, more than one-third of all directors or the Board of Supervisors may propose to convene an extraordinary meeting of the Board. The chairman shall convene and preside over a board meeting within 10 days from the receipt of such proposal.

If any Director is associated with the enterprises that are involved in the matters to be resolved by the board meetings, he shall not exercise his voting rights for such matters, nor shall such director exercise voting rights on behalf of other Directors. Such board meeting may be convened with attendance of more than half of non-connected Directors, and resolutions shall be passed by more than half of non-connected Directors at the board meeting. In the event that the number of non-connected Directors attending the board meeting is less than three, such matter shall be submitted to the general meeting for consideration.

Senior Management

The Company shall have one manager, who shall be appointed or removed by the decision of the Board.

The Company shall have vice managers, a financial officer, and a board secretary, who shall be appointed or dismissed by the Board of Directors. The Company shall enter into employment contracts with the manager, vice managers, financial officer, and board secretary, clearly stipulating the rights and obligations between the Company and the aforementioned personnel, their terms of office, the liabilities incurred should they breach laws, regulations, or the Articles of Association, and the compensation payable should the Company terminate the contract prematurely for any reason.

The Company's manager, vice manager, financial officer and board secretary shall be deemed senior management members of the Company.

Directors may be employed concurrently as managers, vice managers, financial officers or other senior management members.

The manager shall serve a term of three years, and can be reappointed for consecutive terms.

The manager shall report to the Board of Directors, and shall exercise the following functions and powers:

(I) to manage the production, business operation and management of the Company, to organize and implement the resolutions of the Board of Directors and to report his/her work to the Board of Directors;

(II) to organise and implement of the annual operation plans and investment proposals of the Company;

(III) to prepare the plan for establishing the internal management body of the Company;

(IV) to prepare the basic management system of the Company;

(V) to develop the specific rules of the Company;

(VI) to recommend the Board of Directors on the appointment or removal of any deputy manager, the chief financial officer and other senior management members;

(VII) to appoint or remove management personnel other than those appointed or removed by the Board of Directors;

(VIII) to exercise other functions and powers authorised by the Articles of Association or the Board of Directors and stipulated in the work rules of the manager.

The manager shall attend the Board meetings.

The Company shall have secretary to the Board of Directors. The board secretary and the securities department of the Company shall be responsible for matters such as preparing shareholders' general meetings and board meetings of the Company, keeping of documents and managing shareholders' information of the Company and investors' relationship work.

The board secretary shall comply with the relevant provisions of laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

During the vacancy of the position of board secretary, the chairman shall perform the duties of the board secretary.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system according to the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are **[REDACTED]** and the requirements of the relevant governmental authorities.

Within 4 months from the ending date of an accounting year, the Company shall prepare its financial and accounting report from the previous year. The financial and accounting reports shall be prepared in accordance with the relevant laws, administrative regulations, and the other listing rules of the stock exchange where the Company's shares are **[REDACTED]** and departmental rules.

The Company shall not establish accounts books other than the statutory account books. The asset of the Company shall not be deposited in any personal account.

The Company shall allocate 10% of the annual after-tax profits as the statutory reserve fund of the Company. When the accumulated amount of the statutory reserve fund of the Company has reached more than 50% of the registered capital of the Company, no further allocations is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up the said losses before any statutory reserve fund is withdrawn according to the provision of the preceding paragraph.

After withdrawing the statutory reserve fund out of its after-tax profits, the Company may also allocate some of its after-tax profits into its discretionary reserve if so resolved by the shareholders' general meeting.

After making up the losses and making contributions to the common reserve fund, any remaining profits after tax shall be distributed to the shareholders in proportion to their respective shareholdings.

If the shareholders' general meeting violates the provisions of the preceding paragraph and distributes profits to shareholders before the Company makes up losses and provides the statutory reserve fund, the shareholders shall return the unduly distributable profits to the Company.

No profits shall be distributed in respect of the shares held by the Company.

Reserves of the Company are used for offsetting losses of the Company, expanding the Company's production and operation or converting into and increasing the capital of the Company. When the reserves of the Company are used to cover its losses, the discretionary reserve fund and the statutory reserve fund shall be utilized first; if the losses still cannot be covered, the capital reserve fund may be utilized in accordance with relevant regulations.

Upon conversion of the statutory reserve fund into capital, the balance of such reserve fund shall not fall below 25% of the registered capital of the Company before the conversion.

INTERNAL AUDIT

The Company shall implement an internal audit system, and specify the leadership structure, authority and responsibilities, personnel allocation, financial support, application of audit results, and accountability for internal audit work.

APPOINTMENT OF ACCOUNTING FIRM

The Company shall engage an accounting firm that complies with the requirements of the Securities Law, to perform audits of financial statements, verify net assets, and other related consulting services for a term of 1 year, which is renewable.

The appointment of an accounting firm by the Company shall be determined by the shareholders' general meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made by the shareholders' general meeting.

The Company ensures that it will provide true and complete accounting vouchers, accounting books, financial statements and other accounting materials to the engaged accountant firm, without any refusal, concealment or misrepresentation.

When the Company dismisses or does not reappoint the accountant firm, it shall notify the accountant firm 15 days in advance, and the accountant firm shall be allowed to state its opinions when voting on the dismissal of the accountant firm at the general meeting.

If the accountant firm proposes to resign, it shall explain to the general meeting whether the Company has any inappropriate circumstances.

NOTICES AND ANNOUNCEMENTS

Notices

Notices of the Company shall be made by one of the following means:

(I) by hand;

(II) by mail (including electronic mail, hereinafter the same);

(III) other means provided in the Articles of Association.

Notice of meetings of the shareholders' general meeting and the Board of Directors shall be issued in the manner prescribed by the Articles of Association.

If the notice is sent by hand, the receiving person shall sign (or seal) the delivery receipt, and the date of receipt shall be the date of delivery; if the notice is sent by mail, the third working day from the date of handing it to the post office is the date of delivery; if the notice is sent by email, the date when the recipient receives the email at his/her designated email address will be the date of delivery. If the notice is sent by announcement, the date of first publication of announcement will be the date of delivery. If the Company's notice is delivered by telephone, the date of delivery shall be the date on which the recipient receives the notice.

The meeting and the resolutions made at the meeting shall not be invalidated by the failure to send the meeting notice to a person who is entitled to be notified or the failure to receive the meeting notice due to accidental omission.

MERGER, DIVISION, CAPITAL INCREASE AND REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Reduction

In the event of any merger, the Company shall enter into a merger agreement with other parties involved and prepare a balance sheet and an inventory list for assets. The Company shall notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

Creditors may require the Company to repay its debt or provide a corresponding guarantee within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

Upon merger, the surviving company or the newly established company shall assume all creditor's rights and debts of the merger parties.

In the event of division, its assets shall be divided accordingly.

In the event of division, the Company shall prepare a balance sheet and a an inventory list for its assets, and notify its creditors within 10 days after the adoption of the relevant resolution and publish announcements in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

Unless otherwise agreed by the Company and its creditors in writing prior to the division with respect to the repayment of debts, the succeeding company after the division shall jointly assume the debts of the company which has incurred before such division.

The Company shall prepare a balance sheet and an inventory list for its assets in the event it is required to reduce its registered capital.

The Company shall notify its creditors within 10 days after the adoption of the relevant resolution on the reduction of the registered capital and publish announcements in the newspapers within 30 days. The creditors may require the Company to repay its debt or provide corresponding guarantees within 30 days after receiving such notice, or if they fail to receive such notice, within 45 days after the publication of such announcement.

The reduced registered capital of the Company may not be less than the statutory minimum.

Changes in registered particulars arising from a merger or division of the Company shall be registered with the companies registration authority according to the law. If the Company is dissolved, it shall be deregistered according to the law. If a new company is established, such establishment shall be registered according to the law.

Increase or decrease of the registered capital of the Company shall be registered with the company registration authority according to the law.

Dissolution and Liquidation

The Company shall be dissolved in any of the following circumstances:

(I) the term of business of the Company stipulated in the Articles of Association has expired or any other causes for dissolution stipulated in the Articles of Association has occurred;

(II) the shareholders' general meeting has resolved to dissolve the Company;

(III) the merger or division of the Company requires a dissolution;

(IV) the business license is revoked in accordance with laws, or the Company is ordered to be closed or is cancelled;

(V) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of all shareholders' voting rights may petition to a people's court to dissolve the Company.

Where the Company is in the situation described in items (I) above, the Company may continue to exist by amending the Articles of Association.

The amendments to the Articles of Association pursuant to the preceding paragraph are subject to the approval by shareholders holding more than two-thirds of the voting rights of the shareholders presented at the shareholders' general meeting.

Where the Company is dissolved under items (I), (II), (IV) and (V) above. The directors are the obligors for the liquidation of the Company and a liquidation committee shall be formed within 15 days of the date of dissolution to carry out the liquidation. The liquidation team shall consist of the

directors or any persons as determined by the general meeting. Where no liquidation team is formed within the stipulated period, the creditors may file an application with the people's court to designate relevant persons to form a liquidation team for liquidation.

The liquidation team shall perform the following powers and duties during the period of liquidation:

(I) to examine the assets of the Company and prepare the balance sheet and inventory sheet;

(II) to inform creditors by notice or announcement;

(III) to deal with outstanding businesses of the Company relating to liquidation;

(IV) to settles the taxes in arrears and taxes incurred in the course of liquidation;

(V) to liquidate creditor's rights and debts;

(VI) to allocate the remaining assets of the Company after repayment of debts;

(VII) to represent the Company in civil proceedings.

The liquidation committee shall notify the creditors within 10 days from the date of its establishment and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his or her claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification.

The creditors lodging their claims shall explain matters relating to the claims and provide evidential documents. The liquidation committee shall register the creditors' claims.

During the claims lodging period, the liquidation committee shall not make repayment to the creditors.

Upon disposal of the Company's property and preparation of the balance sheet and an inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' general meeting or a people's court for endorsement.

The remaining part of the Company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the Company's debts, shall be distributed to shareholders in proportion to shares held by them.

The Company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation.

The Company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements of the preceding paragraph.

After clearing the Company's property and preparing a balance sheet and an inventory of property, if the liquidation committee finds that the Company's property is insufficient to pay off its debts, it shall apply to the people's court to declare bankruptcy liquidation in accordance with the law.

After the Company is declared bankrupt by a ruling of the People's Court, the liquidation committee shall transfer all matters arising from the liquidation to the People's Court.

Upon completion of the liquidation of the Company, the liquidation committee shall produce a liquidation report, report the same to the shareholders' general meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the Company and announce the closing of the Company.

Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance to the law.

Members of the liquidation committee shall not use their position to accept bribes or other illegal income, and they shall not expropriate the Company's property.

Where a member of the liquidation committee causes losses to creditors arising from his or her willful or gross negligence, he/she shall be liable for compensation.

Liquidation of the Company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

(I) following the amendment in the Company Law or the relevant laws, administrative regulations, and securities regulatory rules of the place where the Company's shares are listed, the matters stipulated in the Articles of Association contradict provisions of the amended laws, administrative regulations, and securities regulatory rules of the place where the Company's shares are listed;

(II) change in the condition of the Company which makes it inconsistent with the content sets out in the Articles of Association;

(III) the shareholders' general meeting decides to amend the Articles of Association.

FURTHER INFORMATION ABOUT THE GROUP

Incorporation

The Company was established as a limited liability company under the laws of the PRC on April 19, 2017, and was converted into a joint stock company with limited liability on December 30, 2022. As of the Latest Practicable Date, the registered share capital of the Company was RMB1,526,631,611.

The Company has established a place of business in Hong Kong at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on January 26, 2026, with Ms. Ye Jiahong appointed as the Hong Kong authorized representative of the Company for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company is established in the PRC, the Company's corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in "Summary of the Articles of Association" in Appendix V to this document.

Changes in the Share Capital of the Company

Save as disclosed in the section headed "History, Development and Corporate Structure," there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document.

Changes in Share Capital of Our Subsidiaries

The following change in the share capital of our subsidiaries took place within the two years immediately preceding the date of this document:

- On March 12, 2024, the registered capital of Qingdao Lingzhi Electronics Technology Co., Ltd. was increased from RMB160 million to RMB310 million.
- On April 28, 2024, the registered capital of Hefei Lingzhi Intelligent IoT Technology Co., Ltd. was increased from RMB60 million to RMB180 million.
- On May 27, 2024, the registered capital of Histar Technology (Thailand) Co., Ltd. was increased from THB134.82 million to THB425 million.
- On October 17, 2024, the registered capital of Maniiq (Hong Kong) Intelligent Equipment Co. Limited (曼尼科(香港)智能裝備有限公司) was increased from US$4.19 million to US$5.00206125 million, and was further increased from US$5.00206125 million to US$12.19 million on December 9, 2025.
- On October 18, 2024, the registered capital of Maniiq (Singapore) Intelligent Equipment Pte Limited was increased from US$4.17 million to US$4.98206125 million, and was further increased from US$4.98206125 million to US$12.17 million on December 11, 2025.
- On October 21, 2024, the registered capital of Facteon (New Zealand) Co., Ltd. was increased from NZ$0.25 million to NZ$1.587497 million, and was further increased from NZ$1.587497 million to NZ$14.056816 million on December 12, 2025.
- On October 29, 2024, the registered capital of COSMOPlat Digital Technology (Shanghai) Co., Ltd. (卡奧斯數字科技(上海)有限公司) was increased from RMB250 million to RMB520 million.

- On November 19, 2024, the registered capital of COSMOPlat Intelligent Equipment Technology Co., Ltd. (卡奧斯智能裝備科技有限公司) was increased from RMB100 million to RMB156 million.
- On December 25, 2024, the registered capital of COSMOPlat Energy was increased from RMB108.276 million to RMB300 million.
- On March 5, 2025, the registered capital of COSMOPlat Digital Technology (Qingdao) Co., Ltd. was increased from RMB597 million to RMB867 million.
- On May 23, 2025, the registered capital of COSMOPlat Energy Technology (Chongqing) Co., Ltd. was increased from RMB20 million to RMB145 million.
- On May 30, 2025, Histar Intelligence Technology (Thailand) Company Limited was established in Thailand with the registered capital of THB4 million, and the registered capital was further increased from THB4 million to THB695.38 million on May 11, 2026.
- On August 21, 2025, the registered capital of Shanghai Discovery was increased from RMB45,625,000 to RMB57,709,281.
- On September 15, 2025, Qingdao Shanghe Navigation Digital Technology Co., Ltd. (青島尚合領航數字科技有限公司) was established in the PRC with the registered capital of RMB20 million.
- On September 18, 2025, the registered capital of Foshan Lingzhi IoT Technology Co., Ltd. (佛山領智物聯科技有限公司) was increased from RMB75 million to RMB105 million, and was further increased from RMB105 million to RMB200 million on April 14, 2026.
- On March 12, 2026, the registered capital of COSMOPlat Digital Technology (Tianjin) Co., Ltd. (卡奧斯數字科技(天津)有限公司) was increased from RMB10 million to RMB18.5 million.

Save as disclosed above, there has been no alteration in the registered capital of our subsidiaries taken place within the two years preceding the date of this document.

Resolutions of the Shareholders

Pursuant to the Shareholders' meeting held on January 20, 2026, the following resolutions, among other things, were (subject to the relevant regulatory approval, filing and registration) duly passed:

(a) the **[REDACTED]** by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be **[REDACTED]** on the Hong Kong Stock Exchange;

(b) the number of H Shares to be **[REDACTED]** before the exercise of the **[REDACTED]** shall not be more than **[REDACTED]**% of the total issued share capital of our Company as enlarged by the **[REDACTED]**, and granting the **[REDACTED]** the **[REDACTED]** of no more than **[REDACTED]**% of the number of H Shares issued pursuant to the **[REDACTED]**;

(c) subject to our obtaining the formal written authorization from the relevant Shareholders and the completion of filing procedure with the CSRC, conditional upon the completion of the **[REDACTED]**, **[REDACTED]** Shares held by existing Shareholders will be converted into H Shares on a one-for-one basis;

(d) subject to the completion of the **[REDACTED]**, the granting of a general mandate to the Board to allot and issue 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 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 issued shall not exceed 20% of the number of the Shares in issue as of the date of the resolution granting the general mandate;

(e) subject to the completion of the **[REDACTED]**, the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total issued H Shares as of the date of the resolution granting the general mandate;

(f) subject to the completion of the **[REDACTED]**, the Articles of Association have been approved and adopted, which shall become effective on the **[REDACTED]**, and the Board has been authorized to amend the Articles of Association to the extent necessary in accordance with any comments from the relevant regulator authorities; and

(g) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the **[REDACTED]**, the **[REDACTED]** and **[REDACTED]** of H Shares on the Stock Exchange.

FURTHER INFORMATION ABOUT THE BUSINESS

Summary of Material Contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

(a) an investment agreement (投資協議) dated August 13, 2025, entered into among Shanghai Discovery, Zhang Zhiquan (張智權), Dongling Fenghe, Yingdeks, Shuquan Investment, Shanghai Discovery Investment Co., Ltd., Luo Xiangbo (羅祥波), Wang Fengying (王峰瑛), Shi Zhengjun (施政均) and COSMOPlat Energy, pursuant to which COSMOPlat Energy agreed to (i) subscribe for the increased registered capital of RMB12,084,281 of Shanghai Discovery, representing approximately 20.94% of its entire share capital upon completion of the investment, at a consideration of RMB204,259,585; (ii) acquire an aggregate of 26,580,937 shares of Shanghai Discovery, representing approximately 46.06% of its entire share capital upon completion of the investment, at a total consideration of RMB371,940,415, including as to (i) 1,193,750 shares held by Wang Fengying at a consideration of RMB28,146,959; (ii) 2,000,000 shares held by Luo Xiangbo at a consideration of RMB27,648,342; (iii) 12,151,355 shares held by Dongling Fenghe at a consideration of RMB160,819,056; (iv) 6,825,019 shares held by Yingdeks at a consideration of RMB94,350,226; and (v) 4,410,813 shares held by Shuquan Investment at a consideration of RMB60,975,832; and

(b) the **[REDACTED]**.

Intellectual Property

As of the Latest Practicable Date, the following intellectual property rights are material to the Group's business:

Trademarks

As of the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
1		PRC	Shanghai Discovery Energy Services Co., Ltd	42	14170438	April 27, 2035
2	COSMOPlat	PRC	COSMOPlat IoT Technology Co., Ltd.	42	19080399	March 13, 2027
3		PRC	COSMOPlat IoT Technology Co., Ltd.	38	30701614	May 27, 2029
4		PRC	COSMOPlat IoT Technology Co., Ltd.	42	30697975	December 27, 2029
5	曼尼科	PRC	COSMOPlat Intelligent Equipment Technology Co., Ltd.	07	33526599	June 13, 2029
6	行文智教	PRC	Xingwen Zhijiao (Nanjing) Technology Co., Ltd. (行文智教(南京)科技有限公司)	41	35740024	January 13, 2031
7	卡奥斯	PRC	COSMOPlat IoT Technology Co., Ltd.	42	45045392	June 6, 2031
8	斐科腾	PRC	Facteon Intelligent Technology (Qingdao) Co., Ltd.	09	45975213	December 20, 2030
9	斐科腾	PRC	Facteon Intelligent Technology (Qingdao) Co., Ltd.	42	45966883	December 20, 2030
10	斐科腾	PRC	Facteon Intelligent Technology (Qingdao) Co., Ltd.	07	45964289	December 27, 2030
11	卡奥斯	PRC	COSMOPlat IoT Technology Co., Ltd.	39	53512484	January 20, 2032
12	卡奥斯COSMOPlat	PRC	COSMOPlat IoT Technology Co., Ltd.	42	53731315	June 6, 2032

No.	Trademark	Place of Registration	Registered Owner	Class	Registration Number	Expiry Date
13		PRC	COSMOPlat IoT Technology Co., Ltd.	42	55485365	November 27, 2031
14	海智化云	PRC	COSMOPlat IoT Technology Co., Ltd.	45	56737517	January 6, 2032
15	卡奥斯海智化云	PRC	COSMOPlat IoT Technology Co., Ltd.	09	56734592	January 6, 2032
16	卡奥斯海智化云	PRC	COSMOPlat IoT Technology Co., Ltd.	42	56709033	January 6, 2032
17	卡奥斯创智物联	PRC	COSMOPlat IoT Technology Co., Ltd.	09	64275455	October 20, 2032
18	卡奥斯创智物联	PRC	COSMOPlat IoT Technology Co., Ltd.	07	64275441	October 20, 2032
19	COSMOPlat	PRC	COSMOPlat IoT Technology Co., Ltd.	09	66263690	April 6, 2034
20	卡奥斯工业大脑	PRC	COSMOPlat IoT Technology Co., Ltd.	42	73103405	May 13, 2034
21	卡奥斯	PRC	COSMOPlat IoT Technology Co., Ltd.	35	74922202	October 13, 2035
22	卡奥斯天智工业大模型	PRC	COSMOPlat IoT Technology Co., Ltd.	42	75562140	May 13, 2034
23	卡奥斯智能交互引擎	PRC	COSMOPlat IoT Technology Co., Ltd.	09	76990116	December 13, 2034
24	卡奥斯智能交互引擎	PRC	COSMOPlat IoT Technology Co., Ltd.	42	76975086	October 6, 2034
25	CHIXIAOTEC	PRC	Hangzhou Chixiao Technology Co., Ltd. (杭州赤霄科技有限公司)	09	82249500	June 6, 2035

Patents

As of the Latest Practicable Date, the Group had registered the following patents which are material to its business:

No.	Patent Name	Place of Registration	Patent Holder	Type	Registration Number	Application Date	Release Date
1.	Industrial Internet Cloud Platform (工業互聯網雲平台)	PRC	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. (卡奧斯工業智能研究院（青島）有限公司) COSMOPlat IoT Technology Co., Ltd. COSMOPlat Digital Technology (Shanghai) Co., Ltd.	Invention	CN202010456578.3	November 10, 2017	August 10, 2021
2.	IMES Intelligent Manufacturing Execution System (IMES智能製造執行系統)	PRC	Qingdao Penghai Software Co., Ltd. (青島鵬海軟件有限公司)	Invention	CN201711258673.7	December 4, 2017	March 22, 2024
3.	Linear Compressor Current Sampling Circuit and Refrigeration Equipment (直線壓縮機電流採樣電路和製冷設備)	PRC	COSMOPlat Intelligent IoT Technology Co., Ltd.	Invention	CN201711383392.4	December 20, 2017	January 11, 2022
4.	A Method, Apparatus, Device, and Medium for Motion Recognition (一種動作識別方法、裝置、設備及介質)	PRC	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat Intelligent IoT (Foshan) Co., Ltd. COSMOPlat Digital Technology (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd.	Invention	CN202010127230.X	February 28, 2020	June 9, 2023
5.	Data Storage, Retrieval Methods, and Devices for Industrial Internet Platforms (工業互聯網平台的數據存儲、調用方法和裝置)	PRC	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd. COSMOPlat Digital Technology (Qingdao) Co., Ltd. COSMOPlat Digital Technology (Shanghai) Co., Ltd.	Invention	CN202011112452.0	October 16, 2020	March 8, 2024
6.	A Method, System, Apparatus, Device, and Medium for Establishing Inter-Device Communication (一種設備間通信建立方法、系統、裝置、設備及介質)	PRC	COSMOPlat Digital Technology (Qingdao) Co., Ltd. COSMOPlat Digital Technology (Beijing) Co., Ltd. (卡奧斯數字科技(北京)有限公司) COSMOPlat Digital Technology (Shanghai) Co., Ltd. COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	Invention	CN202110070612.8	January 19, 2021	September 6, 2022
7.	A Cloud Platform System, Factory-End, Industrial Cloud Platform, and Service Integration System (一種雲平台系統、工廠端、工業雲平台及服務對接系統)	PRC	COSMOPlat Digital Technology (Qingdao) Co., Ltd. COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd.	Invention	CN202110277110.2	March 15, 2021	November 15, 2022
8.	A Platform Architecture and Its Implementation and Application Method (一種平台架構及實現、應用方法)	PRC	COSMOPlat Digital Technology (Qingdao) Co., Ltd. COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd.	Invention	CN202110630850.X	June 7, 2021	April 7, 2023
9.	An Automatic Control Device for Air Compressors Based on Dynamic Matrix (一種基於動態矩陣的空壓機自動控制裝置)	PRC	COSMOPlat Energy Technology Co., Ltd.	Invention	CN202110751376.6	July 2, 2021	October 4, 2022
10.	Model Training Method, Apparatus, System, Device, and Medium Based on Federated Learning (基於聯邦學習的模型訓練方法、裝置、系統、設備和介質)	PRC	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd. COSMOPlat Digital Technology (Qingdao) Co., Ltd.	Invention	CN202110799022.9	July 15, 2021	March 15, 2024
11.	Cylinder Rolling Laser Welding Equipment (筒體卷圓激光焊接設備)	PRC	Feiketeng Intelligent Technology (Qingdao) Co., Ltd.	Invention	CN202110926952.6	August 12, 2021	May 13, 2025
12.	Multifunctional Ultrasonic Dishwasher and Its Control Method (多功能超聲波洗碗機及其控制方法)	PRC	Qingdao Dingxin Electronics Technology Co., Ltd.	Invention	CN202111130318.8	September 26, 2021	April 26, 2024

No.	Patent Name	Place of Registration	Patent Holder	Type	Registration Number	Application Date	Release Date
13.	Management Methods, Devices, Electronic Equipment, and Storage Media for Cloud Platform Systems (雲平台系統的管理方法、裝置、電子設備及存儲介質)	PRC	COSMOPlat Digital Technology (Qingdao) Co., Ltd. COSMOPlat Digital Technology (Shanghai) Co., Ltd. Qingdao Hailian Digital Technology Co., Ltd. (青島海鏈數字科技有限公司) COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	Invention	CN202111201808.2	October 15, 2021	April 9, 2024
14.	A Bidirectional Constant Current Source Circuit and Household Appliance (一種雙向恒流源電路及家用電器)	PRC	Qingdao Dingxin Electronics Technology Co., Ltd.	Invention	CN202210116692.0	February 7, 2022	May 6, 2025
15.	A Method, Apparatus, Equipment, and Storage Medium for Constructing a Digital Twin Factory (一種數字孿生工廠構建方法、裝置、設備和存儲介質)	PRC	COSMOPlat Digital Technology (Qingdao) Co., Ltd. COSMOPlat Digital Technology (Shanghai) Co., Ltd. COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	Invention	CN202211043894.3	August 30, 2022	March 8, 2024
16.	Bulk Transistor Material Molding Device (散裝晶體管料成型裝置)	PRC	Qingdao Lingzhi Electronics Technology Co., Ltd.	Invention	CN202310340205.3	March 31, 2023	June 13, 2025
17.	Workshop Scheduling Method, Apparatus, Equipment, and Storage Medium Based on Industrial Internet (基於工業互聯網的車間調度方法、裝置、設備及存儲介質)	PRC	COSMOPlat Digital Technology (Shanghai) Co., Ltd. COSMOPlat IoT Technology Co., Ltd.	Invention	CN202310636824.7	May 31, 2023	September 23, 2025
18.	An Assembly Method, Device, Electronic Equipment, and Storage Medium (一種裝配方法、裝置、電子設備及存儲介質)	PRC	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd.	Invention	CN202311559206.3	November 22, 2023	April 9, 2024
19.	Deep Learning-Based Cooling Tower Equipment Diagnosis Method, Device, Terminal, and Medium (基於深度學習的冷卻塔設備診斷方法、裝置、終端及介質)	PRC	Shanghai Discovery Energy Services Co., Ltd	Invention	CN202410314398.X	March 19, 2024	December 10, 2024
20.	Health Assessment Method, System, Medium, Program Product, and Terminal for Refrigeration Machine Rooms (製冷機房健康度評估方法、系統、介質、程序產品及終端)	PRC	Shanghai Discovery Energy Services Co., Ltd	Invention	CN202410773282.2	June 17, 2024	October 1, 2024
21.	Method, Apparatus, and Equipment for Identifying Bottlenecks in Assembly Lines Based on the Industrial Internet (基於工業互聯網的裝配線瓶頸識別方法、裝置及設備)	PRC	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd.	Invention	CN202510221983.X	February 27, 2025	July 4, 2025
22.	Temperature Control Method, Apparatus, Equipment, Medium, and Program Product for an Aldehyde Separation Tower Based on Industrial Internet (基於工業互聯網的醛分離塔的溫度控制方法、裝置、設備、介質及程序產品)	PRC	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd. COSMOPlat IoT Technology Co., Ltd.	Invention	CN202510239595.4	March 3, 2025	June 17, 2025
23.	Construction method of intelligent interaction service system, website intelligent interaction method and device	USA	COSMO INSTITUTE OF INDUSTRIAL INTELLIGENCE (QINGDAO) CO., LTD. COSMOPLAT IOT TECHNOLOGY, CO., LTD	Invention	US19/073842	March 7, 2025	August 12, 2025
24.	Adaptive Vibration Suppression Method and Device for Compressors Based on Reinforcement Learning (基於强化學習的壓縮機振動自適應抑制方法和裝置)	PRC	COSMOPlat Intelligent IoT Technology Co., Ltd. COSMOPlat Intelligent IoT Technology (Chongqing) Co., Ltd. Hefei Lingzhi Intelligent IoT Technology Co., Ltd. Qingdao Dingxin Electronics Technology Co., Ltd.	Invention	CN202510479601.3	April 17, 2025	June 27, 2025
25.	A training method, apparatus, and washing machine for an AI control model of a washing machine (一種洗衣機AI控製模型的訓練方法、裝置及洗衣機)	PRC	COSMOPlat Intelligent IoT Technology Co., Ltd., Hefei Lingzhi Intelligent IoT Technology Co., Ltd.	Invention	CN202510396642.6	April 1, 2025	November 21, 2025

No.	Patent Name	Place of Registration	Patent Holder	Type	Registration Number	Application Date	Release Date
26.	Task Processing Method, Device, Medium, and Product Based on an Industrial Large Model (基於工業大模型的任務處理方法、設備、介質及產品)	PRC	COSMOPlat Energy, COSMOPlat Digital Technology (Qingdao) Co., Ltd.	Invention	CN202610131045.5	January 30, 2026	May 26, 2026
27.	Process Parameter Optimization Method, Apparatus, Device, and Medium Based on the Industrial Internet (基於工業互聯網的工藝參數優化方法、裝置、設備及介質)	PRC	the Company, COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd., COSMOPlat Digital Technology (Shanghai) Co., Ltd.	Invention	CN202511405916.X	September 29, 2025	March 20, 2026

Copyrights

As of the Latest Practicable Date, the Group had registered the following copyrights which are material to its business:

No.	Copyright Name	Registrant	Registration Number	Registration Date
1.	Ficoten KITE Human-Machine Interaction System (斐科騰KITE人機交互系統)	Feiketeng Intelligent Technology (Qingdao) Co., Ltd.	2020SR0245783	March 12, 2020
2.	Ficoten Intelligent Production Management System (斐科騰智能生產管理系統)	Feiketeng Intelligent Technology (Qingdao) Co., Ltd.	2020SR0244505	March 12, 2020
3.	Industrial Internet Smart Park Operation Service Platform (工業互聯網智慧園區運營服務平台)	Gongfu (Qingdao) Technology Co., Ltd. (工賦(青島)科技有限公司)	2022SR0368276	March 21, 2022
4.	Kaos APS Smart Production Scheduling and Planning System (卡奧斯APS智慧排產與計劃系統)	COSMOPlat Digital Technology (Shanghai) Co., Ltd.	2023SR0924166	August 11, 2023
5.	Chixiao Machine Vision Reverse Osmosis Membrane Inspection System (赤霄機器視覺反滲透膜檢測系統)	Zhejiang Chixiao Intelligent Detection Technology Co., Ltd.	2023SR0989382	August 30, 2023
6.	Chixiao Intelligent Synthetic Fiber Material Testing System (赤霄智能合成纖維材料檢測系統)	Zhejiang Chixiao Intelligent Detection Technology Co., Ltd.	2023SR0990510	August 30, 2023
7.	D^3OS DT SIM Digital Twin Simulation System (D^3OS DT SIM 數字孿生仿真系統)	COSMOPlat Digital Technology (Shanghai) Co., Ltd.	2023SR1063379	September 14, 2023
8.	Industrial Large Model System Software (工業大模型系統軟件)	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	2023SR1703264	December 20, 2023
9.	Tumble Dryer Control Software (滾筒洗衣機控制軟件)	COSMOPlat Intelligent IoT (Foshan) Co., Ltd.	2024SR0085040	January 12, 2024
10.	Kaos Manufacturing Operations Management System (MOM) (卡奧斯製造運營管理系統 (MOM))	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2024SR0192189	January 29, 2024
11.	Kaos Advanced Planning and Scheduling System (APS) (卡奧斯高級計劃排程系統 (APS))	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2024SR1606073	October 24, 2024
12.	Kaos Warehouse Management System (WMS) (卡奧斯倉儲物流管理系統 (WMS))	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2024SR1609506	October 25, 2024
13.	Kaos Manufacturing Execution System (MES) (卡奧斯製造執行管理系統 (MES))	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2024SR1609522	October 25, 2024

No.	Copyright Name	Registrant	Registration Number	Registration Date
14.	Kaos Enterprise-Grade Industrial Internet Platform Integrated Motherboard Software (卡奧斯企業級工業互聯網平台一體化母板軟件)	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	2025SR0672734	April 24, 2025
15.	Kaos Energy Management System (EMS) (卡奧斯能源管理系統 (EMS))	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2025SR0694484	April 28, 2025
16.	Intelligent Equipment Management Platform (設備智能管理平台)	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	2025SR1072461	June 24, 2025
17.	Kaos IoTPlat Platform Software (卡奧斯IOTPlat平台軟件)	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	2025SR1311877	July 21, 2025
18.	Domestic Fixed-Speed Pulsator Washing Machine Software (內銷定頻波輪洗衣機軟件)	Foshan Lingzhi IoT Technology Co., Ltd.	2025SR1838699	September 22, 2025
19.	Kaos Smart Energy Management System (卡奧斯智慧能源管控系統)	COSMOPlat Energy Technology Co., Ltd.	2023SR1435873	November 15, 2023
20.	SCADA Data Acquisition and Monitoring System (SCADA數據採集與監視系統)	COSMOPlat Intelligent IoT Technology Co., Ltd.	2024SR0092154	January 12, 2024
21.	Kaos Quality Management System (QMS) (卡奧斯質量管控系統 (QMS))	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2024SR1611463	October 25, 2024
22.	Kaos Model Training and Propulsion Platform (卡奧斯模型訓推平颱)	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	2025SR2497362	December 12, 2025
23.	Kaos Tianzhi Machine Learning Platform (卡奧斯天智機器學習平颱)	COSMOPlat Industrial Intelligence Research Institute (Qingdao) Co., Ltd.	2025SR2497271	December 26, 2025
24.	Kaos Lighthouse Factory Digital Foundation Platform (卡奧斯燈塔工廠數字化底座平颱)	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2026SR0256430	February 9, 2026
25.	Equipment Management Intelligent Agent Platform (設備管理智能體平颱)	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	2026SR0523472	April 2, 2026

Domain Name

As of the Latest Practicable Date, the Group had registered the following domain name which is material to its business:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1.	cosmoplat.com	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	February 4, 2016	February 4, 2028
2.	cosmoplat.cn	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	February 4, 2016	February 4, 2030
3.	cosmoplat.net	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	February 4, 2016	February 4, 2030
4.	gongfuqd.com	Gongfu (Qingdao) Technology Co., Ltd.	July 30, 2021	July 30, 2026
5.	cosmoplat.hk	COSMOPlat Digital Technology (Qingdao) Co., Ltd.	February 8, 2018	February 8, 2026

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors and Chief Executive in the Company and Associated Corporations

Save as disclosed below, immediately following the completion of the **[REDACTED]** and the conversion of **[REDACTED]** Shares into H Shares and assuming that the **[REDACTED]** is not exercised, so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which 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 and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Name of Director	Nature of interest[(1)]	Number and description of Shares	Approximate percentage of shareholding in the relevant class of Shares immediately upon completion of the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares	Approximate percentage of shareholding in the total issued share capital of our Company immediately upon completion of the [REDACTED] and the Conversion of [REDACTED] Shares into H Shares[(2)]
Mr. Chen Lucheng (陳錄城)[(3)]	Interest in controlled corporation	**[REDACTED]** Shares	**[REDACTED]**%	**[REDACTED]**%
Mr. Zhan Bo (展波)[(4)]	Interest in controlled corporation	**[REDACTED]** Shares	**[REDACTED]**%	**[REDACTED]**%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of (i) **[REDACTED]** Shares in issue, (ii) **[REDACTED]** H Shares converted from **[REDACTED]** Shares, and (iii) **[REDACTED]** H Shares to be issued under the **[REDACTED]** immediately following the completion of the **[REDACTED]** and the conversion of **[REDACTED]** Shares into H Shares (assuming that the **[REDACTED]** is not exercised).

(3) As of the Latest Practicable Date, the general partner of Kesimeng I, Shanghai Wukun and Kesimeng II is Qingdao Haikemeng, which is a wholly-owned subsidiary of Mr. Chen Lucheng. As such, by virtue of the SFO, Mr. Chen Lucheng is deemed to be interested in the **[REDACTED]** Shares, **[REDACTED]** Shares and **[REDACTED]** Shares held by Kesimeng I, Shanghai Wukun and Kesimeng II respectively.

(4) As of the Latest Practicable Date, Mr. Zhan Bo held approximately 40.96% partnership interest in Shanghai Wukun. As such, by virtue of the SFO, Mr. Zhan is deemed to be interested in the **[REDACTED]** Shares held by Shanghai Wukun.

Disclosure of Interests of Substantial Shareholders in our Company

Save as disclosed in "Substantial Shareholders" of this document, our Directors are not aware of any other person, not being a Director or chief executive of our Company, who have any interest or short position in the Shares or underlying Shares, which following completion of the **[REDACTED]**, will fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Disclosure of Interests of Substantial Shareholders in Other Members of Our Group

Save as disclosed below, our Directors are not aware of any persons who would, immediately following the completion of the **[REDACTED]**, be directly or indirectly interested in 10% or more of the issued voting Shares of the other members of our Group (other than our Company).

Member of our Group	Name of substantial Shareholder	Approximate percentage of equity interest held by the substantial shareholder
Anhui Haijiyun Digital Technology Co., Ltd. (安徽海集雲數字科技有限公司)	Wuhu High Tech Industry Development Fund Co., Ltd. (蕪湖高新產業發展基金有限公司)	35.70%
	Wuhu Industrial Investment Fund Co., Ltd. (蕪湖產業投資基金有限公司)	15.30%
Gongfu (Deyang) Technology Co., Ltd. (工賦(德陽)科技有限公司)	Deyang Guoke Digital Industry Development Group Co., Ltd. (德陽國科數位產業發展集團有限公司)	34.00%
	Sichuan Deyang Tianfu Shugu Investment Development Co., Ltd. (四川德陽天府數穀投資發展有限公司)	17.00%
Gongfu (Qingdao) Technology Co., Ltd.	Qingdao Caitong Asset Management Co., Ltd. (青島財通資產管理有限責任公司)	31.00%
	Shandong Port Technology Group Co., Ltd. (山東港口科技集團有限公司)	18.00%
Qingdao Penghai Software Co., Ltd.	Qingdao Haida Xinxing Software Consulting Co., Ltd. (青島海大新星軟體諮詢有限公司)	18.41%
Anhui Smart Carbon Energy Co., Ltd. (安徽智碳能源有限公司)	Anhui Wenergy Smart Energy Technology Co., Ltd. (安徽皖能智慧能源科技有限公司)	39.00%
	Anhui Wanfeng Changneng Investment Co., Ltd. (安徽皖豐長能投資有限責任公司)	10.00%
Shanghai Discovery	Shanghai Discovery Investment Co., Ltd.	11.70%
	Dongling Fenghe	10.44%
Shanghai Tanzhiheng Energy Technology Co., Ltd. (上海碳之衡能源科技有限公司)	Bozhihui Information Technology (Shanghai) Co., Ltd. (博知慧資訊科技(上海)有限公司)	34.00%
	Wang Jinwang (王金旺)	15.00%
Haishihui (Nan'an) IoT Technology Co., Ltd. (海石薈(南安)物聯科技有限公司)	Nan'an Jinshi Investment Partnership Enterprise (Limited Partnership) (南安市金石投資合夥企業(有限合夥))	25.00%
Qingdao Shanghe Navigation Digital Technology Co., Ltd. (青島尚合領航數字科技有限公司)	Qingdao Production Investment Guosheng Digital Technology Development Co., Ltd. (青島產投國盛數位科技發展有限公司)	30.00%

FURTHER INFORMATION ABOUT THE DIRECTORS

Particulars of Directors' Service Contracts

Each of the Directors [has entered] into a service contract with the Company. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract with any member of the Group (excluding contracts expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

Save as disclosed in "Directors and Senior Management" and Note 9 to the Accountants' Report set out in Appendix I to this document, none of our Directors received other remunerations or benefits in kind from us for the three financial years ended December 31, 2023, 2024 and 2025 and the three months ended March 31, 2026.

There is no arrangement under which any Director has waived or agreed to waive any remuneration or benefits in kind during the Track Record Period.

Disclaimers

(a) None of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the **[REDACTED]**, none of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group.

(c) Save in connection with the **[REDACTED]**, none of the parties listed in "— Other Information — Qualification of Experts" below is interested legally or beneficially in any shares in any member of our Group or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group.

(d) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the **[REDACTED]** or related transactions as mentioned.

SHARE INCENTIVE SCHEMES

Our Company adopted a share award scheme (the "**Share Award Scheme**") and a share option scheme (the "**Share Option Scheme**") on January 9, 2019, (together, the "**Share Incentive Schemes**") and granted the partnership interests in our employee shareholding platforms to our eligible employees in recognition of their contributions and to incentivize them to further promote our development. In accordance with the terms of the Share Incentive Schemes, eligible participants (the "**Participants**") include the senior management of our Company and other key personnel who have a direct impact on our Company's overall performance and sustainable development.

As of the Latest Practicable Date, (i) all options granted under the Share Option Scheme had been exercised and all share awards under the Share Award Scheme had been granted to designated Participants, (ii) there were no outstanding options or share awards under the Share Incentive Schemes, and (iii) no further options or share awards will be granted thereunder after the **[REDACTED]**. Under the Share Incentive Schemes and the respective grant agreements, the Participants are subject to a three-year lock-up period commencing from the respective grant date. Following the **[REDACTED]**, and subject to the expiry of any statutory lock-up periods or lock-up periods undertaken by the relevant Participants, the Participants may trade the Shares through the employee shareholding platforms in accordance with applicable laws and regulations.

The Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any new grants or issuance of new Shares by our Company after the **[REDACTED]**, and their only continuing effect after the **[REDACTED]** is the lock-up arrangements as set out above.

Shanghai Discovery adopted a share incentive plan on February 1, 2016 ("**Share Incentive Plan**"), pursuant to which share awards may be granted to the eligible employees as an incentive to strengthen the competitive advantage in human resources and facilitate the strategic growth. The Share Incentive Plan is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of awards or issuance of new shares by Shanghai Discovery after the **[REDACTED]**.

In accordance with the terms of the Share Incentive Plan, eligible participants and grantees (the "**Eligible Participants**"), including the senior management, middle management, R&D and technical personnel, and other employees of Shanghai Discovery. Under the Share Incentive Plan, Eligible Participants subscribe for shares of the Shanghai Discovery's employee shareholding platform, namely Shanghai Discovery Investment Limited (上海碳索投資有限公司) ("**Discovery Investment**") and make the corresponding contributions, thereby holding indirect interest in the shares of Shanghai Discovery. Except as approved by the shareholders' meeting of Discovery Investment, the Eligible Participants shall not transfer, gift, pledge or otherwise dispose of their indirect interests in Shanghai Discovery during their employment. In addition, the Eligible Participants shall be required to withdraw from the Share Incentive Plan and transfer their indirect interests to a designated transferee upon termination of employment (including death, disability, retirement, amicable separation, termination of employment due to redundancy, or dismissal) or departure prior to the expiration of their service terms. Furthermore, in the event of illegal acts or breaches of non-compete or confidentiality obligations, the Eligible Participants may be required to transfer their interests at nil consideration.

As of the Latest Practicable Date, there were no outstanding share awards under the Share Incentive Plan, and no further share awards will be granted pursuant to the Share Incentive Plan.

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

Litigation

As of the Latest Practicable Date, save as disclosed in "Risk Factors" section in this document, the Company was not engaged in any outstanding litigation or arbitration which may have material adverse effect on the **[REDACTED]** and, so far as the Directors are aware, no material litigation or claim was pending or threatened by or against the Company.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Joint Sponsors

The Joint Sponsors have made an **[REDACTED]** on our behalf to the **[REDACTED]** for the **[REDACTED]** of, and permission to **[REDACTED]**, our Shares in issue, our Shares to be **[REDACTED]** pursuant to the **[REDACTED]**.

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Hong Kong Listing Rules.

Pursuant to the engagement letter entered into between the Company and each of the Joint Sponsors, the Joint Sponsors' fees payable by us to the Joint Sponsors in respect of their services as sponsors in connection with the **[REDACTED]** on the Stock Exchange is US$1 million in aggregate.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our **[REDACTED]** of members will be subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is HK$1.00 for every HK$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

Promoters

All of the promoters of the Company are the then Shareholders as of December 30, 2022 immediately before our conversion into a joint stock limited liability company. Within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the **[REDACTED]** or the related transactions described in this document.

No Material Adverse Change

Our Directors confirm that up to Latest Practicable Date, there has been no material adverse change in our financial, operational or trading positions or prospects since March 31, 2026, being the end of the period reported on as set out in the Accountants' Report included in Appendix I to this document.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
HSBC Corporate Finance (Hong Kong) Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
King&Wood	Legal adviser to our Company as to PRC law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
DLA Piper Singapore Pte. Ltd.	Legal adviser to our Company as to international sanctions laws

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

Save as otherwise disclosed in this document,

(a) within the two years preceding the date of this document:

  a. no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

  b. no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

  c. no **[REDACTED]**, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and

  d. no **[REDACTED]** has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

(b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;

(c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;

(d) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(e) our Company has no outstanding convertible debt securities or debentures;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) none of our equity and debt securities is **[REDACTED]** or **[REDACTED]** with in any other stock exchange nor is any **[REDACTED]** or permission to **[REDACTED]** being or proposed to be sought; and

(h) our Company is a joint stock limited company and is subject to the PRC Company Law.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of the material contracts referred to in "Appendix VI — Statutory and General Information — Further Information about the Business — Summary of Material Contracts"; and

(b) the written consents referred to in "Appendix VI — Statutory and General Information — Other Information — Qualifications and Consents of Experts."

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.cosmoplat.hk** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I to this document;

(c) the report on the unaudited **[REDACTED]** financial information from Ernst & Young, the text of which is set out in Appendix II to this document;

(d) the audited consolidated financial statements of the Group for the years ended [December 31, 2023, 2024 and 2025 and three months ended March 31, 2026];

(e) the legal opinion from King&Wood, the Company's PRC Legal Adviser, in respect of, among other things, the general matters and property interests of the Group under the PRC laws;

(f) the industry report prepared by Frost & Sullivan referred to in the section headed "Industry Overview" in this document;

(g) the memorandum issued by DLA Piper Singapore Pte. Ltd., our legal adviser as to international sanction laws, in respect of, among other things, the risk of exposure under the International Sanctions laws and regulations;

(h) the service contracts referred to in "Appendix VI — Statutory and General Information — Further Information about the Directors — Particulars of Directors' Service Contracts";

(i) the material contracts referred to in "Appendix VI — Statutory and General Information — Further Information about the Business — Summary of Material Contracts";

(j) the written consents referred to in "Appendix VI — Statutory and General Information — Other Information — Qualifications and Consents of Experts"; and

(k) the PRC Company Law, the PRC Securities Law and the Overseas Listing Trial Measures together with their unofficial English translations.