

SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. In particular, we are a specialist technology company seeking to [REDACTED] on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with [REDACTED] in companies such as ours. We had negative net cash flow from operating activities during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and may not pay any dividends in the foreseeable future. Your [REDACTED] decision should be made in light of these considerations.

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are the largest independent distributed AI storage solution provider in China, as measured by installed capacity in 2025. We focus on delivering enterprise-grade AI storage solutions that empower organizations to efficiently integrate data, decision-making, and operations at scale. The top five distributed AI storage solution providers in China accounted for a combined market share of 47.9% by installed capacity in 2025, with us representing 10.6% of the market, and standing as China’s second-largest distributed AI storage solution provider and the largest independent distributed AI storage solution provider. Based on revenue in the overall data storage market in the Chinese Mainland in 2025, we ranked between 10th and 15th among market participants, with a market share of approximately 0.1%. In the distributed AI storage market (including both independent providers and non-independent large-sized companies), we ranked between 10th and 15th with a market share of approximately 2.7% by revenue in 2025.

We have developed proprietary technologies such as XSEA and XScale. XSEA focuses on enabling fast, resilient and efficient data storage at scale, while XScale is designed to manage large volumes of data in a flexible and scalable manner. Leveraging these proprietary technologies, we have developed AI storage solutions encompassing (i) data lake storage solutions, designed for long-term data retention, organization, and governance, and (ii) storage solutions for T&I, engineered for fast data delivery for AI model T&I. Our AI storage solutions are delivered either as software-only deployments or as turnkey appliances with our proprietary software integrated with prescribed hardware. In substance, customers purchasing turnkey appliances procure a complete, pre-integrated system designed to address their storage needs, and such solutions are priced and contracted as a single deliverable. Revenue from AI storage solutions is primarily generated from the sale of our AI storage solutions and pricing is determined on a case-by-case basis with reference to the overall value delivered, market conditions and customer-specific negotiations. We also provide AI storage services, including tail-end warranty, maintenance or renewals services that accompany our AI storage solutions. Besides, we offer annual maintenance services and value-added offerings such as capacity expansion. Revenue from AI storage services primarily represents service fees charged based on the scope, duration and terms of the relevant service arrangements.

To enhance our market presence, we have built a sales and marketing team with relevant industry experience to identify market opportunities and communicate the value of our technologies and the performance of our solutions. We also sold our AI storage solutions through third-party distributors. Our distributors primarily engage in downstream sales and channel development in their respective regions and industry verticals. We remained loss-making during the Track Record Period until we achieved a turnaround in 2025 and recorded profit for the year of RMB7.1 million, primarily as a result of improvements in our operating performance. We recorded loss in the six months ended June 30, 2025 of RMB10.5 million and profit in the six months ended June 30, 2026 of RMB0.3 million, primarily due to an increase in revenue driven by an increase in revenue from AI storage solutions, as the rapid adoption of AI technologies across downstream industries fueled demand for advanced storage products, supported by our ability to deliver solutions tailored to specific industry requirements; such increase was partially offset by an increase in cost of sales, primarily due to a shift in project delivery mix toward turnkey appliance solutions during the period, and continued increase in hardware component price during the period.

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The following table sets forth a breakdown of our revenue by solution type in absolute amount and as a percentage of our total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
AI Storage Solutions										
Data lake storage solutions	62,060	37.2	70,141	40.7	129,696	48.6	39,733	39.9	102,017	54.9
Storage solutions for T&I	75,694	45.4	67,909	39.3	99,235	37.2	41,663	41.9	63,350	34.1
AI Storage Services	29,087	17.4	34,434	20.0	38,082	14.2	18,133	18.2	20,393	11.0
Total	166,841	100.0	172,484	100.0	267,013	100.0	99,529	100.0	185,760	100.0

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

	Year ended December 31,						Six months ended June 30,			
	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)										
AI Storage Solutions										
Data lake storage solutions	29,774	48.0	41,490	59.2	80,869	62.4	26,235	66.0	48,848	47.9
Storage solutions for T&I	45,688	60.4	44,549	65.6	61,109	61.6	30,146	72.4	33,054	52.2
AI Storage Services	16,945	58.3	23,815	69.2	28,445	74.7	13,416	74.0	14,412	70.7
Total	92,407	55.4	109,854	63.7	170,423	63.8	69,797	70.1	96,314	51.8

OUR AI STORAGE SOLUTIONS

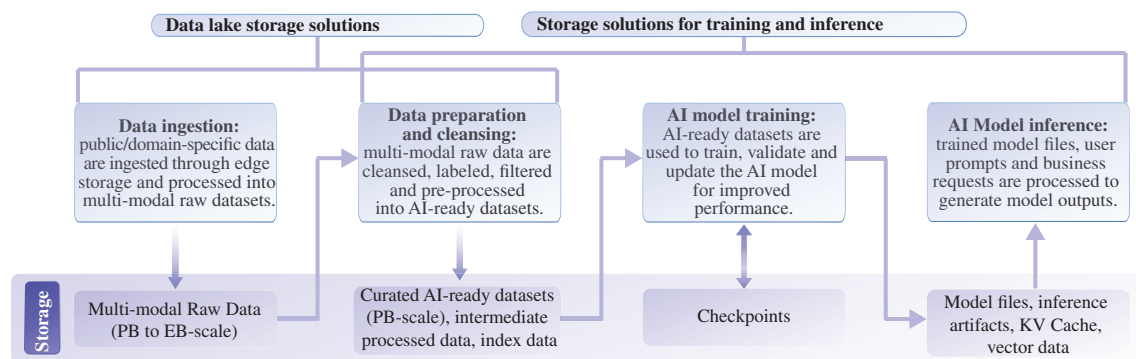
We primarily offer (i) AI storage solutions, comprising our data lake storage solutions and storage solutions for T&I, which may be offered either on a standalone basis or as a bundled offering, depending on the customer’s specific needs, (ii) AI storage services, including tail-end warranty, maintenance or renewals services that accompany our AI storage solutions. The use of “AI” in our solution names is because our storage solutions are specifically optimized for AI workloads. They do not embed AI algorithms or perform autonomous learning or decision-making functions.

- (i) **Data lake storage solutions.** Data lake storage solutions are designed to aggregate, cleanse and retain massive volumes of raw and unstructured data, serving as the starting point for the full AI data lifecycle.
- (ii) **Storage solutions for T&I.** Storage solutions for T&I are responsible for feeding data to GPUs at high speed and overcoming the industry’s two major bottlenecks—the IO Wall in large-model training and the Memory Wall in long-context inference.

Collectively, these solutions support our customers’ data access requirements for large-model training and real-time inference. See “Business — Our Solutions.”

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The following chart illustrates a standard AI data lifecycle, from data ingestion and preparation to model T&I, with a feedback loop whereby inference results may be fed back into earlier stages for continuous optimization. Our AI data lake storage solutions serve as a centralized repository for multi-modal raw datasets collected during the data ingestion stage, enabling large-scale data aggregation, cleansing, tagging and processing into AI-ready datasets during the subsequent data preparation stage. The solutions provide scalable storage, centralized management and high-throughput data access required for efficient AI model training and iterative model optimization. Building on these AI-ready datasets, our storage solutions for training and inference support AI model training, optimization and inference by enabling efficient storage and access to trained model files and related operational data. Through centralized management and monitoring, customers can allocate storage resources, manage data access permissions and automate data lifecycle management. The solutions also support data search, classification, tagging and workflow automation, enabling efficient utilization of training datasets and inference-related data throughout AI workloads. Collectively, our AI storage solutions streamline the entire data lifecycle, from data ingestion and storage to management and utilization.



Within each of our Data Lake Storage Solutions and Storage Solutions for T&I categories, we further offer various types of subsolutions depending on customers’ data usage scenarios and the storage formats required. Enterprise data is stored and accessed in three basic formats, and the choice among them depends on how the data is used.

- **Block storage** divides storage capacity into fixed-size “blocks” made directly available to an application, in the way a computer uses its internal disk; it is the fastest format with the lowest latency and is typically used by databases, virtual machines and other performance-critical systems.
- **File storage** organizes data as files within folders, in the way documents are kept on a shared office drive; multiple users and systems access the same files through familiar directory paths, which suits collaboration scenarios and AI training datasets that are read file by file.
- **Object storage** keeps each piece of data as an independent “object” with a unique identifier and descriptive tags in a flat structure without folder hierarchies, similar to the way a cloud photo album manages a massive number of items; it scales almost without limit and is best suited for very large volumes of unstructured data such as images, videos, backups and archives.

SUMMARY

The following table summarizes the key functions and features of each of our business segments and their respective sub-segments:

Business segment	Subsegment	Key functions, features and differentiation	Specific value added along the data lifecycle/type of processing applied to data	Relevant quantitative supporting metrics
1. AI storage solutions				
(1) Data lake storage solutions	Overall segment	Helps enterprise customers collect, store, organize and manage large volumes of raw and unstructured data before such data is used for AI training, analytics or other business applications. It is differentiated from storage solutions for T&I because it focuses on long-term data retention, organization, governance and lifecycle management, rather than real-time high-speed access during model training or inference.	Adds value at the data ingestion, storage, preparation and governance stages. It helps customers consolidate scattered data, manage different data formats, reduce data silos, and prepare data for future AI use.	See below
	XEOS	An enterprise-grade object storage solution for long-term storage of large volumes of unstructured data, such as images, videos and documents. It is differentiated from XEDP and EasyData because it mainly focuses on object storage and long-term retention, which means data is stored as individual units in a flat structure, making it easier to manage large volumes of unstructured data, and is particularly suited for use cases such as content repositories, backups and archival storage, as compared to file storage and block storage.	Adds value at the data storage, retention, governance and distribution stages. It stores raw and unstructured data, supports backup and archiving, prevents data loss through object lock and version control, optimizes small-file storage, and automatically moves data among hot, warm and cold storage tiers (with hot, warm and cold determined based on access frequency of data following rules set by customers), thus lowering the cost of longterm data retention for customers while keeping data accessible.	Validated in hundred-PB single-cluster production deployments; supports a single bucket scaling to hundreds of billions of objects; supports stable throughput and latency; supports policy-driven hot/warm/cold tiering.
	XEDP	A unified data storage platform integrating file, object and block storage into one system. It is differentiated from XEOS because it is not limited to object storage, and is differentiated from EasyData because it focuses more on unified storage infrastructure rather than data collection and preparation.	Adds value at the data consolidation and management stage. It allows customers to manage file, object and block data under one platform, so data used by different departments or systems can be stored and accessed under consistent policies.	Supports file, object and block storage in one system; works together with XEOS, XGFS and XEBS to provide unified data infrastructure. Its performance metrics may vary depending on the specific deployment architecture and customer workload profile.
	EasyData	A data management platform for handling large volumes of unstructured data from diverse sources. It is differentiated from XEOS and XEDP because it focuses on data ingestion, metadata management and data preparation, rather than underlying storage capacity or unified storage infrastructure.	Adds value at the data ingestion, preparation and utilization stages. It automatically collects data from different devices and systems, unifies metadata management, supports search and access control, and applies processing such as tagging, image analysis, data labeling and format conversion when instructed by customers.	EasyData has been tested on a single bucket with two billion unstructured objects. It allows users to manage all this data in a unified way, organize it with tags, and quickly search across it using flexible search methods, with results returned in seconds. It also allows up to 300 different user groups, so access to data can be controlled and managed securely.

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Business segment	Subsegment	Key functions, features and differentiation	Specific value added along the data lifecycle/type of processing applied to data	Relevant quantitative supporting metrics
(2) Storage solutions for T&I	Overall segment	Provides fast and reliable data access for AI model training and inference. It is differentiated from AI data lake storage solutions because it focuses on using and delivering data at high speed during GPU-based training and inference tasks, rather than storing and governing data for long-term use.	Adds value at the model training, inference and high-performance data access stages. It helps feed processed and performance-critical datasets to GPUs and computing clusters, reducing bottlenecks such as insufficient I/O performance and memory limitations.	See below
	XEBS-XINFINI	A fully SSD-based block storage solution for mission-critical and performance-intensive workloads, such as large-scale AI training, real-time inference, vector databases, distributed databases and enterprise cloud platforms. It is differentiated from XEBS because it is designed for more demanding and latency-sensitive workloads, while XEBS is designed for general-purpose applications with more balanced requirements on performance, scalability and cost efficiency.	Adds value at the real-time data access, AI training, AI inference and vector search stages. It enables many systems to access storage in parallel with low latency, reduces data-access delays, and supports high-speed workloads that require predictable performance, such as large-scale AI training, real-time inference, vector databases, distributed databases and enterprise cloud platforms.	Provides high IOPS and microsecond-level latency; read and write latency can be as low as approximately 100 microseconds; built on a Shared-Everything architecture where every server node can directly access all storage devices in the cluster; uses all-flash SSD pools and supports high throughput.
	XEBS	A distributed block storage solution supporting virtualization, databases, containers and hybrid cloud environments. It is differentiated from XEBS-XINFINI because XEBS is positioned as a general-purpose block storage solution for core enterprise applications, while XEBS-XINFINI is an all-flash, ultra-low-latency solution for mission-critical AI and high-speed workloads.	Adds value at the enterprise application and database data-access stage. It provides stable block storage for systems that require reliable low-latency operation, such as databases, virtualized environments and hybrid cloud applications.	In a performance test using three servers and a high-speed network, XEBS was able to handle a large number of data operations at once. It achieved over 110,000 small write operations per second and nearly 500,000 read operations per second, with 12 users generating the workload simultaneously.
	XGFS	A distributed file storage system for AI training, big data processing and other data-intensive workloads. It is differentiated from XEBS-XINFINI and XEBS because XGFS is a file storage solution, while XEBS-XINFINI and XEBS are block storage solutions, with file storage organizing data in hierarchical file systems for shared access and content management, typically used for AI training datasets, big data processing and collaborative workloads, whereas block storage stores data in fixed-size blocks for high-performance, low-latency transactional workloads such as databases and enterprise applications.	Adds value at the large-dataset access and AI training stage. It supports unified file access, broad protocol compatibility and high-concurrency access to large datasets, helping GPU clusters and data-intensive applications read and write many files efficiently.	Supports high throughput and low latency when handling billions of files; scalable to thousands of nodes; supports multiple data access protocols and domestic hardware ecosystems.

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Business segment	Subsegment	Key functions, features and differentiation	Specific value added along the data lifecycle/type of processing applied to data	Relevant quantitative supporting metrics
2. AI storage services	Tail-end warranty, maintenance and renewals services	Provides post-deployment support for customers that have purchased AI storage solutions. It is differentiated from AI storage solutions because it does not primarily involve initial system deployment, but supports system continuity after delivery.	Adds value at the post-deployment operation, maintenance and expansion stage. It helps customers keep deployed systems stable, renew warranties or maintenance arrangements, and expand storage capacity when business data increases.	Customers who purchase our AI storage solutions are also provided with AI storage services.

OUR BUSINESS MODEL

Customers of our AI storage solutions may choose to purchase software only or turnkey appliances with our software integrated. In substance, customers procure a complete, pre-integrated system designed to solve storage problems, rather than separable hardware and software components. Where customers request software-only deployment, we require hardware procurement strictly in accordance with our prescribed bill of materials and may decline delivery if specifications are not met. Our staff deploy the software on customer-procured hardware, resulting in a functional outcome equivalent to purchasing turnkey appliances. Our core value lies in our proprietary software stack, system architecture, and integrated design, as well as our assumption of end-to-end responsibility for system design, hardware selection, procurement, deployment, risk management and spare-parts support.

Our standard services follow a four-stage process. First, we conduct requirements discovery and, where appropriate, pre-sale proof-of-concept testing, followed by solution design and implementation planning. Second, we perform software installation, configuration, set up automated tiering policies under which data is allocated across appropriate storage tiers based on usage patterns, performance requirements and cost-efficiency considerations, and carry out data migration to integrate with existing IT environments. Third, we provide role-based training and post-deployment support. Fourth, we deliver tiered technical support, operations and maintenance services, including periodic health checks and optimization recommendations.

Our AI storage solutions support block, file and object storage, work with industry-standard protocols and diverse hardware platforms, and are compatible with major public and private cloud environments. As a data-lake foundation, they support multi-source data ingestion and migration across on-premises and cloud environments with integrity assurance and without business disruption.

See “Business — Our Business Model.”

OUR PROPRIETARY TECHNOLOGIES

Our core technology stack is purpose-built for AI-era data infrastructure and forms the foundation of our differentiated solutions capabilities. It primarily comprises:

- ***XSEA: Distributed Storage Architecture for All-Flash Data Centers.*** XSEA (XSKY eXtreme Shared-Everything Architecture) is a proprietary distributed storage architecture independently designed and developed by our Group for all-flash data centers. Building on this architectural foundation, we designed XSEA to be fast, resilient and efficient at scale. Specifically, XSEA achieves three core advantages: (i) approximately 100 microseconds latency through optimized data paths and minimal processing overhead, (ii) approximately 100 milliseconds recovery time through rapid detection and recovery from disk or hardware and system failures, and (iii) approximately 100% effective capacity utilization, enabled by technologies designed to improve storage efficiency, which reduce storage costs without compromising performance.

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- ***XScale: Core Storage Engine for AI and Multi-cloud Era.*** XScale is our proprietary core storage engine designed to support EB-scale unstructured data, hybrid cloud collaboration and AI-driven data lake architectures. By supporting multiple standard access protocols and applying efficient data protection and data management techniques, XScale enables storage systems to operate reliably under complex, high-concurrency workloads while maintaining scalability and cost efficiency. As the core engine of our unstructured data management capabilities, XScale supports use cases including AI-driven data lakes, multi-cloud collaborative storage and large-scale data lifecycle management.

See “Business — Our Proprietary Technologies.”

SPECIALIST TECHNOLOGY INDUSTRIES

The following table sets out how our solutions fall within acceptable sectors of a Specialist Technology Industry under Chapter 18C of the Listing Rules.

Specialist Technology Products	Specialist Technology Industry Acceptable Sectors
Data lake storage solutions	Technology and infrastructure enabling AI
Storage solutions for T&I	Technology and infrastructure enabling AI
AI storage services	Technology and infrastructure enabling AI

Our Directors are of the view that, based on the technology characteristics and use cases described above, each of the foregoing solutions and services falls within an acceptable sector of a Specialist Technology Industry under Chapter 18C of the Listing Rules. Based on the above analysis and the view of the Directors and CIC, the Sole Sponsor is of the view that each of our solutions and services qualify within an acceptable sector of Specialist Technology Industry as defined under Chapter 18C of the Listing Rules. See “Business — Our Solutions.”

COMMERCIALIZATION

We adopt a transaction-based model for our offerings. The following chart illustrates the commercialization timeline of our offerings, reflecting our continuous commercial application of technologies.

Specialist Technology Products	Launch	Start of Revenue Generation
Data lake storage solutions	July 2022	September 2022
Storage solutions for T&I	July 2021	September 2021
AI storage services	July 2021	September 2021

The number of customers remained stable at 251 in 2023, 257 in 2024, 269 in 2025, 223 in the six months ended June 30, 2025 and 248 in the six months ended June 30, 2026. Cumulatively, we served 490, 535, 603, 559 and 635 customers as of December 31, 2023, 2024, 2025 and June 30, 2025 and 2026, respectively.

We monetize our data lake storage solutions and storage solutions for T&I primarily through fixed-price project-based contracts, while we monetize our AI storage services primarily through annual service fees. Our data lake storage solutions and storage solutions for T&I generally follow a consistent pricing logic, with reference to multiple factors, including (i) the scale of deployment, (ii) the technical complexity, (iii) our cost structure, (iv) prevailing market prices, and (v) the nature of depth of our relationship with the customer.

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OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths have contributed to our success and differentiate us from our competitors:

- An independent distributed AI storage solution provider in China with competitive barriers that safeguard sustainable growth;
- AI-driven independent R&D capabilities as the foundation for innovation;
- Full-protocol, cross-scenario solutions covering the entire AI data lifecycle;
- Independent and highly compatible ecosystem;
- Diversified and retentive customer base across the AI value chain; and
- Experienced management team and diverse investor base.

See “Business — Our Competitive Strengths.”

OUR STRATEGIES

We have formulated the following development strategies:

- Strengthen R&D capabilities and attract top talent;
- Expand and optimize our solution portfolio;
- Expand sales channels and build industry-focused teams; and
- Build an inclusive and compatible ecosystem.

See “Business — Our Strategies.”

RESEARCH AND DEVELOPMENT

We focus R&D on software-defined, protocol-agnostic data platforms that scale from hundreds of billions of objects to EB-class pools and deliver microsecond-class I/O for T&I. All of our key Specialist Technology Products and their underlying core technologies have been independently developed in-house by our Group.

R&D Team

Our R&D team consisted of 156, 133, 129 and 132 members as of December 31, 2023, 2024, 2025, June 30, 2026, respectively, representing 43.5%, 42.1%, 41.1% and 40.2% of our total employees during the same years/periods. We incurred research and development expenses of RMB110.0 million, RMB88.0 million, RMB77.2 million, RMB38.0 million and RMB41.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 65.9%, 51.0%, 28.9%, 38.2% and 22.3% of our total revenue for the respective years/periods.

Key Research Projects

The principal research themes and current project tracks are set out below.

- ***Next-Generation Parallel File System.*** Our next-generation parallel file system is designed to deliver ultra-high performance data access and unified multi-protocol support, and serves as the core technical foundation for MeshFS and MeshFusion.

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- **AIMesh.** AIMesh is part of our Specialist Technology Products and is designed as a unifying software-defined layer that spans both our data lake storage solutions and storage solutions for T&I, which includes the following portfolios: (i) MeshFS, a high-speed data layer for AI training that is engineered to overcome the I/O wall, (ii) MeshFusion, an inference memory layer that expands memory capacity for large-context AI applications, and (iii) MeshSpace, a global data lake for managing and moving massive datasets. Together, these portfolios form AIMesh, a platform that connects diverse resources into a consistent, software-defined system. In January 2026, we officially launched the MeshSpace, MeshFS and MeshFusion. See “Business — Research and Development.”

SALES AND MARKETING

We primarily serve our users through selected distribution channels and also operate a direct sales model. The following table sets forth our revenue breakdown by sales channel in absolute amount and as percentage of our total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Distribution	98,223	58.9	102,905	59.7	190,357	71.3	62,529	62.8	121,883	65.6
Direct sales	68,618	41.1	69,579	40.3	76,656	28.7	37,000	37.2	63,877	34.4
Total	166,841	100.0	172,484	100.0	267,013	100.0	99,529	100.0	185,760	100.0

See “Business–Sales and Marketing.”

INTELLECTUAL PROPERTY

As of June 30, 2026, we had 103 registered patents in China. As of June 30, 2026, we also had 370 trademarks, 96 copyrights and three domain names in China. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any impediments in intellectual property rights applications. We confirm that all of the above listed patents are significant for carrying out the key functions of our Specialist Technology Products, and no other material patents are directly applied in our Specialist Technology Products. See “Business — Intellectual Property.”

CUSTOMERS AND SUPPLIERS

We primarily sell our solutions to enterprise customers in China (including Hong Kong), with a small portion of our revenue derived from overseas markets such as Singapore and Indonesia, across sectors such as intelligent manufacturing, financial institutions, telecommunications operators and technology enterprises, among others.

Revenue from our five largest customers in each year/period during the Track Record Period was RMB88.2 million, RMB88.6 million, RMB102.5 million and RMB103.2 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 52.9%, 51.4%, 38.3% and 55.5% of our total revenue for the same years/periods, respectively. Revenue from our largest customer in each year/period during the Track Record Period was RMB28.6 million, RMB36.7 million, RMB45.7 million and RMB41.1 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, accounting for 17.1%, 21.3%, 17.1% and 22.1% of our total revenue for the same years/periods, respectively. 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. See “Business — Customers.”

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Our suppliers primarily comprise original component manufacturers in China. Purchases from our five largest suppliers in each year/period during the Track Record Period was RMB65.9 million, RMB42.5 million, RMB81.2 million and RMB94.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 45.2%, 56.1%, 63.5% and 56.3% of our total purchases for the same years/periods, respectively. Purchases from our largest supplier in each year/period during the Track Record Period were RMB32.9 million, RMB15.9 million, RMB45.4 million and RMB38.0 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 22.6%, 21.0%, 35.5% and 22.6% of our total purchases for the same years/periods, respectively. As of the Latest Practicable Date, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of the Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year/period during the Track Record Period. See “Business — Suppliers.”

COMPETITIVE LANDSCAPE

The market size of China’s AI infrastructure reached RMB381.3 billion in 2025, accounting for approximately 15% of the global AI infrastructure market. It is expected to expand to RMB1,528.6 billion by 2030, representing a CAGR of 32.0%, at which point China’s share of the global market is projected to rise to approximately 25%. Within this market, the size of on-premise AI infrastructure is expected to grow from RMB192.2 billion in 2025 to RMB802.5 billion in 2030, representing a CAGR of 33.1%. The market size of on-premise distributed AI storage in China, measured by revenue, reached RMB17.1 billion in 2025 and is expected to grow to RMB90.8 billion by 2030. The installed capacity of distributed AI storage in China reached 17.5 EB in 2025 and is expected to grow to 89.1 EB by 2030, representing a CAGR of 38.5%. In 2025, AI data lake storage accounted for approximately 78.5% of the market in terms of installed capacity, while AI training and inference storage represented 21.5%. By 2030, these proportions are projected to shift to approximately 72% and 28%, respectively. Based on distributed AI storage installed capacity, the top five providers in China collectively held a 47.9% market share in 2025.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. We believe the most significant risks we face include but are not limited to the following:

- The industry in which we operate is characterized by constant development. If we fail to continuously innovate our technology and provide innovative solutions that meet the expectations of our customers, our business, financial condition and results of operations may be materially and adversely affected.
- We may fail to attract, recruit or retain key R&D personnel. Even with an R&D team in place, our R&D activities are inherently uncertain and may not yield expected results.
- If we are unable to compete effectively, our business, financial condition and prospects may be materially and adversely affected.
- The size of our addressable markets and the demand for our AI storage solutions and services may not increase as rapidly as we anticipate due to a variety of factors.
- Failure of our AI storage solutions and services to satisfy customer demands or to achieve increased market acceptance could adversely affect our business, results of operations, financial condition and growth prospects.

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- Our patents and other non-patented intellectual properties are valuable assets. Insufficient intellectual property protection or unauthorized use by third parties may reduce our competitive advantage and lead to conflicts that adversely affect our business, financial condition and results of operations.
- We may not be able to raise adequate capital to finance our business or R&D strategies, or we may be able to do so only on terms that significantly restrict our ability to operate and grow our business.
- We have incurred net losses in certain years/periods during the Track Record Period and may incur additional losses in the future.

See “Risk Factors.”

OUR SINGLE LARGEST SHAREHOLDERS GROUP

As of the Latest Practicable Date, by virtue of the Concert Party Agreements, Mr. Xu, Mr. Wang and XSKY Tianshu, as a group of Shareholders, were collectively entitled to control the voting rights attaching to approximately 24.78% of the total issued Shares of our Company through (i) 52,705,817 Shares held by Mr. Xu; (ii) 22,455,647 Shares held by Mr. Wang; and (iii) 12,611,553 Shares held by XSKY Tianshu. Mr. Xu is the general partner of XSKY Tianshu, and has the rights and powers to manage and administer the affairs of XSKY Tianshu. Pursuant to the Concert Party Agreements, Mr. Xu, Mr. Wang and XSKY Tianshu, each of them, as a Shareholder of our Company, undertook to act in concert in respect of key decision-makings of the Company and follow the view of Mr. Xu when exercising voting rights at shareholders’ meetings and Board’s meetings of the Company. For further details, see “History, Development and Corporate Structure — Acting-In-Concert Arrangement” in this Document. The Concert Party Agreements shall remain effective within at least 36 months (or such longer period as required by laws and regulations or by regulators) after the [REDACTED].

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Scheme), Mr. Xu, Mr. Wang and XSKY Tianshu will be collectively entitled to exercise the voting rights attaching to approximately [REDACTED]% of the total issued Shares of our Company. Accordingly, Mr. Xu, Mr. Wang and XSKY Tianshu will not be regarded as our controlling Shareholder as defined under the Listing Rules, but will remain as our Single Largest Shareholders Group upon completion of the [REDACTED]. See “Relationship with Our Single Largest Shareholders Group” for further details.

PRE-[REDACTED] INVESTMENTS

We have engaged in Pre-[REDACTED] Investments with our Pre-[REDACTED] Investors. For further details of the identity and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants’ Report in Appendix I to this document. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

SUMMARY

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

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

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	166,841	172,484	267,013	99,529	185,760
Cost of sales	(74,434)	(62,630)	(96,590)	(29,732)	(89,446)
Gross profit	92,407	109,854	170,423	69,797	96,314
Other income	17,200	12,661	17,332	6,057	7,238
Impairment losses under expected credit loss model, net of reversal	528	359	(887)	(1,008)	609
Other gains and losses, net . .	(30)	(51)	347	34	286
Selling and marketing expenses	(124,107)	(86,526)	(73,645)	(36,170)	(36,852)
Research and development expenses	(110,012)	(87,959)	(77,186)	(38,010)	(41,426)
Administrative expenses	(56,185)	(32,140)	(24,937)	(11,041)	(13,468)
[REDACTED]	—	—	(4,100)	—	(12,240)
Finance costs	(471)	(377)	(210)	(120)	(154)
(Loss)/profit before tax	(180,670)	(84,179)	7,137	(10,461)	307
Income tax expense	—	—	—	—	—
(Loss)/profit and total comprehensive (expense)/income for the year/period	(180,670)	(84,179)	7,137	(10,461)	307
(Loss)/profit per share (RMB)					
Basic and diluted	(0.48)	(0.23)	0.02	(0.03)	0.00

Our net loss decreased from RMB180.7 million in 2023 to RMB84.2 million in 2024, and turned to net profit of RMB7.1 million in 2025, primarily due to (i) an increase in revenue resulting from increasing downstream demand and deeper market penetration as the competitiveness of our AI storage-related solutions continued to strengthen, and (ii) a decrease in our operating expenses including selling and marketing expenses, research and development expenses and administrative expenses. Such reduction in expenses was primarily attributable to the maturation of our core underlying technologies, which shifted our R&D focus toward platform iteration and productization, together with the implementation of a unified and modularized R&D architecture across business lines that enables extensive reuse of core components and reduces incremental R&D costs for new solution development. In addition, the adoption of AI-enabled quality engineering systems and productivity tools has automated portions of development and operational workflows, improving workforce efficiency and contributing to controlled decreases across R&D, selling and marketing, and administrative expenses. Our net loss of RMB10.5 million in the six months ended June 30, 2025 changed to net profit of RMB0.3 million in the six months ended June 30, 2026, primarily due to an increase in revenue driven by an increase in revenue from AI storage solutions, as the rapid adoption of AI technologies across downstream industries fueled demand for advanced storage products, supported by our ability to deliver solutions tailored to specific industry requirements; such increase was partially offset by an increase in cost of sales, primarily due to a shift in project delivery mix toward turnkey appliance solutions during the period, and continued increase in hardware component price during the period.

SUMMARY

Revenue

Revenue by Sales Channel

The following table sets forth our revenue breakdown by sales channel in absolute amount and as percentage of our total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Distribution	98,223	58.9	102,905	59.7	190,357	71.3	62,529	62.8	121,883	65.6
Direct sales	68,618	41.1	69,579	40.3	76,656	28.7	37,000	37.2	63,877	34.4
Total	166,841	100.0	172,484	100.0	267,013	100.0	99,529	100.0	185,760	100.0

Revenue by Product Mix

The following table sets forth our revenue breakdown by product mix in absolute amount and as percentage of our total revenue for the years/periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(unaudited)									
Software-based solutions	56,793	34.1	70,022	40.6	114,806	43.0	46,871	47.1	62,701	33.7
Turnkey appliance . . .	80,961	48.5	68,028	39.4	114,125	42.7	34,525	34.7	102,666	55.3
AI storage services . . .	29,087	17.4	34,434	20.0	38,082	14.3	18,133	18.2	20,393	11.0
Total	166,841	100.0	172,484	100.0	267,013	100.0	99,529	100.0	185,760	100.0

Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin by Sales Channel

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

	Year ended December 31,						Six months ended June 30,			
	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)									
Distribution	42,774	43.6	48,787	47.4	108,079	56.8	36,159	57.8	52,672	43.2
Direct sales	49,633	72.3	61,067	87.8	62,344	81.3	33,638	90.9	43,642	68.3
Total	92,407	55.4	109,854	63.7	170,423	63.8	69,797	70.1	96,314	51.8

SUMMARY

Gross Profit and Gross Profit Margin by Product Mix

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

	Year ended December 31,						Six months ended June 30,			
	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	%
	<i>(unaudited)</i>									
Software-based solutions	54,852	96.6	68,698	98.1	113,666	99.0	46,646	99.5	62,539	99.7
Turnkey appliance	20,610	25.5	17,341	25.5	28,312	24.8	9,735	28.2	19,363	18.9
AI storage services	16,945	58.3	23,815	69.2	28,445	74.7	13,416	74.0	14,412	70.7
Total	92,407	55.4	109,854	63.7	170,423	63.8	69,797	70.1	96,314	51.8

Summary of Consolidated Statements of Financial Position

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	117,770	143,907	54,863	57,103
Total current assets	392,737	279,906	256,774	263,189
Total assets	510,507	423,813	311,637	320,292
Total non-current liabilities . .	27,447	23,744	25,604	28,446
Total current liabilities	80,456	81,644	92,746	98,252
Total liabilities	107,903	105,388	118,350	126,698
Net current assets	312,281	198,262	164,028	164,937
Net assets	402,604	318,425	193,287	193,594

Our net assets decreased from RMB402.6 million as of December 31, 2023 to RMB318.4 million as of December 31, 2024, primarily attributable to the loss and total comprehensive expense of the year of RMB84.2 million. Our net assets decreased from RMB318.4 million as of December 31, 2024 to RMB193.3 million as of December 31, 2025, primarily attributable to targeted capital repurchase of RMB132.3 million, which was partially offset by the profit and total comprehensive income of the year of RMB7.1 million. Our net assets remained relatively stable at RMB193.3 million as of December 31, 2025 and RMB193.6 million as of June 30, 2026. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position.”

SUMMARY

Summary of Consolidated Cash Flow Statements

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Net cash flows used in operating activities	(152,561)	(39,266)	(25,459)	(30,973)	(93,480)
Net cash flows (used in)/generated from investing activities	(96,451)	(2,244)	91,085	49,869	48,582
Net cash flows (used in)/generated from financing activities	(5,173)	(9,231)	(132,992)	(2,146)	23,970
Net (decrease)/increase in cash and cash equivalents .	(254,185)	(50,741)	(67,366)	16,750	(20,928)
Cash and cash equivalents at beginning of the year/period	419,552	165,370	114,629	114,629	47,263
Effect of foreign exchange rate changes	3	—	—	—	—
Cash and cash equivalents at end of the year/period	165,370	114,629	47,263	131,379	26,335

Our net cash flows used in operating activities decreased from RMB152.6 million in 2023 to RMB39.3 million in 2024, primarily attributable to (i) a significant decrease in loss before tax from RMB180.7 million to RMB84.2 million, driven by revenue growth from expanding downstream demand and increased market penetration of our AI storage solutions, as well as improved cost efficiency following technology maturation, modularized R&D and AI-enabled productivity enhancements, and (ii) a decrease in trade and notes receivables as a result of strengthened collection oversight and stricter distributor performance assessments, which improved the timeliness of receivables collection. Our net cash flows used in operating activities further decreased to RMB25.5 million in 2025, primarily attributable to (i) a turnaround from loss before tax to profit before tax as accelerated AI adoption across downstream industries drove demand for advanced storage solutions aligned with industry-specific requirements, and (ii) an increase in trade and other payables following the recognition of payables related to a targeted capital reduction to certain shareholders in August 2025. Such improvements were partially offset by an increase in trade and notes receivables resulting from higher customer demand and the corresponding growth in accounts receivable balances. In the six months ended June 30, 2026, our net cash flows used in operating activities was RMB93.5 million, primarily attributable to our profit before tax of RMB0.3 million as adjusted by (i) non-cash and nonoperating items, primarily comprising depreciation of property, plant and equipment of RMB3.5 million, and depreciation of right-of-use assets of RMB2.1 million and (ii) changes in working capital, which primarily comprised increase in trade and notes receivables of RMB34.2 million, increase in inventories of RMB31.0 million and decrease in trade and other payables of RMB22.8 million. In 2025, our net cash flows used in operating activities was RMB25.5 million, which was primarily attributed to our profit before tax of RMB7.1 million as adjusted by (i) non-cash and non-operating items, primarily comprising depreciation of property, plant and equipment of RMB8.7 million, and depreciation of right-of-use assets of RMB4.2 million and (ii) changes in working capital, which primarily comprised increase in trade and notes receivables of RMB56.8 million, partially offset by increase in trade and other payables of RMB18.3 million.

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, the long-term bank deposits and the estimated net [REDACTED] from the [REDACTED], 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.

SUMMARY

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, and (ii) payments for property, plant and equipment, intangible assets, right-for-use assets and lease liabilities. Our historical cash burn rate was RMB14.2 million, RMB4.0 million, RMB2.7 million and RMB16.4 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, mainly representing our investment in R&D activities. We had relatively higher cash burn rates in 2023, primarily due to relatively higher employee compensations paid in cash. We also recorded a relatively higher cash burn rate in the six months ended June 30, 2026, primarily because we increased our hardware procurement during favorable pricing windows and, where appropriate, made advance payments to suppliers to secure supply and favorable pricing. As the need for additional inventory build-up and advance payments is expected to decrease, and together with the anticipated growth in product sales in the second half of 2026, we expect our cash burn rate to decline in the second half of 2026.

We had (i) cash and cash equivalents of RMB26.2 million, (ii) committed unutilized bank facilities of RMB50.0 million, and (iii) term deposits (current and non-current) of RMB74.0 million as of July 31, 2026. We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] after deducting the [REDACTED] and expenses payable by us in the [REDACTED], assuming that the [REDACTED] is not exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED]. Assuming an expected average future monthly cash burn of RMB[REDACTED] based on the following principal assumptions: (i) hardware procurement costs and related working capital requirements remaining at a relatively elevated level; as advised by CIC, upstream hardware prices are expected to remain subject to potential upward pressure driven by industry supply-demand dynamics; (ii) cash outflows associated with the expected increase in hardware procurement costs being partially offset by cash inflows generated from the continued growth in sales of our Specialist Technology Products; and (iii) our operating expense profile remaining broadly stable following the implementation of operational optimization initiatives, we estimate that our cash and cash equivalents, term deposits, and committed unutilized bank facilities totaling RMB150.2 million as of July 31, 2026, will be able to maintain our financial viability for [REDACTED] months from [REDACTED] to [REDACTED]. If further taking into account [REDACTED]% of the estimated net [REDACTED] from [REDACTED] at an [REDACTED] of HK\$[REDACTED] per [REDACTED], we estimate sufficiency of financial viability for [REDACTED] months, from [REDACTED] to [REDACTED]; and if taking into account [REDACTED] of such estimated net [REDACTED], we estimate sufficiency of financial viability for [REDACTED] months, from [REDACTED] to [REDACTED].

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 six months ended June 30,
	2023	2024	2025	2026
Revenue growth (%)	N/A	3.4	54.8	86.6
Net (loss)/profit rate (%)	(108.3)	(48.8)	2.7	0.2
Gross profit margin (%)	55.4	63.7	63.8	51.8
Current ratio	4.9	3.4	2.8	2.7
Quick ratio	4.5	3.1	2.5	2.1
Debt-to-asset ratio (%)	21.1	24.9	38.0	39.6

BUSINESS SUSTAINABILITY

Historically, we incurred net losses primarily because we prioritized technology development and market expansion. We made substantial investments in R&D to strengthen our leadership in AI storage, expand our product portfolio and enhance our underlying technologies. We achieved a turnaround in 2025 and recorded profit for the year of RMB7.1 million. We recorded profit for the six months ended June 30, 2026 of RMB0.3 million. This was primarily attributable to the continued commercialization of our data lake storage solutions and storage solutions for T&I, the improved operating efficiency and greater economies of scale. Going forward, we plan to accelerate

SUMMARY

commercialization of our AIMesh by expanding deployment in large-scale AI storage scenarios and deepening collaboration with ecosystem partners. We plan to continue enhancing our overall product features through ongoing R&D investment, focusing on higher-performance distributed storage, broader protocol compatibility and improved integration with diverse AI compute environments. At the same time, we aim to acquire new customers across additional verticals while strengthening relationships with existing clients through superior delivery, service quality and long-term support. To sustain scalable growth, we also plan to enhance operating efficiency through optimized resource allocation, refined implementation processes and improved cost control. See “Business — Business Sustainability.”

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the [REDACTED] for the granting of [REDACTED] of, and permission to [REDACTED] in, (i) our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]), (ii) the H Shares to be converted from Unlisted Shares and (iii) the Shares to be issued pursuant to the outstanding options under the Share Option Scheme, on the basis that, among other things, we are expected to satisfy the requirements under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected [REDACTED] at the time of [REDACTED], which based on the [REDACTED], exceeds HK\$[REDACTED].

[REDACTED] STATISTICS

The statistics in the following table are based on the assumptions that (i) [REDACTED] H Shares are [REDACTED] pursuant to the [REDACTED]; (ii) [REDACTED] Unlisted Shares will be converted into H Shares; and (iii) the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Scheme.

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

Notes:

- (1) The calculation of [REDACTED] of our Shares is based on the [REDACTED] Shares, comprising [REDACTED] Shares expected to be in [REDACTED] immediately following the completion of the [REDACTED] and [REDACTED] Unlisted Shares that would be converted to H Shares upon completion of the [REDACTED] and [REDACTED] Unlisted Shares, assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Scheme. For details, see “Share Capital” in this document.
- (2) The calculation of the [REDACTED] of our H Shares is based on the [REDACTED] H Shares, comprising [REDACTED] H Shares to be [REDACTED] under the [REDACTED] and [REDACTED] H Shares to be converted from Unlisted Shares, expected to be in [REDACTED] immediately following the completion of the [REDACTED]. For details, see “Share Capital” in this document.
- (3) The unaudited [REDACTED] adjusted net tangible assets per Share is calculated after making the adjustments referred to in “Financial Information — Unaudited [REDACTED] Statement of Adjusted Net Tangible Assets” and on the basis that [REDACTED] H Shares expected to be in [REDACTED] immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the Share Option Scheme.

SUMMARY

[REDACTED]

[REDACTED] consist of professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We expect to incur [REDACTED] of approximately RMB[REDACTED] (HK\$[REDACTED]), comprising: (i) [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]); and (ii) non [REDACTED] of RMB[REDACTED] (HK\$[REDACTED]), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB[REDACTED] (HK\$[REDACTED]); and (b) other fees and expenses of RMB[REDACTED] (HK\$[REDACTED]), assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range), approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be deducted from equity upon completion of the [REDACTED]. The [REDACTED] are expected to represent approximately [REDACTED]% of the gross [REDACTED] of the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED] range) and that the [REDACTED] is not exercised. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. We do not expect such expenses to have a material adverse impact on our results of operations in 2026.

FUTURE PLANS AND USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] payable by us in connection with the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per Share, we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] for the following purposes:

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for enhancing R&D capabilities and enriching our AI storage solution portfolio over the next five years;
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for talent and expansion of sales coverage in strategic industries over the next five years; and
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], as working capital and for general corporate uses.

See “Future Plans and Use of [REDACTED].”

DIVIDENDS AND DIVIDEND POLICIES

No dividends were paid or declared by our Company during the Track Record Period.

Our dividend policy provides that no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any declaration of dividends shall be proposed by our Board of Directors and shall be subject to the approval of our shareholders in general meeting in accordance with our Articles of Association and all applicable laws and regulations. We currently do not have a formal dividend policy or any fixed dividend pay-out ratio. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will, therefore, only be able to declare dividends after (i) all our historically accumulated losses have been made up for, and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

SUMMARY

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this Document, there had been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of the periods reported in Appendix I to this Document, and there is no event since June 30, 2026 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this Document.

In January 2026, we officially launched the MeshSpace, MeshFS and MeshFusion, which collectively forms our AIMesh, a platform that connects diverse resources into a consistent, software-defined system. It is designed to support single-bucket, exabyte-scale data capacity and to provide unified access and a single namespace for geographically distributed cross-cloud and heterogeneous unstructured storage environments. As part of our continued product evolution, we also released an updated version of MeshFS. The upgraded MeshFS is designed to address the “I/O wall” in AI training by reconstructing the end-to-end data path, and to balance extreme performance with cost efficiency through intelligent data tiering, background compression and an optimized architecture, providing a robust storage foundation for enterprise AI infrastructure.

We expect to incur a net loss in 2026, primarily attributable to our continued investment in research and development and business expansion. Following the rapid expansion of our business during the Track Record Period, we intend to continue investing in 2026 to support our further growth. In particular, we expect (i) the research and development expenses to increase as we plan to enhance our R&D team’s incentives and continue to develop the next-generation AI native storage platform and pursue other technological initiatives, (ii) our selling and marketing expenses to increase as we plan to strengthen incentives for our sales team to support business growth; and (iii) our administrative expenses to increase as we plan to expand our administrative team to support growing operations. Furthermore, we expect to incur [REDACTED] in connection with the [REDACTED] and equity-settled share-based payments. We expect these increases in expenses to be partially offset by revenue growth, driven by increasing demand for advanced storage solutions amid the accelerating adoption of AI across downstream industries. We believe our ability to maintain our competitive position, expand our customer base and deepen relationships with existing customers will further support such revenue growth.