# 成都国星宇航科技股份有限公司
# Adaspace Technology Co., Ltd.

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

Stock Code : 6935

## GLOBAL OFFERING



Sole Sponsor and Sole Sponsor-Overall Coordinator

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL | 建银国际 CCB International

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL | 建银国际 CCB International | 仁和資本 ARMONIA CAPITAL | 中州國際 CENTRAL CHINA INTERNATIONAL | 山證國際 SHANXI SECURITIES INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL | 建银国际 CCB International | 國元國際 GUOYUAN INTERNATIONAL | 東吳證券(香港) SOOCHOW SECURITIES (HONG KONG)

*If you are in any doubt about any of the contents of this prospectus, you should seek independent professional advice.*

# Adaspace Technology Co., Ltd.

# 成都国星宇航科技股份有限公司

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

## GLOBAL OFFERING

| | | |
|---|---|---|
| **Number of Offer Shares under the Global Offering** | : | **30,121,000 H Shares (subject to the Offer Size Adjustment Option and the Over-allotment Option)** |
| **Number of Hong Kong Offer Shares** | : | **3,012,100 H Shares (subject to reallocation)** |
| **Number of International Offer Shares** | : | **27,108,900 H Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option)** |
| **Maximum Offer Price** | : | **HK$33.20 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)** |
| **Nominal value** | : | **RMB0.1 per H Share** |
| **Stock code** | : | **6935** |

***Sole Sponsor and Sole Sponsor-Overall Coordinator***

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL

***Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers***

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL | 建银国际 CCB International

***Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers***

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL | 建银国际 CCB International | 仁和資本 HARMONIA CAPITAL | 中州國際 CENTRAL CHINA INTERNATIONAL | 山證國際 SHANXI SECURITIES INTERNATIONAL

***Joint Bookrunners and Joint Lead Managers***

國泰海通 GUOTAI HAITONG | 國泰君安國際 GUOTAI JUNAN INTERNATIONAL | 建银国际 CCB International | 國元國際 GUOYUAN INTERNATIONAL | 東吳證券(香港) SOOCHOW SECURITIES (HONG KONG)

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display" in Appendix VIII to this prospectus, 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 for the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on or before Wednesday, November 11, 2026 or such later time as may be agreed between the parties, but in any event, no later than 12:00 noon on Wednesday, November 11, 2026 (Hong Kong time). The Offer Price will be not more than HK$33.20 per Offer Share and is currently expected to be not less than HK$24.90 per Offer Share, unless otherwise announced. If, for any reason, the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price by 12:00 noon on Wednesday, November 11, 2026, the Global Offering will not proceed and will lapse immediately.

Applicants for the Hong Kong Offer Shares may be required to pay, on application (subject to application channels) the maximum Offer Price of HK$33.20 for each Offer Share together with brokerage fee of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%, subject to refund if the Offer Price as finally determined is lower than HK$33.20. The Overall Coordinators, for themselves and on behalf of the Underwriters, may, where considered appropriate and with the consent of our Company, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that is stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, notices of such reduction will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and the Company at **https://www.adaspace.com/** as soon as practicable following the decision to make such reduction, but in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offer. Further details are set out in the section headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, in particular, the risk factors set out in the section headed "Risk Factors." Pursuant to the termination provisions contained in the Hong Kong Underwriting Agreement in respect of the Offer Shares, the Overall Coordinators, for themselves and on behalf of the Hong Kong Underwriters, have the right in certain circumstances, to terminate the obligations of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement at any time prior to 8:00 a.m. on the Listing Date. Further details of the terms of the termination provisions are set out in the section headed "Underwriting — Grounds for Termination." It is important that you refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold only outside the United States in offshore transactions in accordance with Regulation S.

**ATTENTION**

We have adopted a fully electronic application process for the Hong Kong Public Offer. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offer.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk and our website at https://www.adaspace.com/**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

November 5, 2026

## IMPORTANT NOTICE TO INVESTORS
## FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offer. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offer.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews* > *New Listings* > *New Listing Information*" section, and our website at **https://www.adaspace.com/**. If you require a printed copy of this prospectus, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**;

(2) apply through the **HKSCC EIPO** channel to electronically cause HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** through HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above.

Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 100 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, your broker or custodian may require you to pre-fund your application in such amount as determined by the broker or custodian, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

| No. of Hong Kong Offer Shares applied for | Amount payable[2] on application | No. of Hong Kong Offer Shares applied for | Amount payable[2] on application | No. of Hong Kong Offer Shares applied for | Amount payable[2] on application | No. of Hong Kong Offer Shares applied for | Amount payable[2] on application |
|---|---|---|---|---|---|---|---|
| | *HK$* | | *HK$* | | *HK$* | | *HK$* |
| 100 | 3,353.48 | 1,500 | 50,302.22 | 8,000 | 268,278.58 | 90,000 | 3,018,133.98 |
| 200 | 6,706.97 | 2,000 | 67,069.64 | 9,000 | 301,813.40 | 100,000 | 3,353,482.20 |
| 300 | 10,060.44 | 2,500 | 83,837.05 | 10,000 | 335,348.22 | 200,000 | 6,706,964.40 |
| 400 | 13,413.93 | 3,000 | 100,604.47 | 20,000 | 670,696.45 | 300,000 | 10,060,446.60 |
| 500 | 16,767.41 | 3,500 | 117,371.88 | 30,000 | 1,006,044.65 | 400,000 | 13,413,928.80 |
| 600 | 20,120.90 | 4,000 | 134,139.29 | 40,000 | 1,341,392.88 | 500,000 | 16,767,411.00 |
| 700 | 23,474.37 | 4,500 | 150,906.69 | 50,000 | 1,676,741.10 | 750,000 | 25,151,116.50 |
| 800 | 26,827.86 | 5,000 | 167,674.11 | 60,000 | 2,012,089.32 | 1,000,000 | 33,534,822.00 |
| 900 | 30,181.34 | 6,000 | 201,208.93 | 70,000 | 2,347,437.55 | 1,250,000 | 41,918,527.50 |
| 1,000 | 33,534.83 | 7,000 | 234,743.75 | 80,000 | 2,682,785.75 | 1,506,000[1] | 50,503,441.93 |

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

*If there is any change in the following expected timetable of the Hong Kong Public Offer, we will issue an announcement in Hong Kong to be published on the Company's website at* ***https://www.adaspace.com/*** *and the website of the Stock Exchange at* ***www.hkexnews.hk****.*

Hong Kong Public Offer commences . . . . . .9:00 a.m. on Thursday, November 5, 2026

Latest time for completing electronic applications under the **White Form eIPO** service[2] the designated website **www.eipo.com.hk** . . . . . 11:30 a.m. on Tuesday, November 10, 2026

Application lists of the Hong Kong Public Offer open[3] . . . . . .11:45 a.m. on Tuesday, November 10, 2026

Latest time for (a) giving **electronic application instructions** to HKSCC and (b) completing payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s)[4] . . . . . .12:00 noon on Tuesday, November 10, 2026

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via FINI to apply for the Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offer close[3] . . . . . .12:00 noon on Tuesday, November 10, 2026

Expected Price Determination Date[5] . . . . . .by 12:00 noon on Wednesday, November 11, 2026

Announcement of

- the Offer Price;
- an indication of the level of interest in the International Offering;
- the level of applications in the Hong Kong Public Offer; and
- the basis of allocation of the Hong Kong Offer Shares

to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **https://www.adaspace.com/**[4] . . . . . no later than 11:00 p.m. on Thursday, November 12, 2026

Results of allocations in the Hong Kong Public Offer to be available through a variety of channels including:

(1) in the announcement to be posted on our Company's website at **https://www.adaspace.com/**[5] and the Stock Exchange's website at **www.hkexnews.hk** . . . . . no later than 11:00 p.m. on Thursday, November 12, 2026

(2) from the "Allotment Results" page at the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) on a 24-hour basis . . . . . from 11:00 p.m. on Thursday, November 12, 2026 to 12:00 midnight on Wednesday, November 18, 2026

(3) from the allocation results telephone enquiry line by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m.. . . . . on Friday, November 13, 2026, Monday, November 16, 2026, Tuesday, November 17, 2026 and Wednesday, November 18, 2026

Dispatch of H Share certificates or deposit of the H Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offer on or before[6] . . . . . Thursday, November 12, 2026

Dispatch of **White Form e-Refund** payment instructions/refund cheques (if applicable) on or before[6] . . . . . Friday, November 13, 2026

Dealings in H Shares on the Main Board of the Stock Exchange to commence at[6] . . . . . 9:00 a.m. on Friday, November 13, 2026

*Notes:*

(1) All times and dates refer to Hong Kong local times and dates, except as otherwise stated. Details of the structure of the Global Offering, including its conditions, are set out in "Structure and Conditions of the Global Offering" in this prospectus. If there is any change in the above expected timetable, we will issue a separate announcement in Hong Kong to be published on our website at **https://www.adaspace.com/** and the website of the Stock Exchange at **www.hkexnews.hk**.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, November 10, 2026, the application lists will not open or close on that day. Further information is set out in "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements".

(4) Applicants who apply for the Hong Kong Offer Shares by instructing their broker or custodian who is a HKSCC Participant to give **electronic application instructions** to HKSCC via FINI should refer to "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels".

(5) The Price Determination Date is expected to be on or before Wednesday, November 11, 2026, and in any event, not later than 12:00 noon on Wednesday, November 11, 2026. If, for any reason, the Offer Price is not agreed between the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us on or before 12:00 noon on Wednesday, November 11, 2026, the Global Offering will not proceed and will lapse.

(6) None of the websites or any of the information contained on the websites forms part of this prospectus.

(7) The H Share certificates are expected to be issued on Thursday, November 12, 2026 but will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is scheduled to be at around 8:00 a.m. on Friday, November 13, 2026. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of H Share certificates and before they become valid evidence of title do so entirely of their own risk.

(8) **White Form e-Refund** payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offer and in respect of wholly or partially successful applications if the final Offer Price is less than the price per Offer Share payable on application. Part of the applicant's identification document numbers provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's identification document numbers before encashment of the refund cheque. Inaccurate completion of an applicant's identification document numbers may invalidate or delay encashment of the refund cheque.

The H Share certificates will only become valid evidence of title provided that the Global Offering has become unconditional in all respects and neither of the Hong Kong Underwriting Agreement nor the International Underwriting Agreement is terminated in accordance with its respective terms prior to 8:00 a.m. on the Listing Date. The Listing Date is expected to be on or about Friday, November 13, 2026. Investors who trade the H Shares on the basis of publicly available allocation details prior to the receipt of H Share certificates or prior to the H Share certificates becoming valid evidence of title do so entirely at their own risk.

Potential investors should read carefully "Underwriting", "Structure and Conditions of the Global Offering" and "How to Apply for Hong Kong Offer Shares" for details relating to the structure and conditions of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, effect of Severe weather and the dispatch of refund cheques and H Share certificates.

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**IMPORTANT NOTICE TO INVESTORS**

*This prospectus is issued by the Company solely in connection with the Hong Kong Public Offer and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offer. This prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.*

*You should rely only on the information contained in this prospectus to make your investment decision. Our Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by our Company, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators and the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, officers, representatives or advisors or any other person involved in the Global Offering.*


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*This summary aims to give you an overview of the information contained in this prospectus. 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 prospectus. You should read the entire prospectus before you decide to invest in the Offer Shares.*

*There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares.*

## OVERVIEW

We are a commercial aerospace company in China, with a strategic focus on satellite and related services and satellite-based solutions. Leveraging our core strengths in commercial aerospace and artificial intelligence ("**AI**"), we design and produce commercial satellites, ensuring stable operations and management, and deliver customized satellite-based solutions to meet the diverse needs of our customers.

As an AI satellite pioneer, we launched China's first AI application satellite in December 2018 and successfully developed and launched China's first AI large model computing satellite in September 2024, according to Frost & Sullivan. On May 14, 2025, we successfully developed and launched the world's first AI computing satellite constellation comprising 12 AI computing satellites, marking a critical milestone in our efforts to develop space computing satellite constellations and build an integrated AI space computing system. Since our inception and up to the Latest Practicable Date, we independently developed six AI payloads, four AI application satellites and 26 AI computing satellites, while successfully completing 15 space missions through launches arranged either by us or in coordination with our business partners.

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

Mainly driven by our key advancements in the in-orbit validation and our space AI technology, and the upgrade and enhancement of our satellite design and development capabilities, we have strengthened our product competitiveness. These two major factors have jointly propelled the rapid expansion of our business, enhanced our ability to secure high-value orders, broaden our customer base and resulted in robust revenue growth from 2023 to 2025. Our revenue increased from RMB507.5 million in 2023 to RMB553.5 million in 2024, and further increased to RMB702.7 million in 2025. Our revenue amounted to RMB241.3 million in the six months ended June 30, 2025 and RMB226.1 million in the six months ended June 30, 2026.

### Our Technologies

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

## OUR STRENGTHS

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

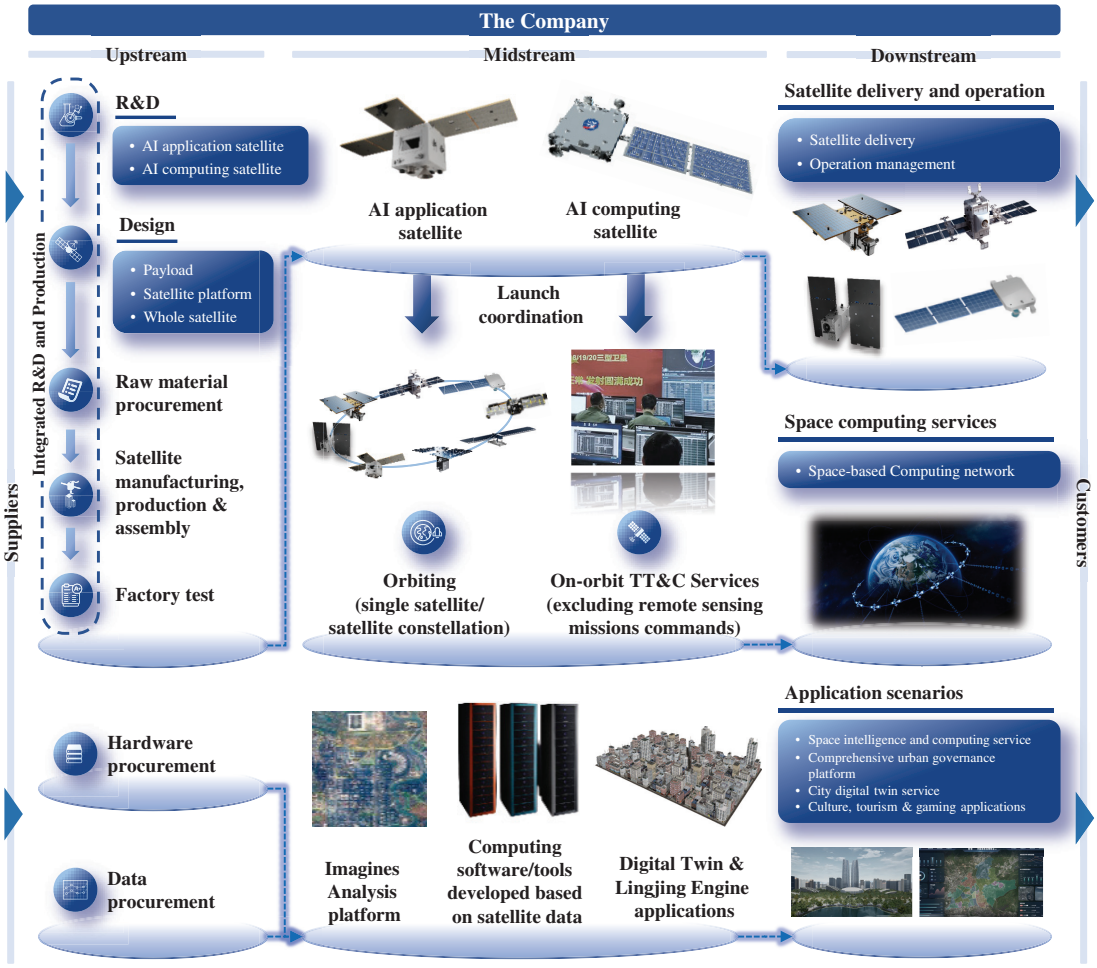
## OUR STRATEGIES

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

## OUR BUSINESS MODEL

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

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




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

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

## ARRANGEMENT FOR BUSINESS ACTIVITIES ON THE NEGATIVE LIST

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

***3D Reality Mapping***. During the Track Record Period, we provided satellite-based solutions to customers across a range of application scenarios. Certain of such solutions were delivered in the form of 3D solutions generated from satellite data processed using our proprietary technologies and equipment. This delivery form involved the preparation of true 3D reality maps, which constitutes "3D reality mapping," a category of activities supported by our Surveying and Mapping Qualification Certificate and prohibited for foreign investment under the Negative List. In light of the Listing and the Global Offering, we removed from the scope of our Surveying and Mapping Qualification Certificate the categories of surveying and mapping activities prohibited for foreign investment under the Negative List. During the transitional period, we outsourced 3D reality mapping compilation activities to independent third parties holding the requisite qualifications. We have ceased this specific delivery form in its entirety since February 2026. Given that the contract value of satellite-based solutions involving 3D reality mapping compilation was nil in the six months ended June 30, 2026, we do not consider the cessation of this specific delivery form to have a material impact on our business operations. Based on the above, we do not expect such business arrangement to impose any material adverse effect on our business, financial condition and results of operations.

***Geology-related Services***. We have ceased all business concerning the geology-related services in April 2024. Considering (i) the financial contribution of geology-related services was not significant in terms of the contract value which was RMB20.3 million, RMB3.4 million, nil, nil and nil, respectively, in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively; and (ii) we had fulfilled all outstanding contract liabilities with respect to geology-related services as of the Latest Practicable Date and do not intend to enter into new contracts in this regard going forward, our Directors are of the view that the cessation of geology-related services will not impact our relationships with existing customers and would not have any material adverse impact on our business, financial condition and results of operations.

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

## OUR PRODUCTS AND SOLUTIONS

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

### Satellites and Related Services

Satellite and related services form the foundation of our entire business. We develop, produce and sell satellites based on our modular satellite platforms, which can be customized according to customers' specific requirements. We also offer related satellite TT&C services for customers opting for our operational services post-launch. We primarily focus on the design and production of LEO satellites, particularly AI satellites. Our satellites generally have a designed lifecycle ranging from three to five years.

We have advanced through multiple stages of development, steadily expanding the depth and scope of our technological capabilities. From inception through 2022, we focused on the in-house development of AI payloads to validate the deployment of AI technologies on satellites operating in complex space environments. Since inception and up to the Latest Practicable Date, we had achieved 15 successful space missions involving the successful launch of 35 satellites and six payloads, through launches arranged either by us or in coordination with our business partners.

***AI Application Satellites***

We have developed AI application satellites which are equipped with AI payloads and can provide AI-driven data analysis and computing services to deliver enhanced functions compared to traditional satellites. Our AI application satellites served as a transitional product as we progressed towards the development and commercialization of AI computing satellites. Since our inception and up to the Latest Practicable Date, we had jointly developed one AI application satellite with our partner and independently developed four AI application satellites. See "Business — Our Products and Solutions — Satellites and Related Services — AI Application Satellites."

***AI Computing Satellites***

Building on the success of our AI application satellites, we have developed and deployed AI computing satellites in space which can provide advanced AI-driven data analysis and computing services not only for themselves but also for other spacecraft and ground-based applications. Such upgraded functions are achieved by onboard computing resources and sophisticated algorithms designed to handle complex data analysis tasks. Since our inception and up to the Latest Practicable Date, we had independently developed 26 AI computing satellites. See "Business — Our Products and Solutions — Satellites and Related Services — AI Computing Satellites."

**Satellite-Based Solutions**

We provide satellite-based solutions by integrating space-based computing capabilities and proprietary software and hardware platforms to deliver commercially deployable products and services for a range of application scenarios. Our solutions are designed to transform satellite-based capabilities into actionable insights and operational tools, supporting customers' digital and intelligent transformation needs. Leveraging our proprietary data processing technologies, we focus on the reception, processing, integration and application of space-derived data and computing outputs.

Historically, during the Track Record Period, we obtained 2D satellite remote sensing data for the development of our satellite-based solutions primarily from our self-operated satellites and, pursuant to data-sharing arrangements, from satellites owned by customers. Under such arrangements, we generally retained the right to use, license and commercialize the satellite remote sensing data, and all results and intellectual property developed by us based on such data were solely owned by us. Based on such satellite remote sensing data and our proprietary technologies, we delivered products and solutions through: (i) direct sales of satellite imagery; (ii) satellite-based solutions generated by using our proprietary technologies and equipment, and (iii) software-hardware tools integrated with our proprietary technologies that enable customers to process satellite imagery to meet their own demands.

In February 2026, we made two changes to our satellite-based solutions business. First, in connection with the Listing and the Global Offering, we ceased providing satellite-based solutions involving 3D reality mapping compilation under delivery form (ii). See "Business — Arrangement for Business Activities on the Negative List." Second, following the surrender of our Surveying and Mapping Qualification Certificate in its entirety, we ceased conducting activities requiring such qualification, including satellite remote sensing image acquisition and satellite-to-ground transmission and decoding. Accordingly, we ceased offering direct sales of satellite imagery under delivery form (i). Where customer demand arises for solutions under delivery form (ii), we procure the required satellite remote sensing data from qualified third-party providers on a market basis. See "Business — Permits, Licenses and Approvals." Following these adjustments, we will continue to provide satellite-based solutions under delivery forms (ii) and (iii).

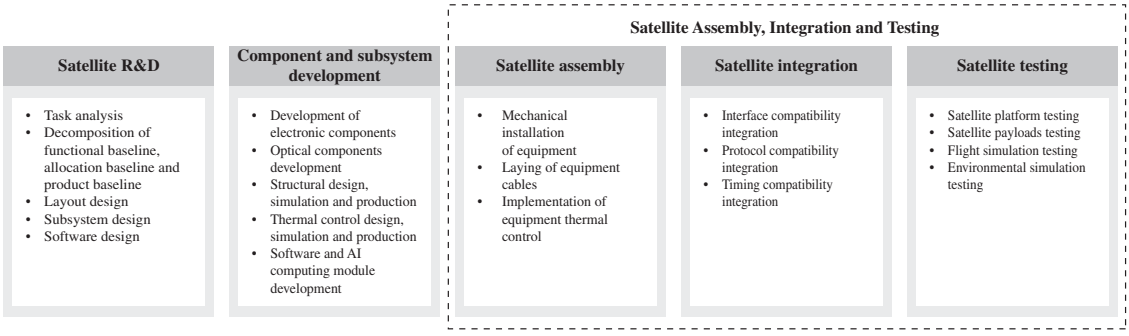
**Other Services**

During the Track Record Period, we provided certain other services, comprising intelligent parking solutions and software and hardware agency services. Since 2024, we have been progressively and strategically streamlining these services to focus our resources on satellite business. We will formally cease providing intelligent parking solutions after fulfilling all existing contractual obligations. See "Business — Our Products and Solutions — Other Services."

## INTEGRATED SATELLITE R&D AND PRODUCTION MODEL

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

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




To support our satellite design and development activities across different stages of the satellite lifecycle, we operate multiple specialized R&D and production facilities in Sichuan and Zhejiang provinces in China, namely the Chengdu AIT Center, Jiaxing Testing Base, Taizhou Center and Chengdu Chongzhou Additive Manufacturing Base. In particular, additive manufacturing, also commonly known as 3D printing, refers to the process of making a physical object by building it up layer by layer from a digital design, instead of cutting it out of a larger block of material or moulding it in a fixed shape. Together, these facilities enable us to efficiently design, develop and test satellites under 500 kg and related satellite components. Moreover, we had obtained the project filing for the Shenzhen Center from the Bao'an District Development and Reform Bureau ("**BDRB**") in September 2025. The Shenzhen Center had obtained the construction land planning permit and commenced construction as of the Latest Practicable Date. Upon commencing operation, our Shenzhen Center will focus on satellite design, development and testing activities according to the approval.

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

| Facility[1] | Location | Commencement of operations | Primary functions | GFA/Property status | Investment costs[2] |
|---|---|---|---|---|---|
| | | | | | *(RMB'000)* |
| Chengdu AIT Center | Chengdu, Sichuan Province | January 2021 | Satellite design and development | 1,493.0 sq.m./Owned | 218,661 |
| Jiaxing Testing Base | Jiaxing, Zhejiang Province | March 2024 | Space environmental testing of satellites, including vacuum, vibration and residual magnetism testing | 3,917.9 sq.m./Leased | 34,756 |
| Chengdu Chongzhou Additive Manufacturing Base | Chongzhou, Chengdu, Sichuan Province | October 2025 | Additive manufacturing of satellite structural components | 16,032.2 sq.m./Leased | 393,840 |
| Taizhou Center | Taizhou, Zhejiang Province | February 2026 | Satellite design, development and testing | 4,432.1 sq.m./Leased | 78,825 |
| Shenzhen Center (under construction) | Shenzhen, Guangdong Province | N/A (under construction) | Intended for satellite design, research and development | 30,828.0 sq.m./Owned | 542,700 |

*Notes:*

(1) Our Chengdu AIT Center had developed five, two and twelve satellites in 2023, 2024 and 2025, respectively, with the Jiaxing Testing Base supporting the testing of the relevant satellites. The Taizhou Center had supported the development of six satellites in the six months ended June 30, 2026, with Chengdu AIT Center and Jiaxing Testing Base focusing on the R&D work of our next-generation satellite during the same period. In addition, the Chengdu Chongzhou Additive Manufacturing Base has a designed annual production capacity of approximately 200 sets of satellite structural components. Its actual output for the two months ended December 31, 2025 and the six months ended June 30, 2026 was 30 sets and 95 sets, respectively, representing production utilization rate of approximately 90.0% and 95.0% during the same periods. The production utilization rate of the Chengdu Chongzhou Additive Manufacturing Base is calculated by comparing the actual number of sets produced during the relevant period with the number of sets the base was designed to produce during the same period in proportion to its annual designed production capacity of approximately 200 sets, namely approximately 33 sets in the two months ended December 31, 2025 and 100 sets in the six months ended June 30, 2026.

(2) Expected total investment cost, including, where applicable, construction costs, production equipment costs and land acquisition costs.

As of the Latest Practicable Date, our facilities — including Chengdu AIT Center, Jiaxing Testing Base and Taizhou Center — had been operating on a project-by-project basis, undertaking the design, research and development and testing of satellites in accordance with customer requirements. In addition, our Chengdu Chongzhou Additive Manufacturing Base, which commenced comprehensive operation in October 2025, is dedicated to the production of satellite structural components utilizing additive manufacturing technologies. See "Business — Overview — Our Technologies — Additive Manufacturing Capabilities for Satellite Component Production."

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

## OUR CUSTOMERS

We primarily sell our products and solutions to customers in the PRC across sectors such as aerospace, AI, electronic products and software development and digital cultural applications. Our customers primarily include technology companies, government agencies, research institutions, communications service providers and universities. Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB284.5 million, RMB428.8 million, RMB547.9 million and RMB205.9 million, respectively, accounting for 56.1%, 77.5%, 78.0% and 91.1% of our total revenue for the respective year/period, respectively. Revenue from our largest customer in each year/period during the Track Record Period amounted to RMB109.1 million, RMB173.3 million, RMB185.2 million and RMB81.3 million, respectively, accounting for 21.5%, 31.3%, 26.4% and 35.9% of our total revenue for the respective year/period, respectively. See "Business — Our Customers."

Many of our customers were SOEs or were associated with projects led by SOEs. We experienced relatively long settlement cycles and collection challenges in respect of such receivables, primarily due to the internal fiscal arrangements and payment approval processes of such customers and projects, which affected the timing of our collections. RMB546.4 million, or 73.1% of our trade and notes receivables as of June 30, 2026 was due from SOE customers or projects led by SOEs. As of the Latest Practicable Date, RMB78.8 million, or 14.4% of our trade and notes receivables due from SOE customers or projects led by SOEs as of June 30, 2026 had been subsequently settled. We recorded trade and notes receivables aged over one year of RMB59.5 million, RMB339.4 million, RMB339.5 million and RMB305.3 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively, primarily because a majority of such trade and note receivables were attributable to SOE customers or projects led by SOEs.

We have adopted measures to enhance our trade and notes receivables management and collection efforts. See "Business — Sustainability — Enhancing the Management of Working Capital" and "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Notes Receivables."

## OUR SUPPLIERS

Our suppliers primarily comprise (i) software and hardware providers for satellite-based solutions, (ii) satellite material providers for satellite production, and (iii) launch service providers. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB213.3 million, RMB301.6 million, RMB473.6 million and RMB219.6 million, respectively, representing 43.1%, 70.6%, 58.3% and 46.9% of our total purchases for the respective year/period, respectively. Purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB93.1 million, RMB148.8 million, RMB166.2 million and RMB84.3 million, respectively, representing 18.8%, 34.8%, 20.4% and 18.0% of our total purchases for the respective year/period, respectively.

## COMPETITION

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

## SUSTAINABILITY

Benefiting from supportive national policies, continued advancements in aerospace technologies and our sustained investment in the development of AI satellite technologies, as well as growing market demand for satellite-enabled applications, our revenue increased steadily from RMB507.5 million in 2023 to RMB553.5 million in 2024 and further increased to RMB702.7 million in 2025. Our revenue amounted to RMB241.3 million in the six months ended June 30, 2025 and RMB226.1 million in the six months ended June 30, 2026, primarily because our satellite launches and deliveries are scheduled in the fourth quarter of 2026.

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

As we move forward, we anticipate improved profitability in our AI satellite business through the following measures: (i) advancing AI satellite technology and integrating capabilities across the satellite value chain to enhance our solution offerings, address a broader range of application scenarios and customer needs, and expand our customer base and order value; (ii) optimizing production processes through closer integration of R&D and production, AI empowered additive manufacturing and streamlined assembly processes to improve production efficiency and reduce manufacturing costs; (iii) advancing standardized and scalable mass production by leveraging our modular satellite platforms, coordinating production and testing facilities, and increasing procurement volumes to lower unit costs and achieve economies of scale; (iv) reducing satellite launch costs through technological advancements in satellite design, including lightweight and flat panel configurations, as well as increased competition and technological progress in the launch services market; (v) enhancing operating leverage by leveraging our existing technical and operational capabilities to support revenue growth, improving the efficiency of our R&D, administrative and sales activities, and controlling the growth of operating expenses relative to revenue; and (vi) enhancing working capital management through more active receivables collection, cash flow forecasting and budgeting, and the extension of installment payment arrangements to suppliers to better align cash inflows and outflows. See "Business — Sustainability."

While we have adopted the measures described above to enhance the sustainability of our business, as a company operating in the commercial aerospace industry, our operations remain subject to inherent uncertainties throughout the satellite lifecycle. Our ability to successfully execute our business strategy depends on how effectively we anticipate, manage and mitigate these uncertainties, as discussed below.

***Regulatory approvals and access to spectrum and orbital resources***. Satellite development and deployment require the relevant NDRC approvals, the necessary ITU filings for spectrum and orbital resources, and applicable radio permits. The timing of these approvals, filings and permits may influence our satellite deployment schedule. We incorporate the relevant regulatory requirements into our development and deployment plans, prepare and submit applications and filings in a timely manner, and maintain communication with the relevant authorities to facilitate the approval and filing processes and keep our deployment plans aligned with regulatory requirements.

***Availability of launch resources***. Our ability to deploy satellites according to plan depends on the availability of suitable launch capacity and service providers with the requisite technical capabilities. The continued development of China's commercial launch services market, together with the expansion of its provider base and launch infrastructure, supports the availability of launch resources. We plan our launch requirements in advance and establish long term strategic cooperation arrangements with reputable launch service providers, supplemented by market based procurement, to secure suitable launch capacity in line with our deployment plans.

***Launch scheduling***. The timing of satellite launches determined by the relevant launch site is influenced by factors such as weather conditions, launch site availability and coordination with other missions, which may require adjustments to planned launch schedules and affect the timing of satellite delivery and customer acceptance. Such adjustments can generally be accommodated through rescheduling, while China's year round launch operations provide flexibility in planning alternative launch windows. We coordinate with launch service providers at an early stage and seek earlier available launch windows where practicable, allowing time buffers in our deployment schedules to accommodate potential changes.

***Successful completion of launch missions***. The successful deployment of our satellites depends in part on launch service providers completing their missions successfully, with technical complexity and mission specific operating conditions among the factors that may affect launch outcomes. China's commercial launch market has established a track record of successful launches, while continued advances in launch vehicle technology and operational experience support the reliability of launch services. We carefully assess providers and launch vehicles by reference to their launch records, technical maturity, mission compatibility and schedule reliability. We also evaluate the need for launch insurance on a case by case basis and make appropriate replacement arrangements with customers where necessary.

***Collection of trade receivables***. Our cash flow and working capital position depend in part on the timely collection of payments following the delivery of our satellites or solutions. Given the payment processes of certain customers, particularly state-owned enterprises, collection may take longer than anticipated, affecting the timing of cash inflows and the working capital available for ongoing operations and business development. We closely monitor receivables and establish collection plans with clear responsibilities and timeframes. Senior management regularly reviews overdue balances and engages directly with customers in respect of significant outstanding amounts to support timely collection and appropriate follow up.

## PERMITS, LICENSES AND APPROVALS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by Frost & Sullivan, we need to submit filings to the ITU through the MIIT to obtain satellite frequency spectrum and orbit resources before satellite launches. As of the Latest Practicable Date, we had obtained the ITU approval of 3,157 satellites progressively from 2018 to 2025, including 2,800 obtained in 2024. For the corresponding timeframe to maintain these approvals, see "Business — Our Strengths — Commercial Aerospace Company Specializing in AI Satellites Supported by Strong Frequency Spectrum and Orbital Resources." In addition, as advised by our PRC Legal Advisor, in compliance with PRC laws and regulations governing satellite production, launch and operation, we are primarily required to obtain (i) project approval from the NDRC; and (ii) radio frequency use permit and radio station license issued by the MIIT for each satellite before their respective launches. As advised by our PRC Legal Advisor, save for the disclosure under "Business — Legal Proceedings and Compliance — Compliance — Approval of

the Relevant National Ministry for Satellites," we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations during the Track Record Period and up to the Latest Practicable Date. For the approval requirements, licenses on hand, corresponding timeframe to obtain the radio frequency use permit and radio station license and renewal of these permits or licenses, see "Regulatory Overview — Regulations Related to the Commercial Space Industry — Regulations on Radio Frequency Allocation" and "Business — Sustainability — Path to Profitability."

Our subsidiary, Chengdu Xingshidai, previously held a Grade B Surveying and Mapping Qualification Certificate (乙級測繪資質證書) covering several categories of surveying and mapping activities, including those required for our 3D reality mapping business. In connection with the Listing and the Global Offering, we removed from the scope of the certificate the categories covering activities prohibited for foreign investment under the Negative List. See "Business — Arrangement for Business Activities on the Negative List."

In February 2026, having considered our strategic focus on our principal business and the management time and resources required to maintain the remaining qualification, we voluntarily surrendered the certificate in its entirety. Following such surrender, we have ceased to conduct business activities which require such qualification, primarily including satellite remote sensing image acquisition, satellite-to-ground transmission and decoding. Instead, we purchase satellite remote sensing data from third-party data providers at fair prices reached through arm's length negotiation in good faith. As advised by Frost & Sullivan, the market price of such data generally ranges from RMB10 to RMB200 per square kilometer of raw imagery data. Based on our current order backlog of satellite-based solutions as of the Latest Practicable Date and our reasonable estimation of future business demand, we expect that our total cost per year of procuring satellite remote sensing data would be less than RMB5.0 million. Our Directors believe that the impact of such cost increases can be effectively mitigated through pricing adjustments and ongoing improvements in cost efficiency, including standardized delivery formats and strengthened lean management of our research and development activities, and that such cost increases would not have a material adverse effect on our profitability, business, financial condition or results of operations. See "Business — Permits, Licenses and Approvals."

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

**APPROVAL OF THE RELEVANT NATIONAL MINISTRY FOR SATELLITES**

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

Over the past decade, China's commercial aerospace industry has experienced a period of rapid early-stage development, marked by significant technological advancements largely driven by the dedicated efforts of technical experts. We have established a team primarily composed of our R&D and production experts who have been pivotal in advancing our technological capabilities. The technical experts have concentrated their efforts on enhancing the commercial aerospace industry and improving the R&D and production capacities for satellites, and could be relatively slow in their adaptation to the regulatory development. Our Company was established during this nascent development phase of China's commercial aerospace industry with relatively short history. Therefore, we had limited past experience or established industry practices for reference and did not fully understand the requirements of the relevant PRC laws and regulations, resulting in the failure to timely obtain the approval from the NDRC for the Relevant Satellites. We have reported the above incidents to the NDRC in our subsequent application submission for the approval of additional 60 satellites made in September 2024 and undertook to strictly comply with and implement subsequent approval procedures in accordance with national policies and regulations. As of the Latest Practicable Date, we had obtained the NDRC approval for 60 additional satellites applied in such subsequent application.

Considering that (i) as confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, neither we nor our PRC subsidiaries were subject to any material administrative penalties for violations of Measures and Notice; (ii) we reported the above incidents to the NDRC and then we obtained NDRC approval for the additional satellites applied in the above-mentioned subsequent application; (iii) the maximum fine that could be imposed on us would be 0.5% of the total project investment, amounting to RMB0.3 million in aggregate, which our Directors consider would not have a material adverse impact on our financial position; and (iv) the warrantors have issued written confirmations as detailed in "Business — Legal Proceedings and

Compliance — Approval of the Relevant National Ministry for Satellites," our Directors are of the view that the aforementioned incident would not have any material adverse effect on our business, financial condition and results of operations.

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

## RISK FACTORS

Our business and the Global Offering involve certain risks as set out in the section headed "Risk Factors" in this prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include: (i) any change in launch schedules or failure of our launch service providers to successfully launch our satellites into space could materially and adversely affect our results of operations; (ii) the satellite industry is subject to extensive and continuously evolving regulations and government policies and we may not be able to obtain, renew or maintain the licenses, approvals and permits required for our business, which may increase our compliance costs or otherwise adversely affect our business and operations; (iii) we relied on a limited number of suppliers during the Track Record Period, which exposes us to supplier concentration risks, and any constraints, disruptions or delays in the supply of satellite materials, launch services or other key supplies may adversely affect our business and operations; (iv) we relied on a limited number of customers during the Track Record Period, which exposes us to customer concentration risks; and (v) if the market for satellites and satellite-based solutions does not continue to grow as expected, it could materially and adversely affect our results of operations. See "Risk Factors."

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

### Summary of Results of Operations

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

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | | *(RMB in thousands)* | | |
| | | | | *(Unaudited)* | |
| **Revenue** | **507,541** | **553,473** | **702,703** | **241,322** | **226,110** |
| Cost of sales | (436,476) | (343,299) | (559,530) | (217,041) | (137,237) |
| **Gross profit** | **71,065** | **210,174** | **143,173** | **24,281** | **88,873** |
| Selling and marketing expenses | (41,984) | (24,080) | (14,950) | (6,884) | (8,692) |
| General and administrative expenses | (131,226) | (174,379) | (172,186) | (74,824) | (136,443) |
| Research and development expenses | (53,478) | (142,030) | (151,656) | (97,726) | (108,630) |
| Net impairment (loss)/reversal on financial assets and contract assets | (20,758) | (43,434) | (94,975) | (38,802) | 8,752 |
| **Loss for the periods** | **(139,300)** | **(177,173)** | **(255,945)** | **(192,028)** | **(150,756)** |

#### *Non-IFRS Measures*

We use adjusted net loss (non-IFRS measure) in evaluating our operating results during the Track Record Period, which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements, which are presented in accordance with IFRS. We define adjusted net loss (non-IFRS measure) as net loss for

the periods adjusted by adding back share-based payments and listing expenses. The following table reconciles our adjusted net loss (non-IFRS measure) for the periods presented in accordance with IFRS, which is net loss for the periods:

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands)* | | | *(Unaudited)* | |
| **Loss for the periods** | **(139,300)** | **(177,173)** | **(255,945)** | **(192,028)** | **(150,756)** |
| **Add:** | | | | | |
| Share-based payments[(1)] | 48,610 | 91,528 | 93,156 | 46,094 | 71,227 |
| Listing expenses[(2)] | – | 16,598 | 6,192 | 1,780 | 14,232 |
| **Adjusted net loss (non-IFRS measure)** | **(90,690)** | **(69,047)** | **(156,597)** | **(144,154)** | **(65,297)** |

*Notes:*

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

(2) Listing expenses represented expenses relating to this Global Offering. See "Financial Information — Listing Expenses."

We had a net loss of RMB139.3 million, RMB177.2 million, RMB255.9 million, RMB192.0 million and RMB150.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. Our loss-making position is primarily as a result of (i) our relatively high research and development expenses, (ii) the gross profit margin fluctuations primarily related to satellite-based solutions, and (iii) the relatively high general and administrative expenses mainly including share-based payments.

Our adjusted net loss (non-IFRS measure) amounted to RMB90.7 million, RMB69.0 million, RMB156.6 million, RMB144.2 million and RMB65.3 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. Our adjusted net loss increased from 2024 to 2025, primarily attributable to (i) the decrease in gross profit margin for satellite-based solutions, which primarily reflected changes in the delivered solution mix, as approximately 50% of our gross profit from satellite-based solutions in that year was generated from certain projects involving direct sales of satellite imagery, which typically carry relatively higher gross profit margins, and the contribution from such sales decreased in 2025, and (ii) the relatively higher net impairment loss on financial assets and contract assets recorded in 2025. Such impairment loss mainly arose from the increase in trade and notes receivables aged over two years. We continue to enhance our trade receivables management. See "Financial Information — Discussion of Selected Items From The Consolidated Statements of Financial Position — Trade and Notes Receivables" for the details of our collection efforts. During the same period, our operating efficiency continued to improve, as evidenced by a decline in the ratios of operating expenses to revenue from 61.5% in 2024 to 48.2% in 2025. Our adjusted net loss decreased from RMB144.2 million in the six months ended June 30, 2025 to RMB65.3 million in the six months ended June 30, 2026, primarily attributable to the increase in gross profit margin for AI computing satellites, primarily due to (i) higher average selling prices resulting from enhanced satellite performance, including high-density AI computing power, enabled by our technological advancements, and (ii) lower procurement prices for AI computing satellite materials, benefiting from our bulk procurement arrangements and lower market prices resulting from increased supply as the industry matured.

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

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentage)* | | | | | | *(Unaudited)* | | | |
| Satellites and related services | 3,221 | 0.6 | 90,971 | 16.4 | 256,674 | 36.5 | 122,144 | 50.6 | 130,622 | 57.7 |
| – AI application satellites | 2,655 | 0.5 | 12,490 | 2.3 | – | – | – | – | – | – |
| – AI computing satellites | – | – | 77,656 | 14.0 | 224,801 | 32.0 | 120,045 | 49.7 | 124,690 | 55.1 |

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentage)* | | | | | | *(Unaudited)* | | | |
| – Others[1] | 566 | 0.1 | 825 | 0.1 | 31,873 | 4.5 | 2,099 | 0.9 | 5,932 | 2.6 |
| Satellite-based solutions | 460,328 | 90.7 | 440,947 | 79.7 | 443,778 | 63.2 | 118,086 | 48.9 | 94,183 | 41.7 |
| Other services[2] | 43,992 | 8.7 | 21,555 | 3.9 | 2,251 | 0.3 | 1,092 | 0.5 | 1,305 | 0.6 |
| **Total** | **507,541** | **100.0** | **553,473** | **100.0** | **702,703** | **100.0** | **241,322** | **100.0** | **226,110** | **100.0** |

*Notes:*

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

(2) Other services primarily included intelligent parking solutions and software and hardware agency services. See "Business — Our Products and Solutions — Other Services."

Our revenue increased by 9.1% from RMB507.5 million in 2023 to RMB553.5 million in 2024, primarily due to the increase in revenue from satellites and related services, which was mainly attributable to the full or partial revenue recognition for four AI computing satellites and two AI application satellites launched in 2024. The increase in such satellite sales reflects customer recognition of our technological advancement and capabilities, particularly in AI computing satellites. Our revenue increased by 27.0% from RMB553.5 million in 2024 to RMB702.7 million in 2025, primarily due to the increase in revenue from satellites and related services following the launch of the 12-satellite AI computing satellite constellation in May 2025. Our revenue decreased by 6.3% from RMB241.3 million in the six months ended June 30, 2025 to RMB226.1 million in the six months ended June 30, 2026, primarily due to a decrease in revenue from our satellite-based solutions, partially offset by an increase in revenue from satellites and related services as we continued to focus on our satellite business.

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

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Gross profit/ (loss) | Gross profit/ (loss) margin | Gross profit/ (loss) | Gross profit/ (loss) margin | Gross profit | Gross profit margin | Gross profit/ (loss) | Gross profit/ (loss) margin | Gross profit/ (loss) | Gross profit/ (loss) margin |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Satellites and related services | (3,450) | (107.1) | 11,321 | 12.4 | 35,159 | 13.7 | (8,042) | (6.6) | 69,569 | 53.3 |
| – AI application satellites | (3,450) | (130.0) | (887) | (7.1) | – | – | – | – | – | – |
| – AI computing satellites | – | – | 12,208 | 15.7 | 17,131 | 7.6 | (9,485) | (7.9) | 69,020 | 55.4 |
| – Others[1] | – | – | – | – | 18,028 | 56.6 | 1,443 | 68.8 | 549 | 9.3 |
| Satellite-based solutions | 56,896 | 12.4 | 197,343 | 44.8 | 107,282 | 24.2 | 31,912 | 27.0 | 18,293 | 19.4 |
| Other services[2] | 17,619 | 40.1 | 1,510 | 7.0 | 732 | 32.5 | 411 | 37.6 | 1,011 | 77.5 |
| **Total** | **71,065** | **14.0** | **210,174** | **38.0** | **143,173** | **20.4** | **24,281** | **10.1** | **88,873** | **39.3** |

*Notes:*

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

(2) Other services primarily included intelligent parking solutions and software and hardware agency services. See "Business — Our Products and Solutions — Other Services."

Our gross profit increased from RMB71.1 million in 2023 to RMB210.2 million in 2024, and decreased to RMB143.2 million in 2025, representing a gross profit margin of 14.0%, 38.0% and 20.4%, respectively. Our gross profit increased from RMB24.3 million in the six months ended June 30, 2025 to RMB88.9 million in the six months ended June 30, 2026, representing a gross profit margin of 10.1% and 39.3%, respectively. We recorded relatively higher gross profit margin of 44.8% for satellite-based solutions in 2024, primarily driven by changes in the delivered solution mix, in particular the increased sales of projects involving direct sales of satellite imagery, which typically carry relatively higher gross profit margins and contributed approximately 50% of our gross profit from satellite-based solutions in 2024. See "Financial Information — Description of Major Components of Our Results of Operations — Gross Profit and Gross Profit Margin."

We recorded an improvement in profitability from satellites and related services during the Track Record Period mainly driven by the advancement of our AI satellite technologies and successful market validation.

The gross loss margin for AI application satellites in 2023 and 2024 was mainly due to (i) relatively low pricing adopted for certain satellites to attract customers and expand market presence, and (ii) the fact that our AI application satellites were transitional products deployed during the technology verification phase. As an intermediate stage in our technological development, these satellites were primarily used to verify the in-orbit performance, reliability and scalability of our AI payloads and onboard AI algorithms in preparation for our next-generation satellites, rather than to achieve immediate economic returns.

We recorded gross profit margin of nil, 15.7%, 7.6%, 55.4% and gross loss margin of 7.9% for our AI computing satellites in 2023, 2024, 2025 and the six months ended June 30, 2026 and 2025, respectively. In particular:

- the relatively higher gross profit margin of our AI computing satellites in 2024 was mainly attributable to the higher margin contribution from XSD-21 and XSD-22, which were our first AI computing satellites to achieve inter-satellite laser communication capability. This validated technological breakthrough, together with their AI large model algorithm and Star Screen capabilities, enhanced the commercial value of these satellites and supported a higher pricing premium;

- the decrease from 2024 to 2025 was primarily attributable to the relatively low margin of one experimental project, the pricing of which reflected its testing nature and did not fully capture the long-term commercial value of the technological capabilities being validated or the upfront investment required for such first-of-its-kind design. The project involved our first AI computing satellite featuring a flat-panel configuration optimized for stacked constellation launch and high computing power, and served as a testing initiative and key milestone for validating enhanced onboard computing power, inter-satellite communication and future constellation networking. Although the project recorded a relatively low margin, it enabled us to accumulate know-how for our high-power flat-panel satellite platform and laid the technical foundation for future batch launches under the Star-Compute Project, which we believe will support standardized and modular satellite design, facilitate multi-satellite launches, improve production efficiency and contribute to lower average launch costs and improved unit economics as our space-based computing network scales; and

- the relatively higher gross profit margin of our AI computing satellites in the six months ended June 30, 2026 was primarily due to (i) higher average selling prices resulting from enhanced satellite performance, including high-density AI computing power, enabled by our technological advancements, and (ii) lower procurement prices for AI computing satellite materials, benefiting from our bulk procurement arrangements and lower market prices resulting from increased supply as the industry matured.

**Selected Items from the Consolidated Statements of Financial Position**

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

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Non-current assets | 418,551 | 513,349 | 853,117 | 1,145,648 |
| Current assets | 1,038,722 | 1,525,528 | 1,742,190 | 5,028,215 |
| **Total assets** | **1,457,273** | **2,038,877** | **2,595,307** | **6,173,863** |
| Non-current liabilities | 18,293 | 222,962 | 219,172 | 239,753 |
| Current liabilities | 614,438 | 546,613 | 798,806 | 893,224 |
| **Total liabilities** | **632,731** | **769,575** | **1,017,978** | **1,132,977** |
| **Net current assets** | **424,284** | **978,915** | **943,384** | **4,134,991** |
| **Total equity/net assets** | **824,542** | **1,269,302** | **1,577,329** | **5,040,886** |

Our net current assets increased significantly from RMB943.4 million as of December 31, 2025 to RMB4,135.0 million as of June 30, 2026, primarily due to an increase in financial assets at fair value through profit or loss of RMB3,365.2 million, mainly attributable to increased investments in structured deposits. Our net current assets remained relatively stable at RMB978.9 million and RMB943.4 million, respectively, as of December 31, 2024 and 2025. Our net current assets increased significantly from RMB424.3 million as of December 31, 2023 to RMB978.9 million as of December 31, 2024, primarily due to (i) an increase in cash and cash equivalents of RMB463.7 million mainly resulting from an increase in our Pre-IPO proceeds, (ii) an increase in trade and notes receivables of RMB127.4 million in line with the expansion of our business and revenue growth, and (iii) a decrease in trade and other payables of RMB159.8 million, partially offset by (i) a decrease in financial assets at fair value through profit or loss of RMB150.9 million, and (ii) an increase in current portion of borrowing of RMB82.7 million.

Our net assets increased significantly from RMB1,577.3 million as of December 31, 2025 to RMB5,040.9 million as of June 30, 2026, primarily attributable to capital contribution from shareholders of RMB3,514.2 million, partially offset by the loss in the six months ended June 30, 2026 of RMB150.8 million. Our net assets increased from RMB1,269.3 million as of December 31, 2024 to RMB1,577.3 million as of December 31, 2025, primarily attributable to capital contribution from shareholders of RMB474.4 million, partially offset by the loss for the year of RMB255.9 million in 2025. Our net assets increased from RMB824.5 million as of December 31, 2023 to RMB1,269.3 million as of December 31, 2024, primarily attributable to capital contribution from shareholders of RMB524.2 million, partially offset by the loss for the year of RMB177.2 million in 2024.

**Summary of the Consolidated Statements of Cash Flow**

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

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | | | *(RMB in thousands)* | | |
| | | | | *(Unaudited)* | |
| Net cash flows generated from/(used in) operating activities | (313,474) | (212,526) | 8,206 | (78,050) | 61,155 |
| Net cash flows used in investing activities | (121,262) | (83,397) | (287,797) | (440,931) | (3,614,924) |
| Net cash flows generated from financing activities | 521,302 | 759,668 | 402,129 | 219,044 | 3,528,814 |
| Net increase/(decrease) in cash and cash equivalents | 86,566 | 463,745 | 122,538 | (299,937) | (24,955) |
| Cash and cash equivalents at beginning of the periods | 38,025 | 124,591 | 588,336 | 588,336 | 710,874 |
| **Cash and cash equivalents at end of periods** | **124,591** | **588,336** | **710,874** | **288,399** | **685,919** |

We recorded net cash outflows from operating activities of RMB313.5 million and RMB212.5 million in 2023 and 2024, respectively, primarily attributable to our loss-making position and increased working capital requirements associated with the expansion of our business, including higher trade receivables. In 2025, our operating cash flows turned positive, primarily due to improved collections from customers in the second half of the year and a positive change in trade and other payables, which mainly reflected the increase in our trade and notes payables as a result of the increased procurement for the delivery of our products and solutions and our increased use of notes settlement to strengthen cash flow management. We recorded net cash inflows in the six months ended June 30, 2026, primarily due to increased advance payments from customers for our computing satellites production and a significant decrease in our net losses.

### Key Financial Ratios

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

| | Year ended/As of December 31, | | | Six months ended/As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Gross profit margin (%) | 14.0 | 38.0 | 20.4 | 39.3 |
| Net loss margin (%) | (27.4) | (32.0) | (36.4) | (66.7) |
| Adjusted net loss margin (non-IFRS measure) (%) | (17.9) | (12.5) | (22.3) | (28.9) |
| Current ratio | 1.7 | 2.8 | 2.2 | 5.6 |
| Gearing ratio (%) | 9.1 | 24.6 | 18.7 | 6.5 |

## OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

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

Therefore, immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), Dr. Lu, through Beijing New Era Space, Beijing Xingrong Yuhang and Haikou Xingsuan, shall be entitled to exercise the voting rights attaching to 21.68% of the total issued Shares. Accordingly, Dr. Lu, Beijing New Era Space, Beijing Xingrong Yuhang and Haikou Xingsuan will not be regarded as a group of controlling shareholders, but will remain as our Single Largest Group of Shareholders upon Listing for the purpose of the Listing Rules.

## OFFERING STATISTICS

| | Based on Offer Price of HK$24.90 per H Share | Based on Offer Price of HK$33.20 per H Share |
|---|---|---|
| Market capitalization of our Shares[(1)] | HK$15,000.0 million | HK$20,000.0 million |
| Unaudited pro forma adjusted consolidated net tangible assets attributable to equity holder to our Company per Share[(2)] | HK$10.30 | HK$10.70 |

*Notes:*

(1) The calculation of market capitalization is based on 602,419,740 Shares expected to be in issue immediately upon completion of the Global Offering (assuming the Over-allotment Option and the Offer Size Adjustment Option are not exercised).

(2) Please see "Appendix II — Unaudited Pro Forma Financial Information" for further details regarding the assumptions used and the calculations method.

## DIVIDENDS

No dividends have been paid or declared by our Company during the Track Record Period. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. As advised by our PRC legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

## USE OF PROCEEDS

Assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, assuming an Offer Price of HK$29.05 per Share (being the mid-point of the Offer Price range of HK$24.90 to HK$33.20), we estimate that we will receive net proceeds of approximately HK$772.4 million (equivalent to RMB661.3 million) from the Global Offering. We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set forth below: (i) approximately 24.4% of the net proceeds, or RMB161.1 million, will be used for the construction of the Shenzhen Center; (ii) approximately 35.6% of the net proceeds, or RMB235.7 million, will be used for enhancing our R&D capabilities; (iii) approximately 20.0% of the net proceeds, or RMB132.3 million, will be used for selectively pursuing strategic investment and acquisition opportunities to enhance our products, diversify our satellite-based solutions, and broaden our customer base as part of our long-term growth strategy; (iv) approximately 10.0% of the net proceeds, or RMB66.1 million, will be used for the repayments of the bank borrowings and other borrowings; and (v) approximately 10.0% of the net proceeds, or RMB66.1 million, will be used for working capital and other general corporate purposes.

## LISTING EXPENSES

We recorded listing expenses of nil, RMB16.6 million, RMB6.2 million, RMB1.8 million and RMB14.2 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We expect to incur a total of approximately HK$102.6 million of listing expenses in connection with the Global Offering, representing approximately 11.7% of the gross proceeds from the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), including (i) underwriting commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately HK$30.6 million, and (ii) non-underwriting related expenses of approximately HK$72.0 million, which consist of (a) fees and expenses of sponsor, legal advisors and reporting accountant of approximately HK$46.6 million, and (b) other professional fees of approximately HK$25.4 million. Among the total listing expenses, approximately HK$43.2 million (RMB37.0 million) has been charged to our consolidated statements of comprehensive loss during the Track Record Period, approximately HK$24.8 million will be further charged to our consolidated statements of comprehensive loss, and approximately HK$34.6 million will be deducted from equity upon the completion of the Global Offering.

## APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any additional H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-Allotment Option and the H Shares to be converted from Unlisted Shares) on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules.

## RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

On October 14, 2026, we successfully launched our second AI computing constellation comprising eight AI computing satellites, marking a significant milestone in our constellation deployment and on-orbit technology validation efforts. These satellites are expected to validate key technologies in orbit, including high-power liquid cooling systems, large deployable radiative cooling wing, a global laser communication network and the in-orbit training of foundational AI models. For the remainder of our 2026 launch plan, we have entered into agreements with two launch service providers for the launch of another 14 satellites scheduled in the fourth quarter of 2026. In addition, to support the development of on-orbit computing capability of our satellites, in June and July 2026, we entered into strategic cooperation agreements with Tencent Cloud and SenseTime, respectively. Under these arrangements, we cooperate with Tencent Cloud on space-ground computing infrastructure, AI model deployment on satellites and low-connectivity environments/edge computing validation, and with SenseTime on the planned construction of a thousand-satellite-level AI computing constellation, an integrated space-ground AI computing platform and on-orbit validation of satellite-borne large models. In July 2026, we had also secured orders from SenseTime for the development of two AI computing satellites to support the initial deployment and on-orbit validation of the SenseTime AI computing constellation. These cooperation arrangements and secured orders are expected to strengthen the computing infrastructure, model deployment, customer validation and in-orbit application capabilities supporting our AI computing satellite development.

We expect to record an increase in net loss in 2026, primarily due to (i) the expected increase in general and administrative expenses, mainly attributable to (a) increased employee benefit expenses driven by share-based payments, (b) increased listing expenses, and (c) higher depreciation and amortization attributable to procured software and the commencement of operations at our Taizhou Centre in February 2026, (ii) the expected increase in research and development expenses, mainly attributable to (a) increased outsourced R&D for space AI computing module development, and (b) launch expenses for the launch of satellite engineering and structure models for experimental testing, and (iii) the expected decrease in revenue from satellite-based solutions as we continue to strategically focus our resources on the development of AI computing satellites, partially offset by (i) the expected increase in revenue from satellites and related services, driven by our AI satellite orders on hand and the relevant production, launch and delivery schedule, and (ii) the expected increase in the gross profit margin of satellites and related services, primarily attributable to (a) higher average selling prices resulting from our enhanced bargaining power, (b) economies of scale from a larger production scale, and (c) lower launch costs resulting from continued advancements in rocket technologies and the rapid development of private rocket companies. Separately, we expect to record net cash used in operating activities in 2026, as compared to net cash generated from operating activities in 2025, primarily because our satellite launches and deliveries are scheduled in the fourth quarter of 2026, which is expected to result in a higher balance of trade and notes receivables as of December 31, 2026.

Our Directors have confirmed that up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since June 30, 2026 (being the date of our latest audited financial statements) and there has been no event since June 30, 2026 which would materially affect the information shown in the Accountant's Report set out in Appendix I to this prospectus.

*In this prospectus, unless the context otherwise requires, the following expressions shall have the following meanings.*

| | |
|---|---|
| "Accountant's Report" | the accountant's report from the reporting accountant of our Group, the text of which is set out in Appendix I to this prospectus |
| "affiliate" | 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 |
| "Aoyrise Industry" | Shanghai Aoyrise Industry Development Group Co., Ltd. (上海奧燁實業發展集團有限公司), a company established on March 24, 2020 under the laws of the PRC with limited liability |
| "Articles of Association" | the articles of association of our Company, conditionally adopted on April 22, 2026 with effect from the Listing Date, a summary of which is set out in Appendix VI to this prospectus |
| "Audit Committee" | the audit committee of our Company, the details of which are described in "Corporate Information" in this prospectus |
| "Beijiao No. II" | Beijing Beijiao United Lingyue No. II Equity Investment Center (Limited Partnership) (北京北交聯合羚躍貳號股權投資中心(有限合夥)), formerly known as Beijing Beijiao United Lingyue No. II Technology Center (Limited Partnership) (北京北交聯合羚躍貳號科技中心(有限合夥)), a partnership established on September 9, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Beijiao No. VI" | Beijing Beijiao United Lingyue No. VI Equity Investment Fund Center (Limited Partnership) (北京北交聯合羚躍陸號股權投資基金中心(有限合夥)), a partnership established on January 15, 2026 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Beijing Anshan" | Beijing Anshan Gongze Equity Investment Partnership (Limited Partnership) (北京安杉共澤股權投資合夥企業(有限合夥)), a partnership established on September 1, 2023 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Beijing Guoxing Yuhang" | Beijing Guoxing Yuhang Technology Co., Ltd. (北京國星宇航科技有限公司), a company established under the laws of the PRC with limited liability on April 11, 2018 and a wholly owned subsidiary of our Company |
| "Beijing New Era Space" | Beijing New Era Space Enterprise Management Consulting Partnership (Limited Partnership) (北京新時代空間企業管理諮詢合夥企業(有限合夥)), a partnership established on April 20, 2018 under the laws of the PRC with limited liability and one of our Single Largest Group of Shareholders |

| | |
|---|---|
| "Beijing Xinghua Zhilian Investment" | Beijing Xinghua Zhilian Investment Fund (Limited Partnership) (北京星華智聯投資基金(有限合夥)), a partnership established on January 19, 2018 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Beijing Xingrong Yuhang" | Beijing Xingrong Yuhang Enterprise Management Consulting Partnership (Limited Partnership) (北京星融宇航企業管理諮詢合夥企業(有限合夥)), a partnership established on April 23, 2018 under the laws of the PRC with limited liability and one of our Single Largest Group of Shareholders |
| "BIS" | the U.S. Department of Commerce's Bureau of Industry and Security |
| "Board" or "Board of Directors" | the board of directors of our Company |
| "business day" | any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business |
| "CAC" | Cyberspace Administration of China (國家互聯網信息辦公室) |
| "Capital Market Intermediary(ies)" or "CMI(s)" | has the meaning ascribed to it in the Listing Rules and, unless the context requires otherwise, refers to the capital market intermediaries named in "Directors and Parties Involved in the Global Offering" in this prospectus |
| "CCASS" | The Central Clearing and Settlement System established and operated by HKSCC |
| "Ceyuan Innovation" | Chengdu Ceyuan Innovation Future Science and Technology City Equity Investment Fund Partnership (Limited Partnership) (成都策源創新未來科技城股權投資基金合夥企業(有限合夥)), a partnership established on June 14, 2023 under the laws of the PRC with limited liability |
| "Ceyuan Youchan" | Chengdu Hi-Tech Ceyuan Youchan Equity Investment Fund Partnership (Limited Partnership) (成都高新策源優產股權投資基金合夥企業(有限合夥)), a partnership established on August 4, 2022 under the laws of the PRC with limited liability |
| "Chengdu Dongjin" | Chengdu Dongjin Industrial Development Investment Center (Limited Partnership) (成都東進產業發展投資中心(有限合夥)), a partnership established on April 28, 2018 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Chengdu Electric Technology" | Chengdu Electric Technology Galaxy Venture Capital Center (Limited Partnership) (成都電科星河創業投資中心(有限合夥)), a partnership established on January 9, 2018 under the laws of the PRC with limited liability |
| "Chengdu Guoxing Kongtian" | Chengdu Guoxing Kongtian Technology Co., Ltd. (成都國星空天科技有限公司), a company established on April 9, 2025 under the laws of the PRC with limited liability and a subsidiary of our Company |
| "Chengdu Xingshidai" | Chengdu Xingshidai Yuhang Technology Co., Ltd. (成都星時代宇航科技有限公司), a company established on June 29, 2018 under the laws of the PRC with limited liability and a wholly owned subsidiary of our Company |

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| "China" or "the PRC" | the People's Republic of China, which for the purpose of this prospectus and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan |
| "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 |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Company", "our Company" or "the Company" | Adaspace Technology Co., Ltd. (成都国星宇航科技股份有限公司), a limited liability company established in the PRC on May 3, 2018, which was converted into a joint stock limited company in the PRC on January 29, 2022 |
| "Compliance Advisor" | Guotai Junan Capital Limited |
| "Conversion of Unlisted Shares into H Shares" | the conversion of 397,904,170 Unlisted Shares in aggregate held by 99 existing Shareholders into H Shares upon completion of the Global Offering |
| "CSRC" | the China Securities Regulatory Commission (中國證券監督管理委員會) |
| "CTG" | Chengdu Technology Service Group Co., Ltd. (成都科技服務集團有限公司), a company established on July 24, 2012 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Director(s)" | the director(s) of our Company |
| "Dongguan Investment" | Dongguan Yindao Investment Partnership (Limited Partnership) (東莞市引導投資合夥企業(有限合夥)), a partnership established on February 2, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Dongtou Chantou" | Taizhou Dongtou Industrial Investment Group Co., Ltd. (台州東投產業投資集團有限公司), a company established on September 14, 2017 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Dr. Lu" | Dr. Lu Chuan (陸川), our founder, chairman of the Board, executive director, and one of our Single Largest Group of Shareholders |
| "EAR" | Export Administration Regulations of the United States, administered by BIS to regulate the export of goods and technologies for national security and foreign policy purposes |
| "Entity List" | the list maintained by the U.S. Department of Commerce identifying foreign entities believed to be involved, or pose a significant risk of being or becoming involved, in activities contrary to the national security or foreign policy interests of the United States and which are prohibited from acquiring some or all items subject to the U.S. Export Administration Regulations |

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| "Extreme Conditions" | the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below |
| "Final Rule" | means the final rule restricting certain outbound investments by U.S. persons in Chinese companies engaged in specified technology-related activities, including semiconductors, quantum information technologies and artificial intelligence issued by the U.S Department of the Treasury in October 2024, which took effect on January 2, 2025 |
| "FINI" | "Fast Interface for New Issuance", the online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for the Listing |
| "Frost & Sullivan" | Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent market research consultant and an Independent Third Party |
| "Fuhai Juanyong" | Shenzhen Fuhai Juanyong No. X Venture Capital Investment Partnership (Limited Partnership) (深圳富海雋永十號創業投資企業(有限合夥)), a partnership established on March 25, 2026 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Fuhai Qiantang" | Beijing Fuhai Qiantang Frontier Venture Capital Fund Partnership (Limited Partnership) (北京富海淺棠前沿領域創業投資基金合夥企業(有限合夥)), a partnership established on May 8, 2025 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Fuhai Yuhang" | Shenzhen Fuhai Yuhang Venture Capital Investment Partnership (Limited Partnership) (深圳市富海宇航創業投資合夥企業(有限合夥)), a partnership established on March 25, 2026 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Galaxy Industry Group" | Shenzhen Galaxy Industry Investment Development Group Co., Ltd. (深圳市星河產業投資發展集團有限公司), a company established on August 18, 2015 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "General Rules of HKSCC" | the terms and conditions regulating the use of HKSCC's services, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures |
| "Global Offering" | the Hong Kong Public Offer and the International Offering |
| "Group", "our Group", "the Group", "we", "us" or "our" | the Company and its subsidiaries |
| "Guangdong Jiahao Investment" | Guangdong Jiahao Investment Partnership (Limited Partnership) (廣東嘉昊投資合夥企業(有限合夥)), a partnership established on October 25, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |

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| "Guangdong Wanquan Investment" | Guangdong Wanquan Investment Development Co., Ltd. (廣東萬全投資發展有限責任公司), formerly known as Guangdong Vanke Investment Development Co., Ltd. (廣東萬科投資發展有限責任公司), a company established on May 27, 2017 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Guanghan Xingshidai" | Guanghan Xingshidai Aerospace Technology Co., Ltd. (廣漢星時代宇航科技有限公司), a company established on August 5, 2019 under the laws of the PRC with limited liability and our non-wholly owned subsidiary |
| "Guang Xin Development" | Guanghan Guangxin Investment Development Co., Ltd. (廣漢市廣鑫投資發展有限公司), a company established on April 9, 2008 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Guide for New Listing Applicants" | the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time |
| "H Share Registrar" | Computershare Hong Kong Investor Services Limited |
| "H Share(s)" | ordinary share(s) of a par value of RMB0.1 each of our Company, which is/are to be subscribed for and traded in Hong Kong dollars and to be listed on the Stock Exchange |
| "Haijin Juying" | Qingdao Haijin Juying Investment Development Partnership (Limited Partnership) (青島海金聚贏投資發展合夥企業(有限合夥)), a partnership established on June 25, 2023 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Haijin Xingyu" | Qingdao Haijin Xingyu Investment Development Partnership (Limited Partnership) (青島海金星宇投資發展合夥企業(有限合夥)), a partnership established on June 26, 2023 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Haikou Xingsuan" | Haikou Xingsuan Enterprise Management Consulting Partnership (Limited Partnership) (海口市星算企業管理諮詢合夥企業(有限合夥)), a partnership established on April 7, 2026 under the laws of the PRC with limited liability and one of our Single Largest Group of Shareholders |
| "Haikou Zongbao Fund" | Haikou Zongbao Industry Development Investment Fund Partnership (Limited Partnership) (海口綜保產業發展投資基金合夥企業(有限合夥)), a partnership established on March 30, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Hangzhou Chuangli" | Hangzhou Chuangli Unlimited Venture Capital Partnership (Limited Partnership) (杭州創力無限創業投資合夥企業(有限合夥)), a partnership established on May 28, 2025 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Hangzhou Quanzhi" | Hangzhou Quanzhi Venture Capital Partnership (Limited Partnership) (杭州全志創業投資合夥企業(有限合夥)), a partnership established on February 19, 2025 under the laws of the PRC with limited liability and our Pre-IPO investor |
| "Hengkun Development Fund" | Guangdong Hengkun Development Investment Fund Co., Ltd. (廣東恒坤發展投資基金有限公司), a company established on April 16, 2013 under the laws of the PRC with limited liability and our Pre-IPO Investor |

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| "Hexing No. II Investment" | Shenzhen Hexing No. II Investment Partnership (Limited Partnership) (深圳市合興二號投資合夥企業(有限合夥)), a partnership established on June 27, 2018 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "HK$", "HKD" or "Hong Kong dollars" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HKID" | Hong Kong identity card |
| "HKSCC" | Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited |
| "**HKSCC EIPO**" | the electronic initial public offering services offered by HKSCC to HKSCC Participants |
| "HKSCC Nominee" | HKSCC Nominees Limited, a wholly owned subsidiary of HKSCC |
| "HKSCC Operational Procedures" | the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operation and functions of CCASS, FINI or any other platform, facility or systems established, operated and/or otherwise provided by or through HKSCC, as from time to time in force |
| "HKSCC Participant" | a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant |
| "Hong Kong" or "HK" | the Hong Kong Special Administrative Region of the PRC |
| "Hong Kong Offer Shares" | the 3,012,100 H Shares initially being offered for subscription in the Hong Kong Public Offer, subject to reallocation as described in "Structure and Conditions of the Global Offering" in this prospectus |
| "Hong Kong Public Offer" | the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong, on the terms and subject to the conditions described in this prospectus as further described in "Structure and Conditions of the Global Offering" in this prospectus |
| "Hong Kong Underwriters" | the underwriters of the Hong Kong Public Offer listed in "Underwriting" in this prospectus |
| "Hong Kong Underwriting Agreement" | the underwriting agreement dated November 4, 2026 relating to the Hong Kong Public Offer and entered into by our Company, the Single Largest Group of Shareholders, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators and the Hong Kong Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offer — Hong Kong Underwriting Agreement" in this prospectus |
| "Hongtai Industrialization" | Tai'an Hongtai New Industrialization Equity Investment Partnership (Limited Partnership) (泰安市洪泰新型工業化股權投資合夥企業(有限合夥)), a partnership established on April 1, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |

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| "Hongtai Kuyu" | Tibet Hongtai Kuyu Equity Investment Partnership (Limited Partnership) (西藏洪泰酷娛股權投資合夥企業(有限合夥)), a partnership established on July 12, 2018 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Hongyu No. I Enterprise" | Chengdu Hongyu No. I Enterprise Management Partnership (Limited Partnership) (成都弘宇一號企業管理合夥企業(有限合夥)), a partnership established on November 27, 2018 under the laws of the PRC with limited liability |
| "Huacang Yixing Investment" | Huacang Yixing (Quanzhou) Equity Investment Partnership (Limited Partnership) (華倉熠星(泉州)股權投資合夥企業(有限合夥)), a partnership established on February 7, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Huizhou Yilin Investment" | Huizhou Yilin Equity Investment Partnership (Limited Partnership) (惠州市益霖股權投資合夥企業(有限合夥)), a partnership established on July 9, 2019 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Independent Third Party(ies)" | an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of the Company |
| "International Offer Shares" | the 27,108,900 H Shares being initially offered for subscription under the International Offering together with, where relevant, any additional H Shares which may be issued by us pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, subject to reallocation as described in the section headed "Structure and Conditions of the Global Offering" in this prospectus |
| "International Offering" | the conditional offering of the International Offering Shares at the Offer Price by the International Underwriters outside the United States in offshore transactions in accordance with available exemption from the registration requirement under the U.S. Securities Act, as further described in "Structure and Conditions of the Global Offering" in this prospectus |
| "International Sanction Counsel" | Hogan Lovells Cadwalader International LLP |
| "International Underwriters" | the underwriters of the International Offering listed in the International Underwriting Agreement |
| "International Underwriting Agreement" | the international underwriting agreement, expected to be entered into on or about the Price Determination Date, relating to the International Offering, by our Company, the Single Largest Group of Shareholders, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators and the International Underwriters, as further described in "Underwriting — Underwriting Arrangements and Expenses — The International Offering — International Underwriting Agreement" in this prospectus |
| "Jiaxing Jinmu" | Jiaxing Jinmu Venture Capital Investment Partnership (Limited Partnership) (嘉興金沐創業投資合夥企業(有限合夥)), formerly known as Jiaxing Jinmu Equity Investment Partnership (Limited Partnership) (嘉興金沐股權投資合夥企業(有限合夥)), a partnership established on June 22, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |

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| "Jiaxing Tianhai Desheng" | Jiaxing Tianhai Desheng Venture Capital Partnership (Limited Partnership) (嘉興天海德勝創業投資合夥企業(有限合夥), formerly known as Guangzhou Tianhai Desheng Investment Partnership (Limited Partnership) (廣州天海德勝投資合夥企業(有限合夥)), a partnership established on January 27, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Jinko Technology" | Jinko Power Technology Co., Ltd. (晶科電力科技股份有限公司), a company established on July 28, 2011 under the laws of the PRC with limited liability and our Pre-IPO Investor, whose shares are listed on the Shanghai Stock Exchange (stock code: 601778) |
| "Joint Bookrunners" | the joint bookrunners as named in "Directors and Parties Involved in the Global Offering" of this prospectus |
| "Joint Global Coordinators" | the joint global coordinators as named in "Directors and Parties Involved in the Global Offering" of this prospectus |
| "Joint Lead Manager" | the joint lead manager as named in "Directors and Parties Involved in the Global Offering" of this prospectus |
| "Kangjian Agricultural" | Sichuan Kangjian Agricultural Development Co., Ltd. (四川康健農業開發有限公司), a company established on June 10, 2011 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Latest Practicable Date" | October 28, 2026, being the latest practicable date for ascertaining certain information in this prospectus before its publication |
| "LEI" | Legal Entity Identifier |
| "Linzhi Zhengyuan" | Tibet Linzhi Zhengyuan Strategic Investment Co., Ltd. (西藏林芝正源策略投資有限公司), a company established on August 3, 2009 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Listing" | the listing of the H Shares on the Main Board |
| "Listing Committee" | the Listing Committee of the Stock Exchange |
| "Listing Date" | the date, expected to be on or around Friday, November 13, 2026, on which our H Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange |
| "Listing Rules" | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time |
| "Main Board" | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange |
| "Maximum Offer Price" | HK$33.20 per Offer Share, being the maximum subscription price in the indicative Offer Price range stated in this prospectus |
| "MIIT" | Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) |
| "MOF" | Ministry of Finance of the PRC (中華人民共和國財政部) |
| "MOFCOM" | Ministry of Commerce of the PRC (中華人民共和國商務部) |

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| "Ms. Feng Meiqian" | Ms. Feng Meiqian (馮美倩), our Pre-IPO Investor |
| "MST" | Ministry of Science and Technology of the PRC (中華人民共和國科學技術部) |
| "NDRC" | National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) |
| "Negative List" | the Special Administrative Measure (Negative List) for the Access of Foreign Investment (2024 Version) issued by the NDRC and MOFCOM, which set out in a unified manner the restrictive measures for the access of foreign investments such as the requirements for equity and senior management, and the industries that are prohibited for foreign investment |
| "Neijiang High-Tech Investment" | Neijiang High-Tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司), a company established on June 28, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Neijiang Investment" | Neijiang High-tech Investment Co., Ltd. (內江高新投資有限責任公司), a company established on November 2, 2017 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Ningbo Kunrui" | Ningbo Kunrui Hengtou Equity Investment Partnership (Limited Partnership) (寧波坤瑞恒投股權投資合夥企業(有限合夥)), a partnership established on March 23, 2026 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "NIPA" | National Intellectual Property Administration of the PRC (中華人民共和國國家知識產權局) |
| "Nomination Committee" | the nomination committee of our Company, the details of which are described in "Corporate Information" in this prospectus |
| "OFAC" | the U.S. Department of Treasury's Office of Foreign Assets Control |
| "Offer Price" | the final offer price per Offer Share (exclusive of 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%) of not more than HK$33.20 and expected to be not less than HK$24.90, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offer and International Offer Shares are to be offered pursuant to the International Offering, to be determined in the manner further described in "Structure and Conditions of the Global Offering — Pricing and Allocation" in this prospectus |
| "Offer Shares" | the Hong Kong Offer Shares and the International Offer Shares, with any additional H shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option |

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| "Offer Size Adjustment Option" | the option expected to be granted to the International Underwriters under the International Underwriting Agreement, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) pursuant to which the Company may issue and allot up to an aggregate of 4,518,100 additional H Shares (representing in aggregate approximately 15% of the Offer Shares initially being offered under the Global Offering assuming the Over-allotment Option is not exercised) at the Offer Price, to cover additional market demand in the International Offering, if any, as described in the section headed "Structure and Conditions of the Global Offering" in this prospectus |
| "Ouzhuo Enterprise" | Ouzhuo Enterprise Management Consulting (Shanghai) Partnership (Limited Partnership) (歐卓企業管理諮詢(上海)合夥企業(有限合夥)), a partnership established on December 6, 2018 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Overall Coordinators" | the overall coordinators as named in "Directors and Parties Involved in the Global Offering" of this prospectus |
| "Over-allotment Option" | the option expected to be granted by our Company to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) pursuant to the International Underwriting Agreement, pursuant to which our Company may be required to allot and issue up to an aggregate of 5,195,800 additional H Shares (representing approximately 15% of the Offer Shares initially offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 4,518,100 additional H Shares (representing approximately 15% of the Offer Shares initially offered under the Global Offering assuming the Offer Size Adjustment Option is not exercised), at the Offer Price to, among other things, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure and Conditions of the Global Offering" in this prospectus |
| "PBOC" | the People's Bank of China |
| "Personal Data (Privacy) Ordinance" | the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "PRC Legal Advisor" | Haiwen & Partners, the legal advisor to our Company as to PRC laws (including PRC data privacy and protection matters) |
| "Pre-IPO Investment(s)" | the Pre-IPO investment(s) in our Company undertaken by the Pre-IPO Investor(s) prior to the Listing, details of which are set out in the section headed "History, Development and Corporate Structure" in this prospectus |
| "Pre-IPO Investor(s)" | the investor(s) who participated in our Pre-IPO Investments, details of which are set out in the section headed "History, Development and Corporate Structure" in this prospectus |
| "Price Determination Agreement" | the agreement to be entered into between the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company on or about the Price Determination Date to record and fix the Offer Price |

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| "Price Determination Date" | the date on which the Offer Price is to be determined, which is expected to be on or before Wednesday, November 11, 2026, but no later than 12:00 noon on Wednesday, November 11, 2026 |
| "Primary Sanctioned Activity" | has the meaning ascribed to it under Chapter 4.4 of the Guide for New Listing Applicants, means any activity in a Sanctioned Country or (i) with; or (ii) directly or indirectly benefiting, or involving the property or interests in property of, a Sanctioned Target by a listing 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 |
| "prospectus" | this prospectus being issued in connection with the Hong Kong Public Offer |
| "Qingchuang Bole Fengqing" | Qingchuang Bole Fengqing (Qingdao) Equity Investment Partnership (Limited Partnership) (青創伯樂風清(青島)股權投資合夥企業(有限合夥)), a partnership established on September 15, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Qingchuang Bole Gongyu" | Qingdao Qingchuang Bole Gongyu Private Equity Fund Partnership (Limited Partnership) (青島青創伯樂攻玉私募基金合夥企業(有限合夥)), a partnership established on March 26, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Qingchuang Bole Songyun" | Qingchuang Bole Songyun (Qingdao) Equity Investment Partnership (Limited Partnership) (青創伯樂松韻(青島)股權投資合夥企業(有限合夥)), a partnership established on September 15, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Qingda Honghe" | Xiamen Qingda Honghe No. IV Investment Partnership (Limited Partnership) (廈門清大紅禾四號投資合夥企業(有限合夥)), a partnership established on August 31, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Qingdao Juderong Financial" | Qingdao Juderong Financial Services Co., Ltd. (青島聚德融財務服務有限公司, formerly known as Qingdao Luhao Juderong Finance Co., Ltd. (青島魯昊聚德融財務有限公司)), a company established on March 15, 2019 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Regulation S" | Regulation S under the U.S. Securities Act |
| "Relevant Jurisdiction(s)" | has the meaning ascribed to it under Chapter 4.4 of the Guide for New Listing Applicants, means any jurisdiction that is relevant to the listing applicant 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" | the Company, together with its investors and shareholders and persons who might, directly or indirectly, be involved in permitting the listing, trading, clearing and settlement of its shares, including the Stock Exchange and related group companies, the Sole Sponsor and the Underwriters |

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| "Remuneration Committee" | the remuneration committee of our Company, the details of which are described in "Corporate Information" in this prospectus |
| "RMB" or "Renminbi" | Renminbi, the lawful currency of the PRC |
| "SAFE" | the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) |
| "SAMR" | the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), and formerly known as State Administration of Industry and Commerce of the PRC (中華人民共和國工商行政管理局) |
| "Sanctioned Country" | has the meaning ascribed to it under Chapter 4.4 of the Guide for New Listing Applicants, means 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 |
| "Sanctioned Target" | has the meaning ascribed to it under Chapter 4.4 of the Guide for New Listing Applicants, means any person or entity (i) designated on SDN List or any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Sanctioned Country; or (iii) 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 (i) or (ii) |
| "SDN" | individuals and entities that are listed on the SDN List |
| "SDN List" | the list of Specially Designated Nationals, and Blocked Persons maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealings with U.S. persons |
| "SFC" | the Securities and Futures Commission of Hong Kong |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Share Subdivision" | the sub-division of the Shares by the Company where the Company subdivided its Share from one Share of RMB1.0 each into ten Shares of RMB0.1 each, which became effective on October 14, 2026 |
| "Share(s)" | (i) prior to the Share Subdivision, ordinary share(s) of a par value of RMB1.00 each of our Company; or (ii) after the Share Subdivision, ordinary share(s) of a par value of RMB0.1 each of our Company |
| "Shareholder(s)" | holder(s) of our Shares |
| "Shengren Investment" | Shenzhen Shengren Investment Consulting Service Co., Ltd. (深圳市聖仁投資諮詢服務有限公司), a company established on May 11, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Shenzhen Baiying" | Baiying (Shenzhen) Management Consulting Partnership (Limited Partnership) (百應(深圳)管理諮詢有限合夥企業(有限合夥)), a partnership established on March 23, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |

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| "Shenzhen Capital Group" | Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司), a company established on August 25, 1999 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Shenzhen Guoxing Zhihui" | Shenzhen Guoxing Zhihui Technology Co., Ltd. (深圳市國星智慧科技有限公司), a company established on September 21, 2023 under the laws of the PRC with limited liability and a wholly owned subsidiary of our Company |
| "Sichuan Space-park" | Sichuan Space-park Technology Co., Ltd. (四川省停碳科技有限公司), a company established on July 19, 2021 under the laws of the PRC with limited liability, formerly known as Beijing Space-park Technology Co., Ltd. (北京停碳科技有限公司) |
| "Single Largest Group of Shareholders" | refers to Dr. Lu, Beijing Xingrong Yuhang, Beijing New Era Space and Haikou Xingsuan |
| "SME Development Fund" | SME Development Fund (Shenzhen Nanshan Limited Partnership) (中小企業發展基金(深圳南山有限合夥)), a partnership established on December 21, 2016 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "SME Development Fund (Chengdu)" | SME Development Fund (Chengdu) Jiaozi Venture Capital Partnership (Limited Partnership) (中小企業發展基金(成都)交子創業投資合夥企業(有限合夥)), a partnership established on June 8, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Sole Sponsor" | the sole sponsor as named in "Directors and Parties Involved in the Global Offering" of this prospectus |
| "Sponsor-Overall Coordinator" or "Sponsor-OC" | the sponsor-overall coordinator as named in "Directors and Parties Involved in the Global Offering" of this prospectus |
| "STA" | the State Taxation Administration of the PRC (中華人民共和國國家税務總局) |
| "Stabilizing Manager" | Guotai Junan Securities (Hong Kong) Limited |
| "State Council" | the State Council of the PRC (中華人民共和國國務院) |
| "STEM" | science, technology, engineering and mathematics |
| "Stock Exchange" or "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "subsidiary(ies)" | has the meaning ascribed to it under the Companies Ordinance |
| "Taizhou Jintou" | Taizhou Jintou Equity Investment Co., Ltd. (台州市金投股權投資有限公司), a company established on December 31, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Taizhou Capital" | Taizhou State-owned Capital Operation Group Co., Ltd. (台州市國有資本運營集團有限公司), a company established on January 23, 2008 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Takeovers Code" | the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time |

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| "Tongkun Langtai" | Chengdu Tongkun Langtai Enterprise Management Center (General Partnership) (成都通焜朗泰企業管理中心(普通合夥)), a partnership established on December 17, 2020 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Track Record Period" | the period comprising the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026 |
| "U.S. Securities Act" | United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder |
| "Underwriters" | the Hong Kong Underwriters and the International Underwriters |
| "Underwriting Agreements" | the Hong Kong Underwriting Agreement and the International Underwriting Agreement |
| "Unlisted Share(s)" | (i) prior to the Share Subdivision, ordinary share(s) of a par value of RMB1.00 each of our Company; or (ii) after the Share Subdivision, ordinary share(s) of a par value of RMB0.1 each of our Company, which is/are not listed on any stock exchange |
| "United States", "U.S." or "US" | the United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| "US$" or "USD" | United States dollars, the lawful currency of the United States |
| "West Lake Industrial Fund" | Hangzhou West Lake Industrial Fund Co., Ltd. (杭州西湖產業基金有限公司), a company established on June 7, 2018 under the laws of the PRC with limited liability and our Pre-IPO investor |
| "**White Form eIPO**" | the application for the Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk** |
| "**White Form eIPO** Service Provider" | Computershare Hong Kong Investor Services Limited |
| "Wuhu Investment" | Wuhu Wanzhi District Equity Investment Co., Ltd. (蕪湖市灣沚區股權投資有限公司), formerly known as Wuhu Xinwu Industrial Investment Fund Co., Ltd. (蕪湖市新蕪產業投資基金有限公司), a company established on June 21, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Wuxi Guoxing Fund" | Wuxi Liangxi Guoxing Investment Partnership (Limited Partnership) (無錫市梁溪國星投資合夥企業(有限合夥)), a partnership established on October 10, 2024 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Wuxi Tianyanxing" | Wuxi Tianyexing Management Service Partnership (Limited Partnership) (無錫市天眼星管理服務合夥企業(有限合夥)), a partnership established on April 25, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Wuxi Xinzhi" | Wuxi Liangxi Science City Hongtai Xinzhi Investment Partnership (Limited Partnership) (無錫市梁溪科技城洪泰新智投資合夥企業(有限合夥)), a partnership established on January 17, 2025 under the laws of the PRC with limited liability and our Pre-IPO Investor |

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| "Xiamen Shengtian" | Xiamen Shengtian Guangqi Venture Capital Fund Partnership (Limited Partnership) (廈門盛天光啟創業投資基金合夥企業(有限合夥)), a partnership established on March 12, 2026 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Xiamen Yaheng" | Xiamen Yaheng Venture Capital Investment Fund Partnership (Limited Partnership) (廈門雅恒創業投資基金合夥企業(有限合夥)), a partnership established on March 17, 2022 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Xinhuanet Venture Capital" | Xinhuanet Venture Capital Co., Ltd. (新華網創業投資有限公司), a company established on August 7, 2017 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Xinjiang Communications Construction" | Xinjiang Communications Construction Group Co., Ltd. (新疆交通建設集團股份有限公司), a company established on January 27, 1999 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Xiuhu Fund" | Jiaxing Xiuhu Venture Innovation Equity Investment Fund Co., Ltd. (嘉興市秀湖創業創新股權投資基金有限公司), a company established on May 11, 2016 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Yinfeng Rongjin" | Yinfeng Rongjin (Beijing) Investment Management Co., Ltd. (銀豐融金(北京)投資管理有限公司), a company established on August 24, 2012 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Zhejiang Zhongjing" | Zhejiang Zhongjing Drone Co., Ltd. (浙江中警無人機有限公司), a company established on November 10, 2021 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Zhenye Aerospace" | Shenzhen Zhenye Aerospace Investment Limited Partnership (Limited Partnership) (深圳振燁航天投資有限合夥企業(有限合夥)), a partnership established on November 24, 2015 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "Zhiyan Xinhe" | Zhiyan Xinhe (Ningbo) Venture Capital Partnership (Limited Partnership) (智焱芯合(寧波)創業投資合夥企業(有限合夥)), formerly known as Zhiyan Xinhe (Ningbo) Artificial Intelligence Technology Partnership (Limited Partnership) (智焱芯合(寧波)人工智能科技合夥企業(有限合夥)), a partnership established on April 2, 2025 under the laws of the PRC with limited liability and our Pre-IPO Investor |
| "%" | percent |

*In this prospectus, the terms "associate", "close associate", "connected person", "controlling shareholders", "core connected person", "connected transaction", "Exchange Participant" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

*Certain amounts and percentage figures included in this prospectus have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.*

*For the ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. The English translations of such Chinese names are provided for identification purposes only.*

*The following is a glossary of certain terms used in this prospectus in connection with us and/or our business. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.*

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| "3D modeling" | the process of creating a mathematical representation of a three-dimensional object or shape using specialized engine |
| "Additive manufacturing" | also known as 3D printing, refers to the process of making a physical object by building it up layer by layer from a digital design, instead of cutting it out of a larger block of material or moulding it in a fixed shape |
| "Additive technology" | a manufacturing process in which physical three-dimensional objects are produced by joining materials based on 3D model data, typically layer upon layer, as opposed to subtractive or formative manufacturing methods |
| "AI application satellites" | a type of satellite that integrates AI payloads and algorithms to perform onboard data analysis and computing, offering enhanced remote sensing and data processing capabilities |
| "AI computing satellites" | a type of satellite that integrates AI payloads with computing power to deliver advanced data analysis and computing services for themselves, other spacecraft, and ground applications |
| "AI satellites" | a newly developed, emerging category of satellites enabled by rapid AI advancements, including AI application satellites and AI computing satellites |
| "CAGR" | compound annual growth rate |
| "CAN" | controller area network |
| "CCD" | charge coupled device |
| "CIIO" | critical information infrastructure operator |
| "cloud detection" | detection of the clouds in remote sensing data to facilitate the subsequent analysis and interpretation of remote sensing data |
| "computing node" | a point of connection in a computing network |
| "computing power/ computing capability" | the ability of a computer or computing system to process satellite remote sensing data and execute tasks |
| "digital twin" | a virtual representation of a physical object, system or process, created to simulate and analyse its real-world counterpart |
| "ECC verification" | error correction code verification, a process used to detect and correct errors in data transmission or storage, ensuring data integrity in satellite communications |

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| "FPGA" | field-programmable gate array, an integrated circuit that can be configured after production, enabling flexible and efficient processing for satellite tasks |
| "Geosynchronous Orbit" | Earth-centered orbits with an altitude of approximately 35,786 km |
| "GFA" | gross floor area |
| "GPU" | graphics processing unit, a specialized processor for accelerating graphics rendering and parallel processing, commonly used in satellites for image processing and data analysis |
| "GTX" | gigabit transceiver |
| "IoT" | Internet of Things, the network of interconnected devices that communicate with each other and the cloud, enabling data exchange and remote monitoring |
| "ISO" | the International Organization for Standardization, an independent, non-governmental organization that develops and publishes international standards |
| "ISO 14001" | an internationally recognized standard for environmental management system published by ISO |
| "ISO 9001" | an internationally recognized standard for quality management systems published by ISO |
| "ITU" | International Telecommunication Union, a specialized agency of the United Nations responsible for coordinating the international use of radio-frequency spectrum and satellite orbits, including through the allocation, coordination, recording and protection of satellite frequency assignments and related filings |
| "LEO(s)" | low earth orbit, encompassing Earth-centered orbits with an altitude lower than 2,000 km |
| "Lingjing Engine" | an advanced ground-based infrastructure designed for cost-effective and efficient remote sensing data analysis and 3D modeling |
| "LVDS" | low-voltage differential signaling |
| "Medium Earth Orbit" | Earth-centered orbits with an altitude greater than approximately 2,000 km and less than 35,786 km |
| "NVME" | non-volatile memory express |
| "payload" | the specific instruments, equipment or subsystems designed to perform the satellite's intended functions or missions once it is in orbit |
| "PCIE" | peripheral component interconnect express |

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| "POPS" | peta operations per second, a measure of computing performance that indicates the ability of a system to perform one quadrillion (10^15) operations per second |
| "R&D" | research and development |
| "remote sensing" | the acquisition of information about an object or phenomenon without making physical contact with the object, in contrast to in situ or on-site observation |
| "RS422" | known as TIA/EIA-422, a technical standard originated by the Electronic Industries Alliance that specifies electrical characteristics of a digital signaling circuit |
| "satellite constellation" | a group of satellites working together in a coordinated manner to provide enhanced coverage and capabilities |
| "space radiation" | the ionising radiation present in space, which can affect satellite components and operations, necessitating protective measures |
| "space-based computing" | a technology deploying computational hardware, software, algorithm and networks in orbit to process data, run applications and conduct analysis in space |
| "sq.m." | square meters |
| "Telemetry, Tracking and Command, or TT&C services" | a satellite operations service that enables monitoring, tracking and control of satellites from the ground |
| "TLK2711" | a type of multigigabit transceivers, intended for use in ultrahigh-speed bidirectional point-to-point data transmission systems |
| "TOPS" | tera operations per second, a measure of computing performance representing the ability of a system to perform one trillion (10^12) operations per second |
| "UART" | universal asynchronous receiver/transmitter |
| "W" | watt |

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- general political and economic conditions, including those related to the PRC;
- 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;
- our business operations and prospects;
- our capital expenditure plans;
- 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 our business plans;
- various business opportunities that we may pursue; and
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and Hong Kong and the industry and markets in which we operate.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this prospectus. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this prospectus. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus might not occur. All forward-looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

*An investment in our Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our 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 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 was 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 prospectus.*

## RISKS RELATING TO OUR BUSINESS AND INDUSTRY

**Any change in launch schedules or failure of our launch service providers to successfully launch our satellites into space could materially and adversely affect our results of operations.**

Our business is dependent on the successful launch, deployment and operation of our satellites. We rely on third-party launch service providers to deliver our satellites into orbit and, as a result, our ability to deploy satellites in a timely manner is subject to factors largely beyond our control. These factors include changes in launch schedules, limited availability of reliable launch opportunities, failure to obtain required regulatory approvals in a timely manner and launch or deployment failures.

Launch delays or failures may result from technical malfunctions, launch vehicle or deployment mechanism failures, adverse weather conditions or other unforeseen events. A launch failure could lead to the destruction or loss of functionality of our satellites or payloads, cause delays in satellite deployment due to the need to manufacture replacement satellites and secure alternative launch opportunities and increase our overall costs. We have experienced launch-related incidents in the past. In February 2021, a technical incident involving a third-party rocket resulted in the unsuccessful deployment of two independently developed AI (artificial intelligence) payloads owned by us. These AI payloads were primarily used to validate the application of our AI technologies in satellites operating in space environments. The total cost of these AI payloads was approximately RMB1.8 million and the launch service provider assumed full responsibility for launch operations. In January 2026, a rocket carrying two of our experimental satellites experienced a launch failure due to rocket technical issues, resulting in the destruction of both satellites. The total loss exposure associated with the two satellites comprised their aggregate cost of approximately RMB8.4 million and the estimated manufacturing cost of approximately RMB2.4 million for a replacement satellite to be provided to the relevant customer. See " Business — Our Suppliers — Procurement — Launch Service." Such launch failures may result in the failure to recognize related revenue and, if required by the relevant customer, require the replacement of affected satellites and the rescheduling of launches. We cannot guarantee that replacement satellites can be manufactured or replacement launches can be completed within the same timeframe or at the same cost. Any such events may disrupt our project schedules, delay the fulfillment of customer contracts, affect the timing of revenue recognition, adversely affect customer confidence and harm our reputation.

**The satellite industry is subject to extensive and continuously evolving regulations and government policies and we may not be able to obtain, renew or maintain the licenses, approvals and permits required for our business, which may increase our compliance costs or otherwise adversely affect our business and operations.**

Our satellite operations are subject to extensive PRC laws, regulations and governmental policies, including the approval from the NDRC prior to the production of satellites and radio frequency use permits and radio station licenses issued by the MIIT for on-orbit operation. In addition, in late 2025, the China National Space Administration (國家航天局) established the Commercial Space Department (商業航天司), a dedicated department for matters relating to commercial space activities, which was in the process of gradually commencing its regulatory functions as of the Latest Practicable Date. See "Regulatory Overview — Regulations Related to the Commercial Space Industry." As regulatory requirements, approval procedures and industry practices continue to evolve, we may incur additional costs in adapting to new or adjusted

requirements, and may experience uncertainty or delays in obtaining relevant approvals, permits or licenses. Any of the above may affect our satellite production, launch or on-orbit operation schedules and materially and adversely affect our business, financial condition and results of operations.

We had not obtained the requisite approval from the NDRC prior to the production of five satellites that we produced prior to December 2023. We have reported this incident to the NDRC. See "Business — Legal Proceedings and Compliance — Compliance — Approval of the Relevant National Ministry for Satellites." We cannot assure that no penalties or other regulatory actions will be imposed in the future. Any delay in obtaining, or failure to obtain or maintain, the requisite approvals may disrupt our operations, delay delivery timelines for confirmed orders and affect the timing of revenue recognition, which could adversely affect our customer relationships, reputation and ability to execute our business strategies. In addition, changes in laws, regulations or regulatory requirements may increase our compliance burden and require us to obtain additional approvals for our existing or future satellite projects, which could further adversely affect our business, financial condition and results of operations.

**We relied on a limited number of suppliers during the Track Record Period, which exposes us to supplier concentration risks, and any constraints, disruptions or delays in the supply of satellite materials, launch services or other key supplies may adversely affect our business and operations.**

Our suppliers primarily comprise (i) software and hardware providers for satellite-based solutions, (ii) satellite material providers for satellite design and production, and (iii) launch service providers. Purchases from our five largest suppliers in each year/period during the Track Record Period accounted for 43.1%, 70.6%, 58.3% and 46.9% of our total purchases, respectively, while purchases from our largest supplier in each year/period during the Track Record Period accounted for 18.8%, 34.8%, 20.4% and 18.0% of our total purchases, respectively. See "Business — Our Suppliers." Given such supplier concentration, any disruption to our supply chain, whether arising from the financial condition of our suppliers, changes in market conditions or other unforeseen events, could adversely affect our ability to procure key materials and services in a timely and cost-effective manner.

Our trade payables turnover days were 119.9 days, 246.7 days, 186.2 days and 426.4 days in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Our ability to maintain such turnover days depends on factors including market conditions, our bargaining position and our relationships with suppliers. There can be no assurance that our suppliers will continue to grant us similar credit terms in the future. If suppliers shorten payment terms, impose more stringent payment conditions or otherwise reduce the trade credit available to us, we may be required to use additional working capital or obtain additional financing. In addition, if any of our key suppliers cease or materially reduce the supply of critical materials or services, we may encounter difficulties in identifying alternative suppliers on comparable terms within a reasonable timeframe, which could materially and adversely affect our business, financial condition and results of operations.

**We relied on a limited number of customers during the Track Record Period, which exposes us to customer concentration risks.**

During the Track Record Period, a large portion of our revenue was derived from a limited number of customers. Revenue from our five largest customers in each year/period during the Track Record Period accounted for 56.1%, 77.5%, 78.0% and 91.1% of our total revenue, respectively, while revenue from our largest customer in each year/period during the Track Record Period accounted for 21.5%, 31.3%, 26.4%, and 35.9% of our total revenue, respectively. See "Business — Our Customers." The changes in revenue from our major customers during the Track Record Period were influenced by the continued development and expansion of our offerings, which resulted in changes in both our customer base and the volume of purchases. In addition, due to the nature of the satellite industry, customer purchase, production and delivery cycles are typically lengthy and project-based and are subject to factors beyond our control, including customization requirements, regulatory approval timelines and the availability of launch opportunities. Accordingly, repeat purchases were relatively limited and we maintained a relatively low customer retention rate during the Track Record Period. See "Business — Our Customers." There can be no assurance that existing customers will make repeat purchases or that we will be able to attract sufficient new business. As a result, our operating results may be subject to changes in our customer base, as well as fluctuations arising from changes in purchasing behavior, specification requirements, project schedules or demand from certain major customers. If we fail to expand our customer base, if existing customers reduce or delay their purchases, or if inspection or acceptance

of our products and solutions is postponed, our revenue, cash flow and results of operations may be adversely affected, which could in turn materially and adversely affect our business, financial condition and results of operations.

**If the market for satellites and satellite-based solutions does not continue to grow as expected, it could materially and adversely affect our results of operations.**

The satellite industry is evolving rapidly and is subject to changes in technology, regulation, market acceptance and competitive dynamics. In recent years, the PRC government has introduced policies relating to the aerospace and commercial satellite industry, including identifying aerospace as a strategic emerging industry under the "15th Five-Year Plan." Industry development has also coincided with advancements in launch vehicle technologies, including advancements in reusable rocket technologies, and demand associated with large-scale low-Earth orbit satellite constellation projects in the PRC, led by both state-owned and commercial operators. See "Industry Overview — The Satellite Industry in China" and "Regulatory Overview — Regulations Related to the Commercial Space Industry." Although the satellite industry has demonstrated growth potential, there is no assurance that market demand will continue to expand as expected. We cannot guarantee that we will be able to secure sufficient customer orders for our business development or for the remaining satellites under the Star-Compute Project in a timely manner or at all. If market demand fails to grow as expected, our ability to execute our business strategies and realize expected returns may be materially and adversely affected.

As a result of the market, technological, regulatory, commercial and competitive uncertainties inherent in the satellite industry, our performance is closely tied to the nature and stage of development of the industry in which we operate, making investment in our H Shares inherently speculative. If market demand fails to grow as expected, or if the market for satellites and satellite-based solutions develops more slowly, at a smaller scale or in a different manner than we currently anticipate, our ability to execute our business strategies, realise expected returns, achieve economies of scale and improve our results of operations may be materially and adversely affected. Accordingly, investing in our H Shares is highly speculative and involves a high degree of risk.

**Our business requires significant capital expenditure and ongoing funding, and any inability to secure sufficient financing on acceptable terms could adversely affect our results of operations and future prospects.**

Our business is capital intensive and requires substantial capital expenditure and ongoing funding to support our operations, growth strategy and long-term development. We have established multiple facilities for satellite design and development, environmental testing and component manufacturing in China. The implementation of this strategy requires significant upfront investment, including expenditures on facilities and equipment. The expected benefits of satellite mass production achieved collectively through coordination among multiple facilities, including cost reductions and improved procurement terms, may not be realized on the timeline or to the extent anticipated, or at all. Such benefits depend on, among other things, our ability to achieve sufficient production scale, maintain stable demand for our satellite-based solutions and manage supply chain and manufacturing execution risks. If we are unable to achieve the expected economies of scale, our average cost per satellite may remain high, which could adversely affect our profitability and competitiveness.

Since our establishment, we have conducted several rounds of pre-IPO equity financing to support our business operations, technology development and capital expenditure needs. See "History, Development and Corporate Structure — Major Changes in Our Company's Registered Capital and Shareholding Structure." There can be no assurance that we will be able to obtain additional financing in the future on terms acceptable to us, or at all. Our future funding requirements may be affected by a number of factors, including the pace of our satellite deployment and mass production plans, changes in customer demand, market competition, regulatory developments and macroeconomic conditions. If we are unable to secure sufficient funding when needed, we may be required to delay, scale back or modify our satellite mass production plans, capital expenditure programs or growth initiatives. In addition, any future equity financing may result in dilution to our existing shareholders, while debt financing may subject us to restrictive covenants, increased interest expenses and repayment obligations. Any of these circumstances could materially and adversely affect our results of operations and future prospects.

**If we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.**

The industry in which we operate is increasingly competitive and there is no assurance that we will be able to maintain our competitive edge. We primarily compete with participants in the satellite industry, some of them may have greater financial resources, more advanced technological capabilities or broader customer bases, which could enable them to offer more competitive pricing, faster delivery timelines or superior product and solution performance. Some competitors may also have access to more favorable strategic partnerships that could enhance their market position. To respond to heightened competition, we may be required to increase investments in R&D, marketing and sales. We cannot assure you that such measures will be effective and yield the expected results. Our products and solutions may be replicated by our competitors, requiring us to constantly update and improve the quality of our offerings to remain competitive. If we fail to do so, it will be difficult for us to differentiate ourselves from competitors and we may lose market share. Any failure to compete effectively could have a material and adverse impact on our business, financial condition and results of operations.

**Any failure of our satellites to operate as intended, including satellite malfunctions or mission failures, may impact our ability to provide satellite solutions.**

Our satellites employ advanced technologies that are exposed to severe environmental stresses during launch and in space that could affect our satellites' performance, and we cannot guarantee that our satellites will continue to operate successfully in space throughout their expected operational lives. For example, hardware or software malfunctions, human error in command operations or exposure to unforeseen events, such as space debris, solar storms, meteor activity or intentional or unintentional interference, may result in performance degradation, loss of functionality or complete failure of a satellite. As a result, the actual operational lifespan of our satellites may be shorter than expected, reducing their available capacity or causing service disruptions.

The space environment is inherently hazardous and difficult to predict. Satellites may be exposed to conditions that cannot be fully replicated or tested on the ground, including radiation exposure, extreme temperature fluctuations, orbital debris collisions, propulsion system failures and other anomalies. Any such event may cause satellite malfunctions, degrade satellite performance, shorten operational life or result in mission failure. Historically, we have encountered situations where the satellites became de-orbited. If a satellite fails to operate as intended, becomes unavailable for service, is de-orbited prematurely or suffers a mission loss, we may lose the revenue that otherwise would have been derived from such satellite and may incur additional costs associated with replacement, remediation or redeployment efforts. Furthermore, if any of the abovementioned issues happen to satellites sold to our customers, the customers' business operations that rely on these satellites may be affected, which could give rise to claim against us, damage our reputation, cause a loss of customer confidence and result in loss of future business opportunities.

**We have been and intend to continue investing in R&D, which may not generate the results as expected and may adversely affect our short-term cash flow, liquidity and profitability.**

The industry in which we operate is characterized by rapid advancements in satellite technology. Our success is contingent upon our ability to adapt to these changes in a timely and cost-effective manner. To enhance technological capabilities and maintain our products and solutions competitive in the market, we have been investing heavily in our R&D activities, with a primary focus on AI satellite technologies. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses were RMB53.5 million, RMB142.0 million, RMB151.7 million, RMB97.7 million and RMB108.6 million, respectively. There is no assurance that our R&D efforts will yield the anticipated results or lead to commercially viable products and solutions or improvements. The failure of our R&D initiatives to meet expectations could result in significant expenses without corresponding revenue generation, which could adversely affect our short-term cash flow, liquidity and profitability.

**We have a limited operating history, which makes it difficult to evaluate our business and future prospects.**

We commenced business operation in 2018. Our revenue amounted to RMB507.5 million, RMB553.5 million, RMB702.7 million, RMB241.3 million and RMB226.1 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. However, our historical growth may not be indicative of our future performance. As a company with a limited operating history operating in a rapidly evolving industry, we face uncertainties relating to our ability to continue developing and commercializing our technologies and products, expand and retain our customer base, compete effectively in the satellite industry, attract and retain qualified personnel, adapt to changes in the regulatory environment and manage legal, regulatory and other compliance-related risks. These activities require significant capital investment and management resources, and there is no assurance that we will be able to execute our growth strategies effectively. If market demand for our products and solutions does not develop as expected, or if we fail to address industry and operational challenges associated with our growth, our business and growth prospects may be materially and adversely affected.

**We recorded net losses and had net operating cash outflows during the Track Record Period.**

We had a net loss of RMB139.3 million, RMB177.2 million, RMB255.9 million, RMB192.0 million and RMB150.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. See "Business — Sustainability." As we are still in the early stages of technological development, we expect to continue incurring substantial costs as we invest in technology development, satellite deployment and the expansion of our satellite-based solutions. As a result, we anticipate incurring considerable operating costs and expenses in the foreseeable future, which may adversely affect our overall financial position.

In addition, we had net cash used in operating activities of RMB313.5 million and RMB212.5 million in 2023 and 2024, respectively, and had net cash generated from operating activities of RMB8.2 million and RMB61.2 million in 2025 and the six months ended June 30, 2026, respectively. See "Financial Information — Liquidity and Capital Resources — Cash Flow." We cannot assure you that we will be able to continuously generate positive cash flows from operating activities in the future. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing, including equity or debt financing, on acceptable terms or at all. If we are unable to generate sufficient operating cash flows or secure external funding when needed, our liquidity position may be adversely affected, which could in turn materially and adversely affect our results of operations.

**We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions.**

Our business may be affected by political and economic relations between countries, as well as sanctions and export control regimes imposed by governments in the jurisdictions in which we operate. In particular, U.S. sanctions and export controls targeting China-based technology companies, including restrictions administered by the U.S. Treasury Department's Office of Foreign Assets Control and the U.S. Export Administration Regulations, may directly or indirectly affect our operations, supply chain and customer relationships. If any of our customers or suppliers are subject to such restrictions, we may face limitations in sourcing, selling or providing certain products or services, or difficulties in obtaining or maintaining required regulatory approvals.

During the Track Record Period, we entered into certain transactions with certain entities listed on the SDN List and the Entity List. See "Business — Sanctions Exposure." Dealings with such entities inherently involve heightened compliance, operational and counterparty risks. These risks include potential disruptions to contractual performance, payment, delivery or ongoing business relationships, as well as increased scrutiny by regulators and counterparties. In addition, sanctions and export control regimes are subject to frequent changes, evolving interpretations and heightened enforcement. Any expansion, reinterpretation or stricter application of such measures by the U.S. or other jurisdictions could increase our compliance costs, restrict our ability to transact with certain customers or suppliers, disrupt our supply chain or customer demand and materially and adversely affect our business, financial condition and results of operations.

**U.S. outbound investment restrictions and evolving related regulatory requirements may negatively impact our business operations and our ability to secure funding.**

In October 2024, the U.S. Department of the Treasury issued a final rule ("**Final Rule**") restricting certain outbound investments by U.S. persons in Chinese companies engaged in specified technology-related activities, including semiconductors, quantum information technologies and artificial intelligence, which took effect on January 2, 2025. The rule imposes additional diligence, reporting and record-keeping requirements on U.S. investors and may prohibit or restrict certain investments depending on the nature of the investee's activities, and its scope may be further expanded under subsequent policy initiatives. Although U.S. Persons (as defined in the Final Rule) are generally permitted to invest in our H Shares following the Global Offering under the Publicly Traded Securities Exception, the outbound investment regime may still increase transaction complexity, compliance costs and regulatory uncertainty for U.S. investors. U.S. Persons are prohibited from subscribing for our Offer Shares in the Global Offering. In addition, the scope of the outbound investment rules may be expanded or further tightened in the future. Any reduction in foreign investor participation or increased difficulty in accessing international capital markets could materially and adversely affect our ability to raise funds, and in turn our business, financial condition and prospects.

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

The investment activities of foreign investors in the PRC are subject to certain regulations regarding the industry participated and imposed additional verification procedures by certain authorities. See "Regulatory Overview — Regulations in Relation to Foreign Investment." During the Track Record Period, certain application scenarios of our satellite-based solutions fell within the "prohibited category" in the Special Administrative Measure (Negative List) for the Access of Foreign Investment (the "**Negative List**"), namely, (i) 3D (three-dimensional) reality mapping; and (ii) geology-related services. As advised by our PRC Legal Advisor, foreign investors are prohibited from holding any equity interest in any entity engaged in such prohibited businesses. To comply with the Negative List upon Listing, we have ceased to offer satellite-based solutions involving 3D reality mapping compilation and business concerning geology-related services. See "Business — Arrangement for Business Activities on the Negative List." However, these arrangements may expose us to additional operational, legal and compliance risks, including reliance on third parties, increased operational costs, potential disputes relating to product quality or intellectual property and increased complexity in our business structure. In addition, the Negative List may be amended in the future, and any requirement to further restructure our business or discontinue certain operations as a result of changes in foreign investment policies could materially and adversely affect our results of operations.

**We are subject to credit risk related to delays in payment and defaults of customers.**

We are exposed to credit risk related to delays in payment and defaults of our customers. As of December 31, 2023, 2024, 2025 and June 30, 2026, our trade and notes receivable, net were RMB500.9 million, RMB628.3 million, RMB630.5 million and RMB597.8 million, respectively, and we had provision for loss allowance of receivable of RMB23.1 million, RMB64.4 million, RMB156.9 million and RMB149.4 million, respectively. Our trade and notes receivables turnover days were 233.8 days, 395.7 days, 379.1 days and 610.8 days in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Notes Receivables." Such turnover periods may increase our working capital requirements and place pressure on our liquidity. We may not be able to collect all such trade receivables due to a variety of factors that are outside of our control, including the adverse operating conditions or financial situation of customers and customers' inability to pay. Given our substantial working capital requirements and ongoing investments in research and development, satellite development and deployment activities, any significant delay in the collection of trade receivables may result in a mismatch between our cash inflows and cash outflows, which could adversely affect our liquidity and working capital position. In particular, any financial difficulties experienced by our customers may result in a reduction in their engagement with our products and solutions and expose us to higher customer credit risks, which could in turn materially and adversely affect our financial condition.

In addition, during the Track Record Period, one of our customers purchased ten AI computing satellites from us and that customer arranged a finance lease arrangement in order to better manage its capital expenditures and align payment obligations with its operational needs. See "Business — Our Customers — Salient Terms of Agreements with Customers — Finance Lease Agreement." If finance leasing companies tighten credit standards, face funding constraints or increase interest rates, our customer may delay or reduce purchases or default on payment obligations. Any such defaults or financing difficulties may result in delayed or uncollectible receivables, increased collection costs and impairment losses, which could materially and adversely affect our results of operations.

**Our indebtedness could adversely affect our financial condition, limit our financial flexibility and increase our vulnerability to adverse economic and industry conditions.**

We have incurred indebtedness to support our business operations and growth. As of December 31, 2023, 2024 and 2025, and June 30 and September 30, 2026, our total indebtedness amounted to RMB83.4 million, RMB323.1 million, RMB340.1 million, RMB392.7 million and RMB412.3 million, respectively. See "Financial Information — Indebtedness." Our indebtedness may require us to devote a significant portion of our cash flow to servicing debt and other payment obligations, which could reduce the funds available for working capital, capital expenditures, research and development, satellite deployment and other business purposes. Our indebtedness could also limit our financial flexibility, reduce our ability to respond to changing market conditions and business opportunities and increase our vulnerability to adverse economic, financial and industry conditions. In addition, our business requires substantial ongoing investment in satellite development, manufacturing and deployment activities. If our operating performance or cash flows deteriorate, or if we are unable to obtain additional financing on acceptable terms, we may be required to delay, scale back or forgo certain business initiatives and capital expenditures. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

**We may not be successful in implementing our business plans and strategies effectively, which could materially and adversely affect our business, financial condition and results of operations.**

We have devised business strategies to sustain future growth. See "Business — Our Strategies." Our business plans and strategies are based on assumptions regarding market conditions, regulatory developments and other factors that are subject to uncertainties and may not materialize as expected. There can be no assurance that our plans and strategies will be implemented as scheduled or will achieve the intended results. If we fail to execute our business plans and strategies effectively or cost-efficiently, we may be unable to expand our operations, manage growth or remain competitive. In addition, the implementation of our strategies may result in increased operating costs and cash outflows, including higher personnel costs and capital expenditures. If the anticipated benefits of our strategies do not materialize, we may have difficulty recovering such costs, which could materially and adversely affect our results of operations.

**Our satellite R&D, production and testing facilities are susceptible to interruption, damage or loss caused by events beyond our control.**

Our satellite facilities, including the Chengdu AIT Center, Jiaxing Testing Base, Taizhou Center and the Chengdu Chongzhou Additive Manufacturing Base, are critical to timely satellite delivery. Interruptions, damage or loss from fire, severe weather, earthquakes or other uncontrollable events could harm our operations. Additionally, our production requires stable electricity; unreliable supply or future blackouts may force us to limit, delay or halt production, which could significantly damage our reputation and business, and may have material adverse effects on our results of operations if insurance coverage is insufficient.

**We may experience a failure of satellite TT&C service centers, interference with our satellite signals or geomagnetic solar storms that impair the performance of our satellites, which could harm our business, prospects, financial condition and results of operations.**

We operate critical ground infrastructure, including satellite TT&C service centers, which are responsible for satellite orbit and attitude control. These centers may be subject to potential disruptions from natural disasters, fires, acts of war, terrorism or other catastrophic events, which could result in a partial or complete loss of service. Additionally, technical failures or operator errors at these facilities may compromise satellite operations, potentially leading to the inability to

communicate with or control one or more satellites. Such failures could result in incorrect instructions being transmitted, causing temporary or permanent degradation of satellite performance or even the loss of one or more satellites.

Moreover, electromagnetic or radio frequency interference, whether intentional or accidental, could disrupt our satellite communication capabilities and hinder our ability to deliver services. Any disruption in the functionality of our facilities, the communication links between them, or our satellite signals could have a material adverse effect on our revenue, our ability to effectively market services, and the overall performance of our business, including its financial condition and prospects.

**Any failure to offer high-quality customer services for our customers may harm our relationships with them and, consequently, our business, financial condition and results of operations.**

As we grow our operations, we need to provide efficient and satisfactory customer support and maintenance at scale. We may not recruit or retain sufficient qualified personnel, which could prevent us from responding to short-term increases in customer demand, competing with competitors' services, or controlling costs. Failure to maintain high-quality customer support and maintenance could harm our reputation and ability to attract new customers. Furthermore, we generally offer a one- to five-year warranty for satellites after in-orbit delivery, and a one- to three-year warranty for satellite-based solutions after delivery. See "Business — Marketing and Sales — After-Sales and Warranty." Any deterioration in product quality would increase our warranty costs, and we may be required to adopt new or amended warranty policies, which could add costs we may not recoup. We cannot guarantee our warranty policy will not be misused, increasing costs and adversely affecting our business. Revising these policies to reduce costs may dissatisfy customers, leading to losses and failure to acquire new users, which could materially and adversely affect our results of operations.

**Spectrum and orbital resources are limited, and any constraints on, delays in or loss of access to such resources may limit the scalability of our business and materially and adversely affect our business, financial condition and results of operations.**

Spectrum and orbital resources are finite because satellites can only operate within allocated radio frequency bands and suitable orbital positions that are compatible with their missions and do not cause harmful interference or unacceptable collision risks to other space systems. Our satellite business depends on access to such resources, as the satellites we develop and operate must be launched into suitable orbits and use compatible radio frequencies to support in-orbit operation, inter-satellite coordination, space-based computing and the delivery of satellite-related services. As of the Latest Practicable Date, we had obtained ITU approvals for 3,157 satellites, which are international approvals relating to the registration and coordination of satellite radio frequency use and associated orbital resources. Based on the relevant ITU Space Explorer filing and the ITU Radio Regulations framework for satellite frequency assignments, such approval will remain valid for 50 years, provided that the relevant frequency assignments are put into actual use by launching the first satellite within seven years after the initial approval filing. After that, we must continue to deploy the planned constellation on schedule: at least 10% of the satellites within the next two years, at least 50% within the next five years and the full constellation within the next seven years. Accordingly, failure to obtain the necessary NDRC approvals or otherwise fail to deploy the relevant satellites within the prescribed timeframes, may result in a reduction or adjustment of the number of satellites, frequency assignments or associated orbital resources recorded or recognized under the relevant ITU filings, and we may need to make new or revised filings for the relevant frequency and orbital resources.

As the number of satellites and large-scale low-Earth orbit constellations continues to grow, competition for usable frequency bands and suitable orbital positions is intensifying. As a result, we may face greater difficulties in securing, coordinating or preserving the spectrum and orbital resources required for future satellite deployments, network expansion or replenishment, and may become subject to more complex coordination processes and more restrictive technical, interference-mitigation, collision-avoidance and de-orbit requirements. Any such constraints may require us to modify our satellite design, frequency usage, network architecture, launch schedule, ground station arrangements or customer delivery timetable, which could increase costs, delay satellite deployment and customer acceptance, reduce the coverage, connectivity, computing capacity or operational efficiency of our satellite network, adversely affect our ability to fulfill customer orders and commercialize our satellite-related products and services, and materially and adversely affect our business, financial condition and results of operations.

**Estimates of market size, market opportunity and future growth opportunities may be inaccurate, and our growth prospects may not materialize as anticipated.**

Our estimates of market size, market opportunity and future growth opportunities are based on various assumptions and estimates and are inherently uncertain. The satellite industry is rapidly evolving, and its future development is subject to various technological, regulatory, macroeconomic and industry-wide factors, including advancements in satellite and launch technologies, government policies and regulatory developments, the pace of commercial adoption of satellite-enabled applications, the development of launch and space infrastructure, spectrum and orbital resource availability, competitive dynamics within the industry and general economic conditions. As a result, actual market conditions may differ materially from our expectations. There can be no assurance that the market for our products and services will develop at the pace, scale or in the manner anticipated by us. If market growth or demand falls short of expectations, our business, financial condition, results of operations and prospects could be materially and adversely affected.

**Any flaws or misuse of AI technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could harm our reputation and materially and adversely impact our business, financial condition and prospects.**

As we integrate AI into our satellite solutions, we face risks from early-stage AI technologies. Flaws or deficiencies may compromise solution accuracy, and we cannot guarantee timely rectification. In addition, inappropriate use of AI, whether by us or third parties, could damage our reputation, reduce customer adoption, and attract regulatory scrutiny, which could materially and adversely impact our business, financial condition and prospects.

**The termination of any strategic collaboration with our business partners may adversely affect our results of operations.**

We engage in strategic R&D collaborations with academic institutions and technology companies to gain insights and keep up with new technologies. See "Business — Our Strategies — Strengthening Strategic Cooperation, Supply Chain Integration and Business Synergy." We cannot guarantee that partners will continue collaborating on reasonable terms, or that we can establish new relationships or extend existing ones. Some agreements may be terminated at will, and partners may alter contract terms. If we fail to maintain key partnerships or collaborations are terminated, our results of operations could be adversely affected.

**Our success relies on key management and other highly qualified personnel with specialized skills.**

Our success significantly depends on the continuing efforts of our management and other key personnel, many of whom possess specialized skills. We particularly depend on the expertise of our founder and management team, and if any of these individuals become unable or unwilling to continue their services, we may be unable to find suitable replacements. Our future success is also contingent on attracting, recruiting, training and retaining a substantial number of qualified employees, especially our R&D and sales teams, and we may need to offer competitive compensation packages and benefits for our key personnel, which could prove costly and burdensome. Furthermore, we cannot guarantee success in attracting or retaining the necessary workforce to support our future growth; labor disputes or regulatory proceedings could divert resources, reduce productivity, and damage our reputation, while our capacity to train and integrate new employees may not keep pace with business expansion, and any workforce-related issues could materially and adversely affect our results of operations.

**We acquired satellite data we use from third-party providers. Any delay or interruption in the supply of third-party satellite data may impact our ability to provide satellite-based solutions.**

During the Track Record Period, we acquired a small portion of the satellite remote sensing data we use from third-party data providers. In February 2026, our subsidiary Chengdu Xingshidai surrendered its Surveying and Mapping Qualification Certificate (測繪資質證書). See "Business — Permits, Licenses and Approvals" and "Business — Arrangement for Business Activities on the Negative List." Following this surrender, we no longer hold the Surveying and Mapping Qualification Certificate and therefore continue to rely on third parties to procure satellite data required for our operations. However, we cannot guarantee that third-party data providers will consistently provide stable and reliable satellite data. Any delays or interruptions in receiving

satellite data, whether due to satellite malfunctions or third-party non-compliance, could impact our ability to deliver efficient satellite-based solutions to our customers. Failure to obtain this data promptly and on reasonable terms, or at all, may adversely affect our business, financial condition and results of operations.

**We may experience discontinuation, reduction or delay of any preferential tax treatments or government grants.**

During the Track Record Period, our Company and certain subsidiaries of the Group in the PRC were qualified as "High and New Technology Enterprises" under the relevant PRC laws and regulations, which were subject to a preferential income tax rate of 15%, and certain subsidiaries of the Group in the PRC were qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC, which enjoyed a preferential income tax rate of 20%. Such preferential tax treatments are subject to change and termination. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation of any of the various types of preferential tax treatment we enjoy could materially and adversely affect our prospects. See "Financial Information — Description of Major Components of our Results of Operations — Income Tax."

We also receive grants from local governments, which may be conditional, discretionary and vary from year to year. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, the government grants we received were RMB27.9 million, RMB63.9 million, RMB25.3 million, RMB2.4 million and RMB0.9 million, respectively. Some of our government grants are granted with conditions, typically completion of the project or completion of tax filing. If we fail to meet the conditions of relevant projects, we may be required to return the respective government grants received pursuant to respective agreements and policies in relation to such projects. Also, local governments may decide to reduce or eliminate such grants at any time. We cannot guarantee the continued availability of the government grants currently enjoyed by us. Any reduction, cancelation, or repayment of government grants could adversely affect our business, financial condition and prospects.

**We have awarded and may continue to award equity instruments under equity incentive plans, which may cause shareholding dilution to our Shareholders and result in increased share-based payments for employees.**

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we had share-based payments for employees of RMB48.6 million, RMB91.5 million, RMB92.9 million, RMB46.0 million and RMB71.1 million, respectively. To further incentivize our employees, we may adopt other equity incentive plans and award additional equity incentives. Issuance of Shares with respect to our equity incentive plan may dilute the shareholding of our existing Shareholders and incur substantial share-based payment expenses that could materially and adversely affect our financial performance.

**We may be subject to inventory obsolescence risk.**

Our business expansion requires us to manage our inventory effectively. Our inventories consist of (i) work in progress, primarily representing satellites under production, and hardware and software for satellite-based solutions; and (ii) finished goods, primarily comprising satellites not yet delivered, and satellite-themed cultural products. Our inventories were RMB42.0 million, RMB38.5 million, RMB28.7 million and RMB115.0 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. Our inventory turnover days were 22.1 days, 42.5 days, 21.9 days and 94.3 days in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. In satellite design and development, inventory obsolescence can occur when components or technologies become outdated due to rapid advancements in technology, changes in regulatory requirements, or shifts in customer specifications and preferences. Given the long development cycles and the specialized nature of satellite components, there is an inherent risk that certain parts may become obsolete before they are utilized in production. This risk is heightened if we are unable to accurately predict technological trends or if there are delays in project timelines. Significant inventory obsolescence could lead to increased costs, write-downs, or the necessity to procure new components, thereby affecting our profitability and financial stability.

**We are exposed to risks associated with the fair value change in financial assets at fair value through profit or loss and valuation uncertainty regarding the use of unobservable inputs.**

Our financial assets at fair value through profit or loss ("**FVPL**") represented our structured deposits and certificates of deposit. As of December 31, 2023, 2024, 2025 and June 30, 2026, we had financial assets at FVPL of RMB191.4 million, RMB40.5 million, RMB41.5 million and RMB3,406.7 million, respectively. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Financial Assets at Fair Value through Profit or Loss." The fair value of these financial assets is estimated using valuation techniques based on unobservable inputs, which renders valuations uncertain, and fluctuations in their fair value may continue to affect our results of operations. We cannot assure you that market conditions and the regulatory environment will create fair value gains, or that we will not incur fair value losses on these assets in the future. If we incur such losses, our results of operations, financial condition and prospects may be adversely affected. For fair value measurements of financial instruments, see Note 3.3 of Appendix I to this prospectus.

**We are exposed to risks in relation to impairment losses on intangible assets.**

We are exposed to the risk of recognizing impairment losses on intangible assets. Our intangible assets primarily consisted of data use right and software during the Track Record Period. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Intangible Assets" and Note 18 of Appendix I to this prospectus. The value of our intangible assets is based on a number of assumptions made by our management, including assumptions relating to the expected useful lives of such assets, the future economic benefits to be generated from our software systems and, where applicable, our ability to continue to utilize relevant data resources or software in our business operations. If any of these assumptions does not materialize, if our software systems become obsolete or fail to deliver the expected benefits, or if the performance of our business is not consistent with such assumptions, we may have to write off a significant portion of our intangible assets and record impairment losses. In addition, our determination as to whether intangible assets are impaired requires an estimation of the carrying amount and recoverable amount of the relevant assets or cash-generating unit. If the carrying amount exceeds the recoverable amount, our intangible assets may be impaired. We cannot guarantee that in the future we will not record any impairment loss on our intangible assets. Any impairment of our intangible assets could have a material adverse effect on our business, financial condition and results of operations.

**We have investments in associates and joint ventures and our financial condition and results of operations may be affected by the performance of such investments.**

During the Track Record Period, we made investments in certain associates and joint ventures, which were accounted for using the equity method. We recorded investments accounted for using the equity method of RMB3.5 million, RMB7.2 million, RMB94.1 million and RMB187.3 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. Our investments in associates and joint ventures may be subject to a variety of risks that are beyond our control, including: (i) the relevant investee company may incur liabilities, expenses or losses in excess of our expectations; (ii) the relevant investee company may fail to commercialize its business, achieve expected synergies with us or generate the anticipated economic benefits; (iii) other shareholders of these associates or joint ventures may have economic or business objectives that are inconsistent with ours, suffer financial difficulties, or be unable or unwilling to fulfill their obligations under the relevant investment arrangements; and (iv) we may be required to recognize our share of losses of such investments, impairment losses or other adverse financial effects. If any of the foregoing risks materializes, our business, financial condition and results of operations may be materially and adversely affected.

**Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.**

Valuations of our selected property interest prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, are set forth in the valuation report set out as Appendix III to this prospectus. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

**We face risks relating to intellectual property rights, including third-party infringement claims and protection of trade secrets.**

We rely on intellectual property, including patents, proprietary technologies and trade secrets, to maintain our competitive position. We may not be able to effectively protect, maintain or enforce our intellectual property rights in the jurisdictions in which we operate. Unauthorized use, misappropriation or infringement of our intellectual property by employees or third parties may harm our reputation and competitiveness and require us to incur significant costs to protect or enforce our rights.

At the same time, we may be subject to claims that our products, solutions or business activities infringe the intellectual property rights of third parties, including patents, trademarks, copyrights or know-how, whether knowingly or unknowingly. Defending against such claims may be time-consuming, costly and disruptive, and may require us to obtain licenses, pay damages, modify or discontinue certain products or services or develop alternative solutions. In addition, the application and enforcement of intellectual property laws in the PRC and other jurisdictions remain subject to evolving interpretations, and there can be no assurance that courts or regulatory authorities will agree with our positions.

We also rely on trade secrets and confidential information that may not be protected by registered intellectual property rights. Despite the use of confidentiality, non-disclosure and other contractual arrangements, we cannot guarantee that our proprietary information will not be disclosed or misused by employees, business partners or third parties. Any loss of trade secrets or disputes over ownership of related know-how or inventions could compromise our competitive position and materially and adversely affect our business, financial condition and results of operations.

**We are subject to PRC property-related laws and regulations regarding certain of our leased properties and to renew our leases.**

As of the Latest Practicable Date, some of our operations rely on leased properties and we had not registered some lease agreements of our leased properties with the relevant real estate administration bureaus in accordance with applicable laws and regulations in China. See "Business — Properties." As advised by our PRC Legal Advisor, the non-registration does not affect the validity and enforceability of the lease agreements, but we may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to register. In addition, we may not be able to successfully extend or renew our leases upon their expiration at commercially reasonable terms, or at all, which could disrupt operations and lead to relocation costs. Renewing leases at substantially higher rents or losing favorable terms could adversely affect our business. As we expand, we may face difficulties finding suitable alternative locations, and any failure to relocate could have a detrimental effect on our business, financial condition and prospects.

**Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.**

PRC laws and regulations require us to participate in various employee benefit plans, including social insurance, housing provident fund and other welfare-oriented payment obligations, and to contribute to these plans in amounts equal to certain percentages of salaries up to the maximum amounts specified by local governments. During the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees, and engaged third-party human resource agencies to make such payments in certain locations. Such arrangements are not in strict compliance with relevant PRC laws and regulations and may subject us to administrative penalties. See "Business — Employees — Social Insurance and Housing Provident Funds." There can be no assurance that we will not be required to settle the outstanding amount within a specified time limit or be imposed late payment penalties, which may adversely affect our financial position and results of operations.

In addition, pursuant to the Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) that came into effect on September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people's court. During the Track Record Period, we had made social insurance contributions for all full-time employees. No arrangements were entered into with employees, nor were any commitments received from employees, to waive employees' entitlement to social insurance

contributions. Furthermore, during the Track Record Period, we had not received any penalties imposed by social insurance authorities in relation to any such waivers or exemptions. As this interpretation reinforces the legal invalidity of any waiver of statutory social insurance obligations and underscores the importance of maintaining robust compliance and internal control measures to prevent potential disputes, we may be exposed to an increasing compliance burden and potential risk of future labor disputes, which could potentially affect our business, financial condition and results of operations.

**We are subject to complex and evolving laws and regulations regarding privacy and data protection.**

We collect, process and store various types of data in the course of our business, including satellite imagery procured from third-party data providers following the surrender of our Surveying and Mapping Qualification Certificate, as well as limited personal data obtained in connection with the sale and delivery of our products and solutions. Our data-related activities are subject to a complex and evolving regulatory framework in the PRC, including laws and regulations relating to data security, cybersecurity, personal information protection and the protection of state secrets and sensitive geographic information. See "Regulatory Overview — Regulations on Cyber Information Security, Data Security and Privacy Protection." These laws and regulations impose extensive and sometimes overlapping obligations on data collection, classification, storage, use, transmission and disclosure. Certain satellite imagery, surveying, mapping and geographic information data may be subject to heightened regulatory scrutiny or restrictions due to national security or public interest considerations. In addition, data security incidents, whether arising from internal failures, third-party misconduct or external attacks, may disrupt our operations, impair customer confidence and expose us to legal claims, even if such incidents are beyond our control.

**We may be involved in lawsuits, claims, regulatory investigations or legal proceedings in our ordinary course of business.**

From time to time, we may be involved in lawsuits, claims, disputes, regulatory investigations or legal proceedings in our ordinary course of business. These may concern issues relating to, among others, breach of contract, employment or labor disputes, antitrust, and infringement of intellectual property rights. If we fail in defending against any such claims, we may be subject to substantial damages to compensate the claimants. Any claims, disputes or legal proceedings initiated by us, or brought against us, with or without merit, may result in substantial costs and diversion of resources and may materially harm our reputation. Furthermore, lawsuits, claims, disputes, regulatory investigations or legal proceedings against us may be due to defective supplies sold to us by our suppliers, who may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such lawsuits, claims, disputes, regulatory investigations or legal proceedings.

**Our acquisition and investment activities and other strategic transactions may present managerial, integration, operational and financial risks, which may prevent us from realizing the full intended benefit of the acquisitions we undertake.**

We may from time to time seek strategic opportunities for acquisitions and investments as part of our growth strategy. See "Business — Our Strategies — Strengthening Strategic Cooperation, Supply Chain Integration and Business Synergy." Such transactions involve risks that may not be fully identified at the time of acquisition, including uncertainties relating to the valuation of target businesses, their future financial performance and the assumptions used in determining expected synergies and integration outcomes.

Following completion of an acquisition, we may encounter challenges in integrating the acquired businesses into our existing operations. Such challenges may include aligning corporate governance and internal control systems, integrating operational processes and supply chains, harmonizing regulatory and compliance practices across jurisdictions, and retaining key management personnel and customers. Any delays or difficulties in achieving effective integration may result in operational inefficiencies, increased costs, or disruptions to our existing business activities.

In addition, we may be unable to realize the anticipated benefits, synergies, cost savings or operational efficiencies expected from such acquisitions or investments within the anticipated timeframe, or at all. Where the financial performance of acquired businesses or investments does not meet our expectations due to changes in market conditions, industry competition or integration challenges, we may be required to recognize impairment losses on goodwill, investments or other

related assets. Any failure to successfully integrate acquired businesses or to realize the anticipated benefits from our acquisitions or investments could materially and adversely affect our business, financial condition and results of operations.

**Negative publicity and allegations involving us, our Shareholders, directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and results of operations may be negatively affected.**

Negative publicity and allegations involving us, our Shareholders, directors, officers, employees and business partners, or the satellite market as a whole may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the products and solutions provided by us, thereby resulting in reduced sales volumes and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management's attention, and governmental investigations or other forms of scrutiny, which may have a material and adverse effect on our business, financial condition and results of operations.

**Our performance may suffer from business disruptions associated with information technology, system implementations, or catastrophic losses affecting our IT systems.**

Our IT systems are critical to our business operations. See "Business — Information Technology System." Disruptions from human error, power failure, viruses, cyberattacks or unauthorized access could hinder customer access, compromise technical secrets, and harm our business and reputation. Furthermore, we must upgrade our IT systems to support growth, but cannot assure successful execution; upgrades may cause interruptions or integration issues, and system malfunctions could disrupt operations and data transmission, materially and adversely affecting our business, financial condition and results of operations.

**Our insurance coverage may be inadequate to cover all losses or potential claims by our customers which would affect our business, financial condition and prospects.**

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. See "Business — Insurance." However, our insurance coverage may not extend to all risks associated with our business operations or to all of our satellites. In January 2026, a rocket carrying two of our experimental satellites experienced a launch failure, and such satellites were not covered by insurance because it used a maiden launch vehicles for which insurance coverage is not typically available. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, or in respect of satellites that are not insured, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs and diversion of our resources, which could have a material and adverse effect on our business, financial condition and results of operations.

**Changes in environmental, social and governance compliance requirements could have an adverse impact on our business, operating results and financial condition.**

With the rising awareness of environmental, social and governance ("**ESG**") issues, including with respect to waste disposal, packaging waste, greenhouse gas emissions and environmental protection, more stringent laws and regulations that affect our business operations may be adopted. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. See "Business — Environmental, Social and Governance." There can be no assurance that these measures can effectively help us to navigate the complex and evolving regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, and accordingly may have an adverse impact on our business, results of operations and financial performance.

**Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and prospects.**

A significant natural disaster, such as an earthquake, fire, flood or pandemic, occurring at our headquarters or where a customer is located could adversely affect our business, financial condition and prospects. Further, if a natural disaster or man-made problem were to affect our suppliers, it could adversely affect the ability of our customers to use our products and solutions. In addition, natural disasters and acts of terrorism could cause disruptions in our or our customers' businesses, national economies or the world economy as a whole. We also rely on information technology systems to communicate among our workforce and with third parties. Any disruption to our communications, whether caused by a natural disaster or by man-made problems, such as power disruptions, could adversely affect our business. In the event of a major disruption caused by a natural disaster or man-made problem, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our R&D activities or lengthy interruptions in production, any of which could adversely affect our business, financial condition and prospects.

## RISKS RELATING TO CONDUCTING OPERATIONS IN THE PRINCIPAL PLACE OF OUR BUSINESS

**Changes in the economic, political or social conditions or government policies in the countries and regions where we operate could affect our business, financial condition and prospects.**

Our business, financial condition and results of operations may be influenced by the general political, economic and social conditions in the country where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The satellite industry in general is affected by macro-economic factors, including international, national, regional and local economic conditions and trade relationships. Any changes in these factors may have material and adverse effect on our business, financial condition and results of operations.

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

We are a PRC-incorporated company with substantially all business, assets and operations located in China. Most of our Directors and executive officers reside in China, and all their assets are located in China. As a result, you may not be able to directly effect service of process on us or such persons in China, including under U.S. federal or state securities laws. Pursuant to the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《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》) effective January 29, 2024, a party with an enforceable final judgment from a designated Chinese or Hong Kong court may apply for recognition and enforcement in the relevant court.

China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in China or Hong Kong in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between China and the country where the judgment was made.

**The foreign exchange regulations may limit our business and results of operations and our ability to remit dividends.**

Conversion and remittance of foreign currencies are subject to foreign exchange regulations. We cannot guarantee sufficient foreign exchange to meet our needs. Under China's foreign exchange control system, current account transactions (e.g., dividend payments) do not require prior SAFE approval, but must be conducted at designated licensed banks with documentary evidence. Capital account transactions normally require SAFE approval or registration. Insufficient foreign exchange may restrict our ability to pay dividends or meet other foreign exchange obligations. Failure to obtain SAFE approvals for RMB conversion could materially and adversely affect our offshore capital expenditure plans and business, and expose us to administrative penalties and fines.

**Fluctuations in exchange rates could result in foreign currency exchange losses.**

The exchange rate of Renminbi against the U.S. dollar and other foreign currencies fluctuates due to international political and economic conditions and market supply and demand. We cannot assure sufficient foreign exchange to meet our requirements. The Global Offering proceeds will be received in Hong Kong dollars. Renminbi appreciation against the U.S. dollar, Hong Kong dollar or other currencies may reduce the value of these proceeds, while Renminbi depreciation may adversely affect the value of dividends payable on our Shares in foreign currency. Limited instruments are available to hedge our foreign currency risk at reasonable costs. These factors could materially and adversely affect our business, financial condition, results of operations and prospects, and reduce the value of, and dividends payable on, our foreign currency Shares. Remittances of Renminbi into and out of China are subject to strict restrictions.

**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.**

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules and Notice 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 (《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》) (Guo Shui Han [2008] No. 897) (國稅函[2008]897號), dated November 6, 2008, issued by the SAT, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H Shares through the sale or transfer by other means of H Shares.

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) its implementation rules and notices, income and gains from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20%, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If any PRC income tax is collected from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

**Our payment of dividends is subject to restrictions under applicable laws and regulations.**

Under PRC law, dividends can only be paid from distributable profits, which are defined as after-tax profits under PRC GAAP less accumulated losses and statutory reserves. We may not have sufficient distributable profits to make dividend distributions to shareholders, even if our financial

statements show profitability. Undistributed profits are retained for future use. Moreover, the calculation of distributable profits under PRC GAAP differs from IFRS. Our subsidiaries may have no distributable profits under PRC GAAP even if profitable under IFRS, and vice versa. This could limit the distributions we receive from subsidiaries, which may negatively impact our cash flow and ability to pay dividends to shareholders, even in profitable periods.

## RISKS RELATING TO THE GLOBAL OFFERING

**An investment in our H Shares is highly speculative and involves a high degree of risk, and you may lose part or all of your investment.**

We operate in the satellite industry, which is characterized by substantial capital requirements, lengthy development and deployment cycles, rapid technological change and significant commercial, operational and regulatory uncertainties. Our success depends on our ability to develop and operate our satellites, secure launch resources, obtain and maintain the necessary regulatory approvals and successfully commercialize our satellite applications. If we fail to successfully execute our business strategy or if any of the foregoing risks materialize, our business, financial condition, results of operations and prospects could be materially and adversely affected. As a result, the market price of our H Shares could decline significantly, and investors may lose part or all of their investment. There can be no assurance that investors will realize any return on their investment, and the value of their investment may decline substantially.

**There has been no prior public market for our H Shares, an active trading market for our H Shares may not develop following the Global Offering and the liquidity and market price of our H Shares may be volatile.**

Prior to the Global Offering, there was no public market for our H Shares. We cannot assure you that a liquid, active market will develop or be sustained after the Offering. The Offer Price will be fixed by agreement between the Overall Coordinators and us, and may not indicate the future market price. If an active market does not develop, the market price and liquidity of our H Shares could be materially and adversely affected, and their price and trading volume may be highly volatile. Factors beyond our control, such as variations in our prospects, changes in pricing policy, new technologies, strategic alliances, key personnel changes, analyst recommendations, credit rating changes, litigation, or the removal of share transaction restrictions, could cause large, sudden changes in our H Shares' trading volume and price. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility unrelated to the operating performance of any particular company.

**The liquidity, trading volume and market price of our H Shares following the Global Offering may be volatile, which could result in substantial losses to investors.**

The price and trading volume of our H Shares may be subject to significant volatility due to factors beyond our control, including political uncertainties in Hong Kong, general market conditions in Hong Kong and global securities markets, and the performance of similar businesses. In addition, our H Shares may be highly volatile due to specific business factors, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, supplier and customer relationships, key personnel changes, or competitor actions. Moreover, other PRC-focused companies listed on the Stock Exchange have experienced price volatility, and our H Shares may similarly be affected by changes in the overall political and economic conditions in Hong Kong, the PRC or elsewhere, which may not be directly related to our performance.

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

The price of our H Shares could decline due to future sales of substantial H Shares or related securities in the public market, the issuance of new securities, or the perception of such sales or issuances. Such sales may also materially and adversely affect our ability to raise capital on favorable terms. In addition, future securities issuances may dilute Shareholders' holdings, and new shares or linked securities may confer priority rights over H Shares.

A number of our Offer Shares held by existing Shareholders are subject to contractual and/or legal disposal restrictions for a period after the Global Offering. Upon the lapse of these restrictions, future sales or perceived sales of substantial H Shares could negatively impact their market price and our ability to raise equity capital.

According to the State Council's securities regulatory authority and our Articles of Association, our Unlisted Shares may be converted into H Shares and listed or traded on an overseas stock exchange, provided that: (i) requisite internal approval processes (without class Shareholders' approval) are completed; and (ii) approval from relevant PRC regulatory authorities, including the CSRC, is obtained. Such conversion, trading and listing must also comply with PRC and overseas exchange regulations. We may apply in advance for the listing of Unlisted Shares as H Shares to ensure prompt conversion. This could increase H Share supply, and future sales of converted H Shares may materially and adversely affect their trading price.

**You will incur immediate and significant dilution if the Offer Price of the Offer Shares is higher than the net tangible asset value per H Share and may experience further dilution if we issue additional Shares in the future.**

The Offer Price of the Offer Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. Purchasers of our H Shares may experience further dilution if the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) exercise the Over-allotment Option. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets would be distributed to Shareholders after the creditors' claims, and investors would receive less than the amount they paid for our H Shares. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the Offer Shares may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

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

Immediately upon the completion of the Global Offering, our Single Largest Group of Shareholders will continue to have significant influence over our business and affairs, including decisions on mergers and acquisitions, disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. There may be a conflict between our Single Largest Group of Shareholders' interests and your interests. In addition, without the approval of our Single Largest Group of Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay, or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

**We may not pay dividends in the foreseeable future and investors may need to rely on appreciation in the price of our H Shares for any return on their investment.**

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings and we cannot assure you that we will be able to declare or pay dividends in the near future. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the general meeting. A decision to declare or to pay dividends and the amount thereof depends on various factors, including but not limited to our prospects, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under PRC GAAP or IFRS (whichever is lower), our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. Accordingly, there can be no assurance whether, when or in what form we will pay dividends in the future, and we may not pay any dividends in the foreseeable future. If we do not pay dividends, investors may need to rely on appreciation in the market price of our H Shares for any return on their investment. There can be no assurance that the market price of our H Shares will appreciate after the Global Offering or even maintain the price at which the H Shares were purchased. Accordingly, investors may not realize a return on their investment and may lose part or all of their investment. See "Financial Information — Dividends."

**Our future financing may cause dilution of your shareholding or place restrictions on our operations.**

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may further limit our ability or discretion to pay dividends, increase our risks in adverse economic conditions, adversely affect our cash flows or limit our flexibility in business development and strategic plans.

**Any possible conversion of Unlisted Shares into H Shares could increase the supply of H Shares in the market, which may negatively impact the market price of H Shares.**

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

**Certain facts, forecasts and other statistics obtained from government publications may not be reliable in terms of accuracy, competence or reliance.**

Certain facts, forecasts and other statistics contained in this prospectus relating to China, the PRC economy and the industry in which we operate have been derived from various official government publications. We have taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this prospectus, however, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Sole Sponsor, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the CMIs, the Underwriters or any of their respective directors, officers, representatives, employees, or advisors, or any other persons or parties involved in the Global Offering and, therefore, we make no representation as to the accuracy of such statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this prospectus may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts.

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

This prospectus contains forward-looking statements and information relating to us and our operations and prospects that are based on our current beliefs and assumptions as well as information currently available to us. When used in this prospectus, the words "anticipate," "believe," "estimate," "expect," "plans," "prospects," "going forward," "intend" and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and various assumptions, including the risk factors described in this prospectus. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this prospectus. Whether actual results will conform with our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not

be regarded as representations that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. All forward looking statements contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

**You should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media or research analyst reports regarding us, our business, our industry or the Global Offering.**

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us, our business, our industry and the Global Offering. There may be additional media coverage regarding us, our business, our industry and the Global Offering subsequent to the date of this prospectus but prior to the completion of the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the Global Offering has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it, and you should not rely on such information.

In preparation for the Listing, we have applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

## WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

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

Given that (i) our core business operations are principally located, managed and conducted in the PRC and will continue to be based in the PRC; (ii) our Company's head office is situated in the PRC, our executive Directors and senior management team principally reside in the PRC and will continue to be based in the PRC after the Listing; and (iii) the management and operation of our Company have mainly been under the supervision of the executive Directors and senior management of our Company, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Company's business, and all the executive Directors and senior management of our Company principally reside in the PRC and it is important for them to remain in close proximity to our Company's operation located in the PRC, we consider that it would be more practical for our executive Directors and senior management to remain ordinarily resident in the PRC where our Company has substantial operations. 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 requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

1. **Authorized representatives**: we have appointed Mr. Huang Ruoliang (黃若亮) ("**Mr. Huang**") and Ms. Tong Ka Kei (湯家錡) ("**Ms. Tong**") as our authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Although Mr. Huang resides in the PRC, he possesses or can apply for valid travel documents and are able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See "Directors and Senior Management" for more information about Mr. Huang and Ms. Tong.

2. **Directors**: to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers and email addresses) of each of our Directors. In the event that any Director expects to travel or otherwise be out of the office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives. Accordingly, the Authorized Representatives have means for contacting all directors promptly at all times as and when the Stock Exchange wishes to contact the Directors on any matters. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after being requested to do so by the Stock Exchange.

3. **Compliance advisor**: we have appointed Guotai Junan Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as an additional channel of communication of our Company with the Stock Exchange during the period from the Listing Date to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results

for the first full financial year immediately after the Listing. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as the principal channel of communication with the Stock Exchange when the Authorized Representatives are not available.

4. **Joint company secretary**: we have appointed Ms. Tong Ka Kei (湯家錡), who is a Hong Kong resident, as one of our joint company secretaries. Ms. Tong will maintain constant contact with our Directors and senior management team members through various means.

## WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our Company must appoint an individual, who, by virtue of his academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable: (a) a member of The Hong Kong Chartered Governance Institute; (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's: (a) length of employment with the issuer and other issuers and the roles he played; (b) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code; (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and (d) professional qualifications in other jurisdictions.

We have appointed Ms. Wang Fang (王芳) ("**Ms. Wang**") as one of the joint company secretaries of our Company. Ms. Wang has served as the director of investor relations department of our Company since November 2021. Ms. Wang has extensive experience in handling corporate and regulatory compliance and administrative matters of our Group, and is familiar with our Group's business operations. See "Directors and Senior Management" for further biographical details of Ms. Wang. However, Ms. Wang personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, our Company has appointed Ms. Tong Ka Kei (湯家錡), an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Ms. Wang for an initial period of three years from the Listing Date to enable Ms. Wang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. See "Directors and Senior Management" for further biographical details of Ms. Tong which satisfy the requirements under Note 1(a) to Rule 3.28 of the Listing Rules.

The following arrangements have been, or will be, put in place to assist Ms. Wang in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

(a) Ms. Wang will endeavor to attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules, which will be organized by our Company's Hong Kong legal advisor on an invitation basis and seminars organized by the Stock Exchange for listed issuers from time to time;

(b) Ms. Tong will assist Ms. Wang to enable her to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company;

(c) Ms. Tong will communicate regularly with Ms. Wang on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Ms. Tong will work closely with, and provide assistance for, Ms. Wang in the discharge of her duties as a company secretary, including organizing our Company's Board meetings and Shareholders' general meetings; and

(d) Upon expiry of Ms. Wang's initial term of appointment as the joint company secretary of our Company, we will evaluate her experience in order to determine if she has acquired the qualifications required under Rule 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Ms. Wang's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Tong ceases to provide assistance to Ms. Wang or there are material breaches of the Listing Rules by our Company. Before the expiry of the initial three-year period, the qualification of Ms. Wang will be re-evaluated to determine whether the requirements as stipulated in Note 2 to Rule 3.28 of the Listing Rules can be satisfied. We will demonstrate and seek the Stock Exchange's confirmation that, Ms. Wang, having benefited from the assistance of Ms. Tong for the preceding three years, has acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

**CONSENT UNDER PARAGRAPH 1C(2) OF APPENDIX F1 TO THE LISTING RULES IN RESPECT OF SUBSCRIPTION OF OFFER SHARES BY A CLOSE ASSOCIATE OF EXISTING SHAREHOLDERS AS A CORNERSTONE INVESTOR**

Paragraph 1C(2) of Appendix F1 to the Listing Rules provides, inter alia, that no allocations will be permitted to applicant's existing shareholders or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 are fulfilled, without the prior written consent of the Hong Kong Stock Exchange. Chapter 4.15 of the Guide for New Listing Applicants provides that the Stock Exchange will consider giving consent to an applicant's existing shareholders or their close associates to participate in an initial public offering if any actual or perceived preferential treatment arising from their ability to influence the applicant during the allocation process can be addressed. As further described in the section headed "Cornerstone Investments" in this Prospectus, JinkoSolar Investment Limited, for the purpose of the Cornerstone Placing, who is considered to be a close associate of two existing Shareholders, Jiaxing Jinmu and Jinko Technology, each holds, and together hold, less than 5% voting rights of the Company. JinkoSolar Investment Limited has entered into a cornerstone investment agreement with the Company, the Sole Sponsor, the Sponsor-Overall Coordinator and the Overall Coordinators, pursuant to which JinkoSolar Investment Limited has agreed to participate as a cornerstone investor in the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering. We have applied for a consent under paragraph 1C(2) of Appendix F1 to the Listing Rules, to permit JinkoSolar Investment Limited to participate as a cornerstone investor in the Global Offering to subscribe for the Offer Shares to be issued by the Company under the International Offering. The Hong Kong Stock Exchange has agreed to grant the requested consent subject to the conditions that:

(a) The Sole Sponsor confirms that each of Jiaxing Jinmu and Jinko Technology holds, and together hold less than 5% of the Company's voting rights before the Global Offering;

(b) the Sole Sponsor confirms that each of Jiaxing Jinmu and Jinko Technology is not or will not be, a core connected person of the Company or any close associate of any such core connected person immediately prior to or following the Global Offering;

(c) the Sole Sponsor confirms that each of Jiaxing Jinmu and Jinko Technology does not have power to appoint any Director or any other special right;

(d) the Sole Sponsor confirms that allocation to JinkoSolar Investment Limited will not affect the Company's ability to satisfy the public float requirement under Rule 19A.13A of the Listing Rules;

(e) the Sole Sponsor confirms to the Stock Exchange in writing that to the best of its knowledge and belief, it has no reason to believe that JinkoSolar Investment Limited received any preferential treatment in the allocation as a cornerstone investor in the International Offering by virtue of its relationship with the Company other than the assured entitlement for a cornerstone investor following the principles set out in Chapter 4.15 of the Guide, and details of the allocation will be disclosed in this prospectus and the allotment results announcement;

(f) the Company confirms to the Stock Exchange in writing that, (A) no preferential treatment has been, nor will be, given to JinkoSolar Investment Limited by virtue of its relationship with the Company in any allocation in the International Offering other than the assured entitlement for a cornerstone investor following the principles set out in Chapter 4.15 of the Guide; and (B) the cornerstone investment agreement entered into with JinkoSolar Investment Limited does not contain any material terms more favourable than those contained in other cornerstone investment agreements; and

(g) the Overall Coordinators confirm to the Stock Exchange in writing that no preferential treatment has been, nor will be, given to JinkoSolar Investment Limited by virtue of its relationship with the Company in any allocation in the International Offering other than the assured entitlement for a cornerstone investor following the principles set out in Chapter 4.15 of the Guide.

For further information about the relevant cornerstone investment, please refer to the section headed "Cornerstone Investments" in this Prospectus.

## DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

## CSRC APPROVAL

On January 28, 2025, we filed the CSRC filing report to the CSRC. On September 29, 2026, the CSRC has issued a notification on our Company's completion of the PRC filing procedures for the listing of our H Shares on the Stock Exchange and the Global Offering.

## UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offer. For applications under the Hong Kong Public Offer, this prospectus contains the terms and conditions of the Hong Kong Public Offer. The Global Offering comprises the Hong Kong Public Offer of 3,012,100 H Shares initially offered and the International Offering of 27,108,900 H Shares initially offered (subject, in each case, to reallocation on the basis under the section headed "Structure and Conditions of the Global Offering" in this prospectus).

The Listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offer is underwritten by the Hong Kong Underwriters subject to the Offer Price being agreed between the Overall Coordinators (for themselves and on behalf of the Underwriters) and us. The International Underwriting Agreement is expected to be entered into on or about the Price Determination Date, subject to agreement on the Offer Price. Further details of the Underwriters and the underwriting arrangements are set out in the section headed "Underwriting" in this prospectus.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by the Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our or their affiliates or any of their respective directors, officers, representatives, employees, advisor or agents, or any other persons or parties involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in this prospectus is correct as of any subsequent time.

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure and Conditions of the Global Offering" in this prospectus, and the procedures for applying for the Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares" of this prospectus.

## DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Overall Coordinators (for themselves and on behalf of the Underwriters) and us on or before 12:00 noon on Wednesday, November 11, 2026. If the Overall Coordinators (for themselves and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price by such time and date, the Global Offering will not proceed.

## RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation for subscription in any jurisdiction or in any circumstances in which such an offer or invitation for subscription is not authorized or to any person to whom it is unlawful to make such an offer or invitation for subscription. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offer will be required to confirm, or be deemed by his acquisition of the Hong Kong Offer Shares to confirm, that he is aware of the restrictions on offers and sales of the Hong Kong Offer Shares in this prospectus and that he is not acquiring, and has not been offered, any Offer Shares in circumstances that contravene any such restrictions. In particular, the Hong Kong Offer Shares have not been publicly offered, directly or indirectly, in the PRC or the United States.

Potential investors for the Offer Shares should consult their financial advisor and take legal advice, as appropriate, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Potential investors for the Offer Shares should inform themselves as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

## APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of listing of, and permission to deal in, our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) and the H Shares to be converted from Unlisted Shares. Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, November 13, 2026. No part of our share capital or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought as of the Latest Practicable Date. All the Offer Shares will be registered on the H Share register of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the H Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by or on behalf of the Stock Exchange.

## COMPLIANCE WITH LISTING RULES

We will comply with applicable laws and regulations in Hong Kong (including the Listing Rules) and any other undertakings which have been given in favor of the Hong Kong Stock Exchange from time to time. If the Listing Committee finds that there has been a breach by us of the Listing Rules or such other undertakings which may have been given by us in favor of the Hong Kong Stock Exchange from time to time, the Listing Committee may instigate cancelation or disciplinary proceedings in accordance with the Listing Rules.

## INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

Our Company has applied for conversion of certain Unlisted Shares into H Shares, which involves 397,904,170 Unlisted Shares held by 99 existing Shareholders. See "History, Development and Corporate Structure" and "Share Capital" for details of our existing Shareholders and their respective interests in our Company and relevant procedures for the conversion of certain Unlisted Shares into H Shares. Such H Shares to be converted from Unlisted Shares are restricted from trading for a period of one year after the Listing. The relevant filing procedure in relation to the conversion of certain Unlisted Shares into H Shares has been completed on September 29, 2026.

## H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, our H Shares on the Hong Kong Stock Exchange and our compliance with the stock admission requirements of HKSCC, our H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in our H Shares on the Hong Kong Stock Exchange or any other date as HKSCC chooses. Settlement of any transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made for our H Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

## H SHARE REGISTER OF MEMBERS AND HONG KONG STAMP DUTY

All of the H Shares issued pursuant to applications made in the Hong Kong Public Offer will be registered on our H Share register of members to be maintained in Hong Kong by our H Share Registrar, Computershare Hong Kong Investor Services Limited in Hong Kong. Only H Shares registered on our Company's H Share register of members maintained in Hong Kong may be traded on the Stock Exchange. Our principal register of members will be maintained by us at our head office in the PRC.

Dealings in the H Shares registered in our H Share register will be subject to Hong Kong stamp duty. The current *ad valorem* rate of Hong Kong stamp duty of 0.1% on the higher of the consideration for or the market value of the H Shares and it is charged to the purchaser on every purchase and to the seller on every sale of the H Shares. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the H Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required).

Unless otherwise determined by our Board, dividends will be paid to Shareholders whose names are listed on our H Share register of members in Hong Kong, by ordinary post, at the Shareholders' risk in Hong Kong dollars to the registered address of each Shareholder.

## REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed the H Share Registrar, and the H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless the holder delivers a signed form to the H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

(a) agrees with us and each of the Shareholders, and we agree with each Shareholder, to observe and comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the PRC Company Law and our Articles of Association;

(b) agrees with us, each of our Shareholders, Directors, managers and officers, and we, acting for ourselves and for each of our Directors, managers and officers agree with each Shareholder, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration, and where applicable, in accordance with our Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;

(c) agrees with us and each of our Shareholders that our H Shares are freely transferable by the holders of our H Shares; and

(d) authorizes us to enter into a contract on his or her behalf with each of our Directors, managers and officers whereby such Directors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

Persons applying for or purchasing H Shares under the Global Offering are deemed, by their making an application or purchase, to have represented that they are not close associates (as such term is defined in the Listing Rules) of any of the Directors of the Company or an existing Shareholder of the Company or a nominee of any of the foregoing.

## PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. It is emphasized that none of us, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their respective directors, officers, representatives, employees, advisors or agents or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding, disposal of, or dealing in, the H Shares or exercising any rights attached to them.

## OFFER SIZE ADJUSTMENT OPTION, OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Offer Size Adjustment Option, the Over-allotment Option and stabilization are set out under the sections headed "Underwriting" and "Structure and Conditions of the Global Offering" in this prospectus.

## PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares" in this prospectus.

## STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in "Structure and Conditions of the Global Offering" in this prospectus.

## LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail. However, the translated English names of PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations (including the Company's subsidiaries) and the like included in this prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the Chinese name prevails.

## ROUNDING

Certain amounts and percentage figures, such as share ownership and operating data, included in this prospectus may have been subject to rounding adjustments, or have been rounded to one or two decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

## EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi and Hong Kong dollars. Unless otherwise specified, the translations between (i) RMB and HK$ in this prospectus have been made at the rate of RMB0.85621: HK$1.00; and (ii) USD and HK$ in this prospectus have been made at the rate of USD1: HK$7.8445 for illustrative purpose only. No representation is made that any amounts in RMB or Hong Kong dollars can be or could have been at the relevant dates converted at the above rate or any other rates or at all.

## MARKET SHARE DATA CONVENTION

The statistical and market share information contained in this prospectus has been derived from official government publications and other sources, including information or data provided by Frost & Sullivan. Unless otherwise indicated, the information has not been verified by us

independently. This statistical information may not be consistent with other statistical information from other sources within or outside the PRC. While reasonable caution has been made in the process of reproducing the data and statistics extracted from such official government publications or other sources, our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of our and their respective directors, officers, representatives, employees, advisors or agents or any other persons or parties involved in the Global Offering make no representation to the appropriateness, accuracy, completeness or reliability of any such statistical and market share information.

**WEBSITE**

The contents of any website mentioned in this prospectus do not form a part of this prospectus.

## DIRECTORS

| Name | Address | Nationality |
|---|---|---|
| **Executive Directors** | | |
| Dr. Lu Chuan (陸川) | No. 2, Floor 21, Unit 1, Building 76 No. 66 Huafeng Road, Jinniu District, Chengdu, Sichuan, PRC | Chinese |
| Dr. Wang Lei (王磊) | Room 505, Unit 2, Building 203, Area B, Baiziwan Garden, Nanmofang Street, Chaoyang District, Beijing, PRC | Chinese |
| Dr. Zhao Hongjie (趙宏傑) | No. 806, Building 8, Jinxiang Lantai, No. 519 Lianghe Road, Pidu District, Chengdu, Sichuan, PRC | Chinese |
| Mr. Huang Ruoliang (黃若亮) | Building 13, Bihuyuan, Poly Lake Island, Chengjinqing Expressway, Xindu District, Chengdu, Sichuan, PRC | Chinese |
| Mr. Guo Yong (郭勇) | No. 1301, 13/F, Unit 1, Building 2, No. 89, Kanghe East 5th Street, Hi-Tech Zone, Chengdu, Sichuan, PRC | Chinese |
| **Non-Executive Directors** | | |
| Mr. Wu Tao (吳韜) | Unit 1402, Building E4, Xinghe Dandi, Longhua District, Shenzhen, Guangdong, PRC | Chinese |
| Mr. Liu Shixiong (劉實雄) | Flat 21A, Unit 1, Building 4, Peninsula City Garden (Phase III), Wanghai Road, Dongjiaotou, Shekou, Nanshan District, Shenzhen, Guangdong Province, PRC | Chinese |
| Ms. Qiu Hui (邱慧) | 1804, Building D, Jiayu Mansion, No. 205 Xingmin Road, Tianhe District, Guangzhou, Guangdong, PRC | Chinese |
| Mr. Zhu Zhenhua (朱振華) | Building 19, Zhongdongli, Xicheng District, Beijing, PRC | Chinese |
| Dr. Sheng Xitai (盛希泰) | 20/F, Building B, Runshi Center (Phase I), No. 16 Tianze Road, Chaoyang District, Beijing, PRC | Chinese |
| **Independent non-executive Directors** | | |
| Mr. Huang Mingjian (黃明建) | 102, Unit 3, Building 6, Longhu Tianchen Yuanzhu, No. 166 Laifeng 5th Road, Cujin Street, Wuhou District, Chengdu, Sichuan, PRC | Chinese |
| Prof. Zhang Tianyu (張田余) | RM D, 2/F, BLK 23, Greenwood Terrace, 26 Sui Wo Road, Sha Tin NT, Hong Kong | Chinese (Hong Kong) |
| Prof. Huang Jianwei (黃建偉) | Room 501, Building SR4, 2001 Longxiang Avenue, Longcheng Street, Longgang District, Shenzhen, Guangdong, PRC | Chinese (Hong Kong) |
| Dr. Yang Feng (楊峰) | Room 401, No. 4, Lane 660, Jinbang Shijia, Cangyuan Road, Minhang District, Shanghai, PRC | Chinese |

| Name | Address | Nationality |
|---|---|---|
| Prof. Gao Zhipeng (高志鹏) | 1521, Jinao International Apartment, No. 19 Madian East Road, Haidian District, Beijing, PRC | Chinese |

For more information on our Directors, see "Directors and Senior Management" of this prospectus.

## PARTIES INVOLVED IN THE GLOBAL OFFERING

**Sole Sponsor**

**Guotai Junan Capital Limited**
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong
*A licenced corporation to carry on type 6 (advising on corporate finance) regulated activity under the SFO*

**Sponsor-Overall Coordinator, Joint Global Coordinator, Joint Bookrunner, Joint Lead Manager and Capital Market Intermediary**

**Guotai Junan Securities (Hong Kong) Limited**
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong
*A licenced corporation to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO*

**Overall Coordinators, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Capital Market Intermediaries**

**CCB International Capital Limited**
12/F, CCB Tower
3 Connaught Road Central
Central
Hong Kong
*A licensed corporation to carry on type 1 dealing in securities, type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO*

**Legal Advisors to our Company**

*As to Hong Kong laws:*
**Clifford Chance**
27/F, Jardine House
One Connaught Place
Central
Hong Kong

*As to PRC laws (including PRC data privacy and protection matters):*
**Haiwen & Partners**
20/F, Fortune Financial Center
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| | |
|---|---|
| **Registered Office** | 1/F, Building 4, No. 1699 Jinhe Road<br>China (Sichuan) Pilot Free Trade Zone<br>Chengdu, PRC |
| **Head Office and Principal Place of Business in the PRC** | 1/F, Building 4, No. 1699 Jinhe Road<br>China (Sichuan) Pilot Free Trade Zone<br>Chengdu, PRC |
| **Principal Place of Business in Hong Kong** | 31/F., Tower Two, Times Square<br>1 Matheson Street, Causeway Bay<br>Hong Kong |
| **Company's Website** | **https://www.adaspace.com/**<br>*(Information on this website does not form part of this prospectus)* |
| **Joint Company Secretaries** | **Ms. Wang Fang (王芳)**<br>1/F, Building 4, No. 1699 Jinhe Road<br>China (Sichuan) Pilot Free Trade Zone<br>Chengdu, PRC<br><br>**Ms. Tong Ka Kei (湯家錡)**<br>*(an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)*<br>31/F., Tower Two, Times Square<br>1 Matheson Street, Causeway Bay<br>Hong Kong |
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| **Nomination Committee** | Dr. Lu Chuan *(Chairman)*<br>Prof. Huang Jianwei<br>Prof. Gao Zhipeng |
| **H Share Registrar** | **Computershare Hong Kong Investor Services Limited**<br>Shops 1712-1716, 17th Floor<br>Hopewell Centre<br>183 Queen's Road East<br>Wan Chai<br>Hong Kong |
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*Certain information and statistics set out in this section and elsewhere in this prospectus are derived from various government and other publicly available sources and from the market research report prepared by Frost & Sullivan. Frost & Sullivan is an independent industry consultant engaged by us, and we commissioned Frost & Sullivan to prepare a market research report. The information from official government sources has not been independently verified by our Company, the Sole Sponsor, the Sponsor-Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Manager, the CMIs, the Underwriters, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. For discussions of risks relating to our industry, please see "Risk Factors — Risks Relating to Our Business and Industry."*

## THE COMMERCIAL AEROSPACE INDUSTRY IN CHINA

Commercial aerospace refers to market-driven and for-profit aerospace activities, including the R&D, production and provision of services of spacecraft, rockets and associated equipment, undertaken by commercial aerospace companies. In the satellite sector, the service offerings primarily include communication services, remote sensing data services, positioning and navigation services, and space computing services. In the rocket sector, the service offerings primarily include launch services for satellites and other spacecraft. In the ground equipment sector, the service offerings primarily include the reception and transmission of satellite data, enabling terrestrial access to space-based information and supporting the operation and application of spacecraft such as satellites. In terms of the nature of market participants, commercial aerospace companies can be divided into private aerospace companies and state-owned aerospace companies.

In recent years, the PRC government has vigorously encouraged the development of the commercial aerospace industry. The output value of the commercial aerospace industry in China increased from approximately RMB1.3 trillion in 2021 to RMB2.8 trillion in 2025, growing at a CAGR of 21.1%, and is expected to reach approximately RMB10.9 trillion by 2030, representing a CAGR of 31.2% from 2025 to 2030.

The commercial aerospace industry is set for significant growth due to several key factors: (i) future policies aim to enhance private investment in China's aerospace sector by streamlining permit management and approval processes across scientific research, rocket production, manned flights, satellite development, and other projects, while eliminating redundant construction and optimizing regional layouts. For instance, in 2015, the NDRC issued the "Medium and Long-term Development Plan of National Civil Space Infrastructure (2015-2025)" (《國家民用空間基礎設施中長期發展規劃(2015-2025年)》), aiming to support and guide private capital to participate in the construction of space infrastructure. In 2025, the provincial government of Sichuan Province issued the "Action Plan for High-Quality Development of Commercial Aerospace in Sichuan Province (2025-2030)" (《四川省商業航天高品質發展行動計劃(2025-2030年)》), explicitly encouraging private companies to participate in the commercial aerospace industry. Driven by these policies, China's commercial aerospace industry exhibits a competitive landscape with both state-owned companies and private companies, among which state-owned companies possess expertise in aerospace technologies, providing a solid technical foundation for the development of commercial aerospace activities, whilst private aerospace companies leverage flexible operating models and strong innovation capabilities to actively explore segmented markets. With accumulated technological know-how and resource advantages, state-owned companies maintain a leading position in high-end satellite development and national strategic missions. Meanwhile, private companies primarily focus on satellite applications in communications, remote sensing and space computing, with their satellite production mainly concentrated on micro and small LEO satellites; (ii) construction of commercial rocket launching facilities, and development of rocket technology such as multi-satellite launch which allows multiple satellites to be deployed using a single rocket, and reusable carrier rocket which can be launched and reused for multiple missions, significantly reducing launch costs and increasing efficiency; and (iii) the accelerated deployment of large-scale satellite constellation, which drives the rapid growth in demand for satellites and satellite-related solutions from extensive applications.

## THE SATELLITE INDUSTRY IN CHINA

### Overview

Satellites are the principal type of spacecraft and the satellite industry is a subset of the commercial aerospace industry, with the participating private companies being private commercial aerospace companies. The satellite industry is a strategic emerging industry based on satellite communication, navigation, remote sensing, space computing and other technologies such as AI, which encompass all economic activities related to satellite production, launching and application. The satellite industry can be segmented into three main phases, namely, (i) satellite R&D and production, (ii) satellite launching and (iii) satellite operation and application, and the phase of satellite operation and application further includes the production of ground equipment and the provision of satellite-based solutions. Satellite constellation, a commonly used term in the satellite industry, refers to a group of satellites working together in a coordinated manner to provide enhanced coverage and capabilities, which is an important space infrastructure for satellite applications.

The commercial satellite industry is an emerging sector globally, with most market participants remaining in the early stages of commercialization. As a result, commercial satellite companies that have achieved breakeven remain rare. According to Frost & Sullivan, one U.S. commercial satellite company achieved breakeven approximately nine years after it began satellite R&D and production. Further, as advised by Frost & Sullivan, in the satellite industry, mass production of satellites generally refers to an annual output of more than 15 satellites of the same model or specification in a single production batch. Nevertheless, with the continued development of the satellite production industry, the annual production volume associated with mass production of satellites is expected to increase steadily.

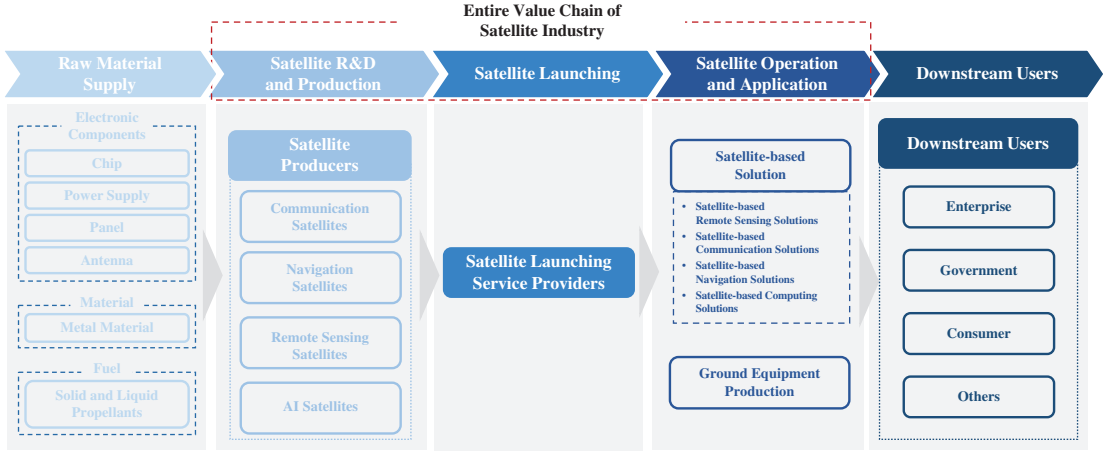
#### *Satellite by Orbits and Applications*

The classification of satellite by orbits includes two categories, namely near-circular orbits and elliptical orbits. Near-circular orbits can be further categorized into Low Earth Orbit ("**LEO**"), Medium Earth Orbit, and Geosynchronous Orbit by altitude. For definition of each type of orbit, see "Glossary of Technical Terms". With advantages such as low latency, high-resolution Earth observation and cost effectiveness, LEO satellites are an important development direction in satellite industry.

By functions, conventional satellites primarily include communication satellites, navigation satellites and remote sensing satellites. AI satellites are a newly developed and emerging category along with the rapid development of AI technology. AI satellites further include AI application satellites and AI computing satellites, among which (i) AI application satellites, equipped with AI payloads, provide AI-driven data analysis and computing services to deliver enhanced functions, and (ii) AI computing satellites provide advanced AI-driven data analysis and computing services not only for themselves but also for other spacecraft and ground-based applications, achieved by onboard computing resources and sophisticated algorithms designed to handle complex data analysis tasks.

#### *The Satellite Industry Value Chain*

The value chain of the satellite industry mainly includes the satellite R&D and production, satellite launching, and satellite operation and application. Satellites are typically launched within two years of the signing of customer contracts and within one year of the signing of launch contracts, subject to launch availability and scheduling.



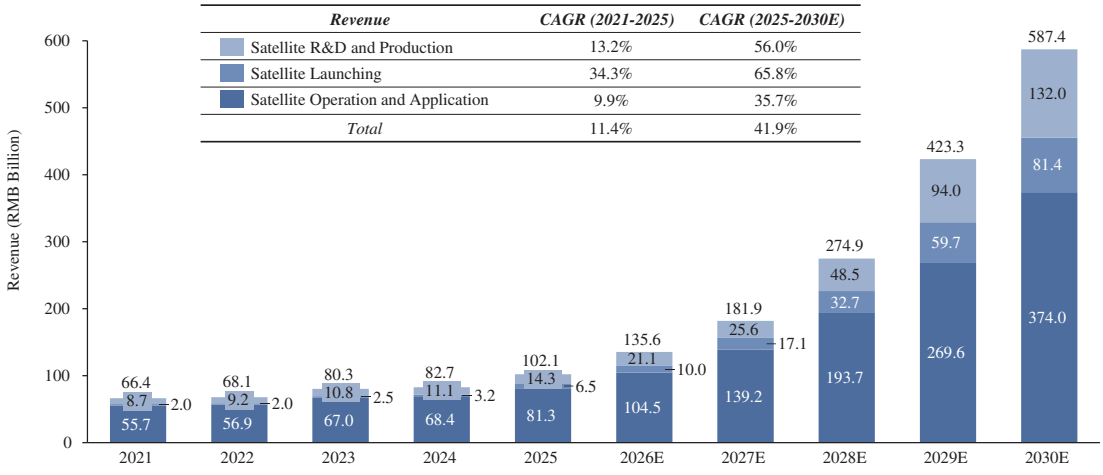
*Source: Frost & Sullivan Report*

## Market Size of the Satellite Industry in China

In recent years, the Chinese government has actively promoted the growth of the satellite industry, leading to a significant increase in the number of satellites in orbit. By the end of 2025, entities in China had submitted filings to the International Telecommunication Union ("**ITU**") for frequency and orbital resources for approximately 203 thousand satellites, reflecting substantial planned capacity in large-scale satellite constellations. According to the Union of Concerned Scientists Satellite Database, the quantity of in-orbit satellites developed and produced by Chinese companies increased from 499 as of December 31, 2021 to 1,166 as of December 31, 2025. LEO satellites, a crucial infrastructure for the development of China's satellite industry, saw an increase from 389 as of December 31, 2021 to 1,013 as of December 31, 2025, with the proportion in the total number of satellites in orbit from 78.0% as of December 31, 2021 to 86.9% as of December 31, 2025.

The satellite industry in China has experienced steady growth in the past few years. Due to the rapid development of China's commercial aerospace industry driven by favorable policies and the accelerated layout of LEO satellite constellations, the market size of the satellite industry in China in terms of revenue is expected to maintain a significant growth in the future.

**Total Revenue of Satellite Industry in China, 2021-2030E**




*Source: Satellite Industry Association, Frost & Sullivan Report*

In recent years, the PRC government has actively encouraged private companies to engage in the satellite industry. Propelled by policy support, the swift development of commercial aerospace and technological advancements, and the rapid deployment of LEO satellite constellations, the revenue from private commercial aerospace companies with satellite-related business in China increased from approximately RMB19.2 billion in 2021 to approximately RMB34.0 billion in 2025 at a CAGR of 15.4%. The revenue from private commercial aerospace companies with satellite-related business in China is expected to further grow at a CAGR of 50.7% from 2025, reaching approximately RMB264.1 billion by 2030. The revenue from private companies accounted for 36.3% of total revenue of the satellite industry in China in 2025, and is expected to account for 45.0% in 2030.

## Competitive Landscape of the Satellite Industry in China

For a long period of time, the satellite industry in China has been dominated by state-owned satellite companies, which refer to (i) the companies with the proportion of state-owned capital equity exceeding 50% and the largest shareholder being state-owned companies; and (ii) the companies with the proportion of state-owned capital equity lower than 50% and the largest shareholder and actual controller being state-owned companies. With the transformation in satellite development and favorable policies encouraging private capital to enter the satellite industry, private companies in the industry have thrived. Private commercial aerospace companies in satellite-related industries primarily participate in the satellite industry value chain including

satellite R&D and production, satellite launching and satellite operation and application. As of December 31, 2025, there were approximately 400 private commercial aerospace companies with satellite-related business in China, among which, there were approximately 20 private commercial aerospace companies in China that managed the full satellite industry value chain such as our Group, and many participants only focused on single satellite-related business, whilst there were approximately 50 private rocket companies in China. In terms of revenue in 2025, China's top ten private commercial aerospace companies with satellite-related businesses accounted for approximately 35.9% of the total revenue generated from all private commercial aerospace companies with satellite-related businesses, among which our Group ranked seventh with a market share of 2.1%.

**China's Top Ten Private Commercial Aerospace Companies with Satellite-related Businesses by Revenue of Principal Business, 2025**

| Ranking | Company | Background Information | Whether to Manage the Full Satellite Industry Value Chain | Listing Status | Revenue (Billion RMB) | Market Share (%) |
|---|---|---|---|---|---|---|
| 1 | Company A | Founded in 2003, Company A focuses on the research and development, manufacturing and industrial application of products and solutions related to high-precision navigation and positioning. | No | Listed | 3.68 | 10.8% |
| 2 | Company B | Founded in 2006, Company B has been continuously researching and developing digital earth-related products and core technologies, providing software sales and data services, technology services, among others. | No | Listed | 2.16 | 6.4% |
| 3 | Company C | Founded in 1994, Company C is one of the pioneers in the positioning, navigation and timing ("**PNT**") industry and a leader in the geospatial industry, focusing on high-precision satellite navigation applications. | No | Listed | 1.28 | 3.8% |
| 4 | Company D | Founded in 1999, Company D focuses on the research and development, manufacturing, and sales of software and hardware products and services related to the high-precision positioning. | No | Listed | 1.06 | 3.1% |
| 5 | Company E | Founded in 2014, Company E focuses on the research and development of high-performance and low-cost satellites and the air-space-ground integrated remote sensing information services. | Yes | Not Listed | 1.04 | 3.1% |
| 6 | Company F | Founded in 2000, Company F has built a global leading intelligent Location Digital Base ("**iLDB**") by providing high-quality Global Navigation Satellite System ("**GNSS**") products and services for various applications. | No | Listed | 0.86 | 2.5% |
| **7** | **Our Group** | **See "Business"** | **Yes** | **–** | **0.70** | **2.1%** |
| 8 | Company G | Founded in 2008, Company G is one of leading domestic satellite companies, focusing on the spaceground integrated perception network of satellites, drones and ground sensors. | No | Listed | 0.54 | 1.6% |
| 9 | Company H | Founded in 2012, Company H is a high-tech enterprise that masters the core technologies of high-precision Beidou Navigation Satellite System ("**BDS**") and Global Navigation Satellite System ("**GNSS**") and has realized large-scale applications. | No | Listed | 0.45 | 1.3% |
| 10 | Company I | Founded in 2016, Company I is a leading satellite internet solution provider and satellite manufacturer in China, focusing on the independent research and development and mass production of communication payloads and satellite platforms. | Yes | Not Listed | 0.40 | 1.2% |
| Top 10 | | | | | | 35.9% |

*Source: Annual Reports, Frost & Sullivan Report*

*Note: Revenue refers to the revenue derived from satellite-related businesses.*

As of December 31, 2025, there were approximately 20 private commercial aerospace companies in China that manage the full satellite industry value chain, including satellite R&D and production, satellite launching, and satellite operation and application. In terms of revenue in 2025, our Group ranked second among all China's private commercial aerospace companies that manage the full satellite industry value chain, with a market share of 22.6%.

**China's Top Five Private Commercial Aerospace Companies that Manage the Full Satellite Industry Value Chain by Revenue of the principal business, 2025**

| Ranking | Company Name | Background Information | Listing Status | Market Share (%) |
|---|---|---|---|---|
| 1 | Company E | Founded in 2014, Company E focuses on the research and development of high-performance and low-cost satellites and the air-space-ground integrated remote sensing information services. | Not Listed | 33.5% |
| **2** | **Our Group** | **See "Business"** | **–** | **22.6%** |
| 3 | Company I | Founded in 2016, Company I is a leading satellite internet solution provider and satellite manufacturer in China, focusing on the independent research and development and mass production of communication payloads and satellite platforms. | Not Listed | 12.9% |
| 4 | Company J | Founded in 2018, Company J is a provider of aerospace information and communication infrastructure and application solutions, with a strategic focus on satellite production and satellite-based applications. | Not Listed | 11.9% |
| 5 | Company K | Founded in 2015, Company K is dedicated to providing Synthetic Aperture Radar ("**SAR**") satellite constellation construction and integrated SAR satellite data services. | Not Listed | 4.5% |

*Source: Frost & Sullivan Report*

*Note:* Revenue refers to the revenue derived from satellite-related businesses.

We pioneer the R&D and production and launch of AI satellites. With 35 satellites (including 29 AI satellites) developed by us successfully launched through arrangements either by us or in coordination with our business partners since the inception and up to the Latest Practicable Date, we ranked first among all private commercial aerospace companies in China in terms of cumulative number of AI satellites successfully launched. We have also developed, produced, launched and networked the world's first space computing constellation consisting of twelve satellites in a single orbital plane.

**Market Drivers of the Satellite Industry in China**

***Policy Support***. The PRC government has prioritized the development of the commercial aerospace industry and the satellite industry, implementing a series of supportive policies to foster its growth. For instance, in 2023, the PRC government proposed to develop a number of strategic emerging industries including commercial aerospace, aiming to accelerate the formation of new driving forces for industrial development and further promote the development of commercial aerospace. In 2024, commercial aerospace was mentioned for the first time in the government work report, bringing new development opportunities to China's commercial aerospace industry. In 2024, the Chengdu Municipal Bureau of Economy and Information Technology and two other departments issued the "Special Policy for Promoting the Development of Satellite Internet and Satellite Application Industry in Chengdu" (《成都市促進衛星互聯網與衛星應用產業發展專項政策》), aiming to accelerate the construction of new space infrastructure and promote the development of satellite Internet and satellite applications. In 2025, the provincial government of Sichuan Province issued the "Action Plan for High-Quality Development of Commercial Aerospace in Sichuan Province (2025-2030)" (《四川省商業航天高品質發展行動計劃(2025-2030年)》), that proposed to enhance commercial aerospace launch capabilities, strengthen innovation driving forces, consolidate industrial foundations, expand application scenarios, and promote the high-quality development of commercial aerospace industry. In 2025, the China National Space Administration issued the "China National Space Administration Action Plan to Promote the High-Quality and Safe Development of Commercial Spaceflight (2025-2027)" (《國家航天局推進商業航天高質量安全發展行動計劃(2025-2027年)》), incorporating commercial aerospace into the overall framework of national aerospace development and further supporting, encouraging and regulating the high-quality and safe development of the commercial aerospace industry. In 2026, the "Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China" (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》) explicitly called for improving civil aerospace infrastructure, coordinating the development of satellite communication, navigation and remote sensing systems, and accelerating the deployment of LEO satellite internet constellations.

***The Rapid Development of Private Companies in Commercial Aerospace***. Following the release of the Medium and Long-term Development Plan for National Civil Space Infrastructure (2015-2025) (《國家民用空間基礎設施中長期發展規劃(2015-2025年)》) in 2015, which supported and guided private capital to participate in the construction of space infrastructure, the commercial aerospace industry in China has evolved from a state-dominated model to a hybrid model with both state-owned companies and private companies that fosters market-oriented activities, catalyzing the industry's swift expansion and the rapid development of private companies in commercial aerospace. This has effectively enhanced the vitality of the commercial aerospace industry, stimulated capital investment, fostered technological innovation and provided broad development potentials for private companies in segmented markets such as satellite applications in remote sensing and in-orbit computing, as well as the R&D and production of micro and small LEO satellites. Private companies now play a key role in developing satellite industry, leading to reduced costs, enhanced scalability and accelerated innovation. The growing presence of private satellite companies has contributed to the sustained growth of the industry.

***Rapid Layout of LEO Satellite Constellations***. The recent accelerated deployment of LEO satellite constellations has spurred advances in the satellite industry. As the LEO satellite constellations are progressively deployed, they provide continuous global access to satellite observation and satellite communication for ground users. Remote sensing satellite constellations can provide comprehensive remote sensing information services. Communication speeds are rising due to the ongoing development of satellite constellations. Satellites equipped with integrated functions such as communication and remote sensing can meet a wide range of application needs, thereby stimulating the rapid growth in demand for satellite services.

***Technological Advancements***. With the continual advances in satellite technology, the new generation of satellite provides transmission speeds comparable to or even exceeding those of terrestrial broadband. Adopting more efficient transmission technology and advanced satellites can meet users' requirements for high-bandwidth applications such as high-speed data downloads and livestreaming video playback. Meanwhile, as the computing capabilities of individual satellites continue to advance, the aggregate computing capacity of space computing infrastructure is expected to increase accordingly. These improvements have increased demand for satellite services and established these as a crucial infrastructure, leading to a broadening range of applications and growing market demand.

**Development Opportunities and Challenges for the Satellite Industry in China**

***Development of Space Computing***. Driven by the increasing demand for on-orbit computing, the development of space computing is accelerating. The continuous expansion in satellite deployments and the exponential growth in space-generated data are driving a surge in demand for space computing. Meanwhile, as the demand for AI-driven computing intensifies, ground-based computing architectures are increasingly constrained by bandwidth limitations, energy efficiency considerations and the latency associated with transmitting large volumes of data from space to ground, further reinforcing the strategic importance of space computing. The global commercial space industry is rapidly entering the era of space-based computing, as leading players increasingly prioritize the establishment of space computing networks. A global leading commercial aerospace company has recently announced plans to develop a space computing network with the deployment of up to one million satellites dedicated to space-based computing and AI workloads. Moreover, a global leading AI computing power provider has announced plans to develop a large-scale on-orbit data center consisting of 88,000 satellites, with a targeted capacity of up to 5 gigawatts, aimed at supporting the development of space computing infrastructure. Therefore, AI computing satellites are expected to become an important development trend in the satellite industry. With the rapid advancement of space computing infrastructure, commercial aerospace companies worldwide will increase their investment in the research and development of AI satellites, especially AI computing satellites.

***Space-Air-Ground-Sea Integrated Network***. In 2020, the NDRC included satellite Internet as a "new infrastructure" for the first time as a category of communication network infrastructure. The accelerated deployment of space infrastructure will enable multidimensional communication interconnectivity across space-based, ground-based, aerial and maritime platforms. This will provide users with comprehensive information services across all space and time domains, facilitating the accurate acquisition, rapid processing and efficient transmission of information. The integrated space-air-ground-sea network will also empower the satellite industry to offer customers broader, more intelligent and more efficient information services.

***The Continual Expansion of Application Scenarios.*** With advances in satellite production technology and the integration of satellite functions, the application scenarios for satellite are expanding into a diverse range of uses, including smart cities, oceanic communication, emergency rescue services, culture, tourism and gaming. For example, in remote areas such as oceans, deserts and mountainous regions, individuals can enjoy high-quality data services through direct satellite connections on their mobile phones; in the event of natural disasters, rescue personnel can obtain critical information and act more swiftly; and in urban mobility, air traffic management and autonomous driving can enhance both the efficiency and safety of transportation.

***Limitations on Rocket Technology and Payload Capacity***. In the future, as the satellite industry gradually expands, there will be a substantial increase in the demand for satellite launches. The rocket technology and payload capacity will become a critical factor in determining whether large-scale satellite constellations can be successfully deployed.

**Entry Barriers of the Satellite Industry in China**

***Qualification Barriers***. The satellite industry, which is one of the key nationally regulated industries, is subject to the "Catalog of Investment Projects Subject to Government Confirmation (2016 Edition) (《政府核准的投資專案目錄(2016年本)》)" issued by the State Council. In China, satellite production and the establishment of satellite ground stations by private companies require NDRC approval. Additionally, new market participants must secure satellite-related qualifications, including radio frequency use permits and radio station license, making it challenging for new entrants to swiftly navigate regulatory requirements and secure the necessary approvals.

***Technical Barriers***. The satellite industry is technology intensive, involving multiple disciplines such as communications, aerospace, physics and electronic information. The widespread applications of new technologies such as AI, edge computing, new materials and new energy in the satellite industry, present a significant challenge for new entrants to quickly master the industry's core technologies.

***Resource Barriers***. Satellite frequency spectrum and orbit resources are limited. The global satellite frequency spectrum and orbit resources are managed by the International Telecommunication Union ("**ITU**"). According to the ITU, the allocation of satellite frequency spectrum and orbit resources primarily follows a "First Come, First Served" mechanism. The companies are required to submit satellite network information to the ITU through the telecommunications authorities of the member countries. In China, the Ministry of Industry and Information Technology (MIIT) is responsible for the domestic coordination of satellite frequency spectrum and orbit resources and submits satellite network information to the ITU. The MIIT conducts domestic coordination of satellite frequency and orbit resources based on the "Provisions on the Management of Satellite Network Filing, Coordination and Registration (Trial Implementation)" (《衛星網絡申報協調與登記維護管理辦法(試行)》), which is applicable for the allocation of satellite frequency spectrum and orbit resources for both state-owned enterprises ("**SOEs**") and private companies. As of December 31, 2025, there were approximately 11,977 LEO satellites in orbit globally, with the utilisation rate of LEO orbit resources reaching approximately 20.0%. The satellite frequency spectrum used by commercial LEO satellites can be categorized into L band, S band, C band, X band, Ku band, Ka band, Q band and Terahertz by different frequency ranges. The frequency ranges that have already been occupied cannot be used by other commercial satellite companies. Therefore, established companies often secure necessary resources early, whereas new entrants face difficulties in acquiring these resources which require a long time period. The following table sets forth the occupation status of commercial LEO satellite frequency spectrum resources:

| Frequency Band | Frequency Range | Occupation Status |
|---|---|---|
| L Band | 1 to 2 GHz | Resources are almost fully allocated, mainly used for terrestrial mobile communications, satellite positioning, satellite mobile communications, and satellite telemetry and control services. |
| S Band | 2 to 4 GHz | Resources are almost fully allocated, mainly used for radar, satellite positioning, terrestrial mobile, satellite mobile communications, and satellite telemetry and control services. |
| C Band | 4 to 8 GHz | Almost saturated, mainly used for radar, terrestrial mobile, and satellite communications services. |
| X Band | 8 to 12 GHz | Saturated, mainly used for satellite communications, satellite positioning, and satellite television broadcasting services. |
| Ku Band | 12 to 18 GHz | Saturated, mainly used for satellite communications and satellite television broadcasting services. |
| Ka Band | 26 to 40 GHz | Currently being heavily used, mainly used for satellite communications, terrestrial mobile, and inter-satellite communications services. |
| Q Band | 40 to 52 GHz | Beginning to enter the commercial satellite communications sector. |
| Terahertz | 0.1 to 10 THz | Under development. |

*Source: World Sci-Tech R&D (《世界科技研究與發展》), an academic journal; Frost & Sullivan Report*

As of December 31, 2025, more than 66,000 satellites worldwide had obtained ITU approval for their associated orbital and spectrum filings. ITU approval gives the filing administration and the satellite operator an internationally recognized basis to use the specified spectrum and orbital resources, and, once properly coordinated and recorded, to claim protection against harmful radio-frequency interference from later or non-compliant systems. Such rights are confined to the notified frequency bands, orbital characteristics, service areas and technical parameters, and remain subject to coordination with affected administrations and operators, compliance with the ITU Radio Regulations, the obligation to avoid harmful interference, and applicable bringing-into-use requirements. For non-geostationary orbit ("**non-GSO**") satellite constellations, the ITU has established deployment milestones to prevent the warehousing of spectrum and orbital resources, requiring the relevant frequency assignments to be brought into use within seven years following the initial filing, and requiring 10%, 50% and 100% of the planned satellite constellation to be deployed within the subsequent two, five and seven years, respectively. If a milestone is not met,

it does not mean that all frequencies and orbits associated with the system are lost but that the filing needs to be reduced in order to reflect the revised targeted deployment. Under the ITU Radio Regulations, as long as the relevant ITU satellite network filing and frequency assignments remain valid, the deorbiting of a satellite would not result in the revocation or reduction of the quota. The satellite companies can launch replacement satellites to continue the implementation of the satellite network. ITU approval of a satellite network does not constitute approval for the launch or deployment of the relevant satellites or constellation. Satellite launch and constellation deployment remain subject to applicable national regulatory approvals.

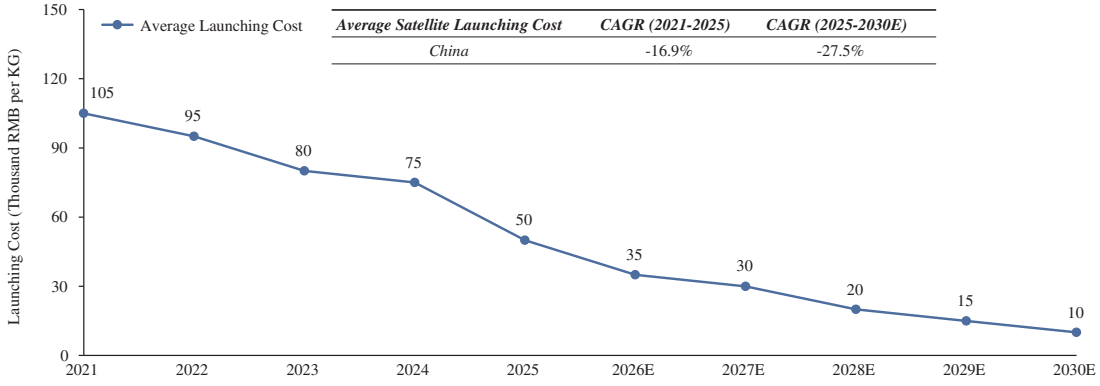
***Capital Barriers***. The satellite industry demands significant capital for developing, producing, launching and operating satellites, and constructing necessary infrastructure for comprehensive satellite-based solutions. Additionally, companies requires significant investment in technology research and development, and the establishment of talent reserves to sustain technological leadership and market competitiveness.

***Talent Barriers***. Technical R&D personnel are the core assets of commercial aerospace companies. However, talents in the commercial aerospace industry are scarce, whilst the training period for these talents is lengthy. The satellite industry not only requires technical talent to have solid professional knowledge and skills but also requires them to continually learn and adapt to the development of new technologies to meet the evolving needs of the industry. Therefore, the training and introduction of technical talent is an important entry barrier.

**Average Satellite Launch Cost in China**

Mainly due to the continuous advancements in rocket technologies, such as the improvement of payload capacity and the development of reusable technologies, and the intensified competition in the rocket industry with the growing number of private rocket companies, the satellite launch cost in China has been decreasing. Reusable rocket technology represents a key technological pathway for reducing the unit launch cost, increasing launch frequency and expanding launch capacity. As rocket recovery success rates and the number of reuses continue to increase, rocket manufacturing costs can be spread across multiple launch missions, while launch preparation time is also expected to shorten, thereby lowering satellite launch prices and alleviating constraints such as limited launch capacity and lengthy launch schedules. For computing satellite constellations, lower launch costs will reduce the investment required for initial constellation deployment and subsequent replenishment, while higher launch frequency will shorten the time required for constellation deployment and capacity expansion. At present, launch costs offered by leading international commercial launch service providers have declined significantly, with certain launch services priced at below USD2,000 per kg. As China continues to advance its rocket technologies, domestic launch costs are expected to gradually converge with those of leading international players. Due to differences in rocket technology pathways, ownership structures (including state-backed and private-sector players) and resource accessibility, launch service pricing remains relatively dispersed across providers. In 2028, the lowest launch cost in China is expected to reach approximately RMB10,000 per kg.

**Average Satellite Launch Cost (China), 2021-2030E**




| *Average Satellite Launching Cost* | *CAGR (2021-2025)* | *CAGR (2025-2030E)* |
|---|---|---|
| *China* | -16.9% | -27.5% |

*Source: Frost & Sullivan Report*

### Insurance in China's Commercial Aerospace and Satellite Industry

Insurance in China's commercial aerospace and satellite industries primarily comprises launch insurance for rockets and satellites, satellite in-orbit life insurance and launch third-party liability insurance. These insurance products provide coverage for key risks arising during satellite launch and in-orbit operations. The coverage of the principal types of insurance is summarised as follows:

(i) Launch insurance for rockets and satellites primarily covers the risk of total loss or constructive total loss of satellites, launch vehicles or both as a result of accidents occurring during the launch phase. Launch insurance for rockets is generally arranged by rocket owners or launch service providers, while launch insurance for satellites is generally arranged by satellite owners or operators.

(ii) Satellite in-orbit life insurance primarily covers insured losses arising from malfunctions or failures during satellite separation from launch vehicles, orbital transfer, attitude adjustment and in-orbit testing, where covered under the relevant policy, as well as risks arising during in-orbit operations, including loss of control, inability to operate normally, partial loss of operational capability or shortened operational life due to system failures or accidental events. This type of insurance is generally arranged by satellite owners or operators.

(iii) Launch third-party liability insurance primarily covers legal liabilities for compensation arising from bodily injury, death or property damage suffered by third parties as a result of launch activities. Launch third-party liability insurance is required to be arranged by holders of civil space launch project licenses, which are mainly launch service providers.

In terms of insurance requirements, launch third-party liability insurance is mandatory under China's civil space launch licensing framework, while the procurement of other types of insurance is generally determined by the contractual requirements and the risk management needs of the relevant parties. In terms of insurance availability and prevailing market practice, launch third-party liability insurance and launch insurance are widely adopted in commercial aerospace projects, while insurance coverage may be limited or unavailable for maiden-launch projects due to their limited launch track record and comparatively higher uncertainty. In contrast, the availability of in-orbit insurance for commercial satellites remains relatively limited, and many satellite operators bear the risks associated with satellite operations in orbit themselves. As China's commercial aerospace and satellite industry continues to develop, the range of available insurance products is gradually expanding to address risks across more stages of commercial aerospace projects, with other types of insurance such as pre-launch insurance for rockets and satellites and in-orbit third-party liability insurance.

## THE SATELLITE PRODUCTION INDUSTRY IN CHINA

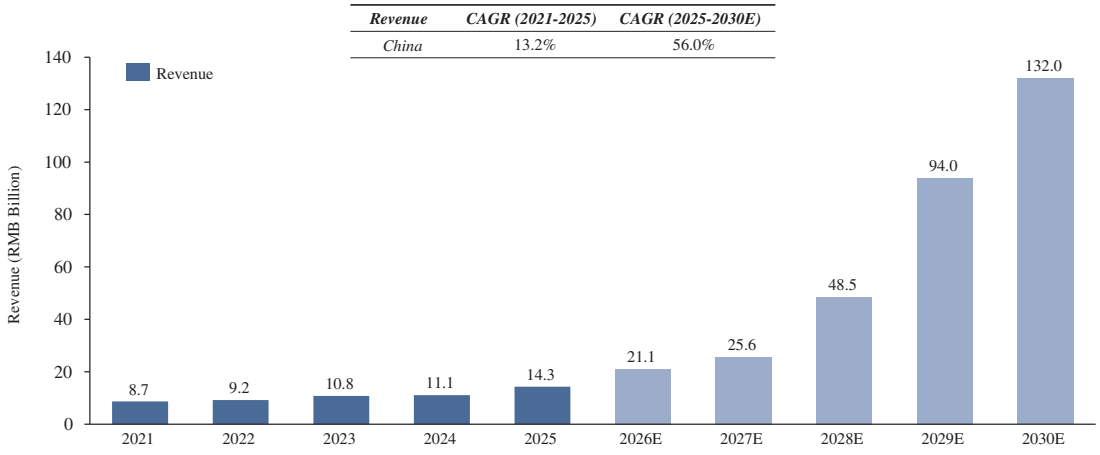
### Overview

Satellite production involves the R&D and production of satellite platforms and payloads, along with the assembly of satellite platforms and payloads into a complete satellite. By final product, satellite production can be divided into four categories: the production of (i) whole satellites, (ii) satellite platforms, (iii) satellite payloads, and (iv) specific components. The production of satellite platforms involves constructing systems for telemetry and control, power supply, structural integrity, propulsion, data management, thermal regulation, and attitude control. Payload production includes the production of communication payload, navigation payload, remote sensing payload and AI payload tailored to the satellite's intended function.

### Market Size of the Satellite Production Industry in China

Propelled by the acceleration of space infrastructure construction and technological advances, the market size of the satellite production industry in China in terms of revenue has maintained steady growth in recent years.

**Total Revenue of the Satellite Production Industry in China, 2021-2030E**




*Source: Satellite Industry Association, Frost & Sullivan Report*

**Development Opportunities of the Satellite Production Industry in China**

***Advancements in Satellite Production Technologies Promote Satellite Mass Production***. With the emergence and application of advanced production technologies such as automated production lines, intelligent production and additive manufacturing, the efficiency of satellite production will be significantly improved, the production costs will be further reduced, and the production cycles will be further shortened, thereby enhancing the satellite producers' profitability and driving the rapid development of the satellite industry.

***Development of Miniaturized and Low-cost Satellites***. With the accelerated deployment of satellite constellations, the industry is increasingly focusing on the production of small and microsatellites in LEO due to their shorter production times, cost effectiveness and scalability. Additionally, advances in technology and supply chain optimization are reducing satellite production costs. The development of miniaturized and low-cost satellites support rapid constellation development and boosts producers' profits, fueling further technological advancements and the growth of AI space computing satellite constellations.

***Integration of Satellite Functions Drives Application Demand***. In order to address the expanding spectrum of application demands, offer more comprehensive services and increase revenue opportunities in satellite application market, conventional satellite functions are expected to be further integrated and enhanced with innovative technologies such as AI. For instance, AI satellites, which integrate advanced AI algorithms, provide AI-driven data analysis and computing services for both spacecraft and ground-based applications, offering more diversified services in a more efficient way, thereby promoting the innovative development of satellite production in diversified application scenarios.

***Build-out of Space AI Infrastructures Drives Upgrades in AI Computing Satellites***. Policy tailwinds from China's strategies for digital economy and commercial aerospace development are supporting increased investment and capability enhancement across the satellite industry value chain, including emerging space AI infrastructures. New generations of AI computing satellites, integrating high-performance processors and onboard algorithms, enable in-orbit real-time processing for selected missions, and are accelerating a shift from satellites as data-collection terminals toward in-orbit computing nodes. By preprocessing raw data on orbit, such systems can reduce the data volume that must be downlinked to improve efficiency, and redistribute processing workloads between space and ground segments. As LEO satellite constellation deployments scale and inter-satellite links mature, space AI infrastructures are becoming increasingly viable, accelerating product upgrades of AI computing satellites and potentially enhancing China's competitiveness in global commercial space sector.

## THE SATELLITE OPERATION AND APPLICATION INDUSTRY IN CHINA

### Overview

The satellite operation and application industry leverages satellites, ground stations and data processing centers to acquire, transmit and process a variety of satellite data and information, providing customers with a wide range of satellite-based solutions. The satellite operations and applications include satellite-based solutions and ground equipment production. Satellite-based solutions refer to the provision of diversified satellite data and resources such as communication services, remote sensing images, navigation data and AI computing power, as well as the provision of customized solutions that utilize satellite data and resources and other advanced technologies such as AI computing capabilities. Ground equipment production refers to the production of a variety of ground equipment that ensures the reception and transmission of satellite data, providing ground-based infrastructure for satellite-based solutions.

Satellite-based remote sensing solutions, as one of the primary satellite-based solutions, encompass the utilization of satellite data and its derivatives, including sales, software development and service provision. The process involves data collection, management, processing and analysis to extract pertinent information for diverse sectors including agriculture, forestry, meteorology, oceanography, resource management, emergency response and smart cities. These applications are valued for their broad scope, varied sources, regularity, detail and measurable data. They provide data for tracking environmental trends, aiding crop management, supporting urban development, predicting and assessing natural disasters, exploring natural resources and informing economic analyses for investors.

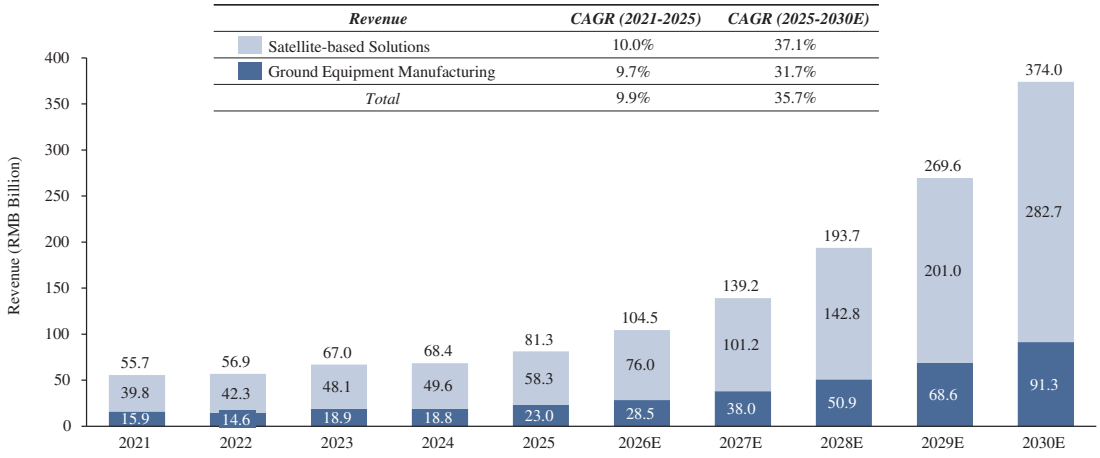
3D remote sensing technology is an advanced spatial data processing technique that can provide 3D spatial information of the Earth's surface. 2D (two-dimensional) raw images captured by satellites are highly reliable and rich in detail, and offer high clarity. When processed by AI algorithms, these images can be efficiently and economically converted into 3D images. Post-processed 3D remote sensing images can provide multi-dimensional visualizations of surface features, transforming complex geographic information into intuitive and understandable digital models. 3D remote sensing images are widely applied in various fields such as digital city applications, culture, tourism and gaming, among others, providing critical data support for decision-makers. Further, 3D remote sensing images can be integrated into various advanced satellite-based remote sensing solutions, enhancing their analytical capabilities and application values.

Compared to the generation of 3D remote sensing images through traditional methods, using satellite technology to generate 3D remote sensing data provides technical and cost benefits. From a technical perspective, satellites provide extensive geographic coverage and are equipped with high-resolution sensors and multi-spectral imaging capabilities, which enable the capture of more detailed and informative surface features and support the generation of 3D models. From a cost perspective, the use of satellite data can significantly reduce the cost of fieldwork, especially in remote or hazardous areas. For large-scale 3D modeling, the cost-effectiveness of satellite remote sensing data is significant. As the coverage area of satellite remote sensing increases, the cost of data acquisition per unit area decreases accordingly.

### Market Size of the Satellite Operation and Application Industry in China

Propelled by the policy support, rapid development of the geographic information industry, technological innovation and application expansion, the market size of the satellite operation and application industry in China in terms of revenue has witnessed continual increase.

**Total Revenue of Satellite Operation and Application Industry (China), 2021-2030E**




| *Revenue* | *CAGR (2021-2025)* | *CAGR (2025-2030E)* |
|---|---|---|
| Satellite-based Solutions | 10.0% | 37.1% |
| Ground Equipment Manufacturing | 9.7% | 31.7% |
| *Total* | 9.9% | 35.7% |

*Source: Satellite Industry Association, Frost & Sullivan Report*

**Development Opportunities for the Satellite Operation and Application Industry in China**

***AI Empowering Remote Sensing Data Processing***. AI plays a significant role in the precise processing of remote sensing data, spatiotemporal analysis and feature classification and recognition. It can effectively improve the efficiency of processing satellite data, reduce the cost of data processing, and achieve automation and intelligentization of satellite data processing, thereby enhancing operational efficiency for businesses. For example, in-orbit AI super-resolution algorithms allow satellites to process images on-board, achieving clarity and detail enhancement in space, which significantly improves image quality and application value while enhancing processing efficiency. Additionally, in response to various customers' needs, advanced AI algorithms are employed for additional analysis of satellite data to process, analyze and refine the images and data for specific application scenarios in the data processing center on the ground, which can enable multi-temporal analysis, precise object detection and feature extraction, thereby producing tailored insights for diverse industries.

***Digital Twin Technology***. Based on remote sensing data, 3D modelling and digital twin technology can be used to rapidly construct highly realistic urban scenes at different scales. This provides technical support for the refined management of natural resources and the precision governance of cities and can be widely applied in natural resources, smart cities, power line inspections, construction monitoring, emergency command and cultural tourism. By presenting various data sources such as geographic information, remote sensing data and surface feature modeling in a visual format, the application of digital twin technology can not only enhance the customers' decision-making capabilities but also significantly boost operational efficiency. In the future, the continuous advancement of digital twin technology will play an increasingly important role in the satellite-based remote sensing solution industry.

***Satellite-Based Computing Solutions***. With the growing demand for computing power driven by AI development, satellite applications are gradually evolving towards computing infrastructure. Satellite-based computing solutions, including space-based data centers, in-orbit computing nodes and related services, are emerging as a key development direction. By deploying computing resources in orbit, space computing is expected to complement terrestrial data centers, particularly in applications requiring wide-area coverage and cross-regional coordination. Meanwhile, declining launch costs and satellite platform standardization are enhancing the economic viability of space computing infrastructure. Overall, satellite-based computing solutions are expected to support the transition towards an integrated space-ground distributed computing architecture and become an important component of future digital infrastructure.

## SOURCE OF INDUSTRY INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report, the satellite industry, which was commissioned by us for a fee of RMB820,000. Frost & Sullivan prepared its report based on data released by government institutions and non-government organizations and its primary research.

Forecasts and assumptions included in the Frost & Sullivan Report are inherently uncertain because of events or combinations of events that cannot be reasonably foreseen, including, without limitation, the actions of government, individuals, third parties and competitors. Specific factors that could cause actual results to differ materially include, among other things, risks inherent in the satellite industry, financing risks, labor risks, supply risks, regulatory risks and environmental concerns.

Except as otherwise noted, all data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

This section sets out an overview of the current laws and regulations applicable to the Group in the PRC that may materially affect the Group and its operations. The principal objective of this section is to provide potential investors with an overview of the key laws and regulations applicable to the Group.

Save for the disclosure under "Business — Legal Proceedings and Compliance — Compliance — Approval of the Relevant National Ministry for Satellites", during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

## THE PRC LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

### Trial Administrative Measures of Overseas Securities Offering and Listing

On February 17, 2023, CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), effective March 31, 2023.

According to the Trial Administrative Measures, (i) a domestic enterprise in the PRC that directly or indirectly issues securities outside the PRC or lists and trades its securities outside the PRC shall file a report with the CSRC and submit the relevant materials; (ii) the direct overseas issuance and listing of a domestic enterprise refers to the overseas issuance and listing of shares of a joint stock limited company registered and established in the PRC; and (iii) any domestic joint stock limited company shall file a report with the CSRC within three working days after the submission of its application for an overseas listing.

The Trial Administrative Measures stipulates that no overseas offering and listing shall be made under any of the following circumstances (among others) (i) where such fundraising offering and listing is explicitly prohibited by provisions in laws and regulations; (ii) where the intended securities offering and listing may endanger national security; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; or (v) where there are material ownership disputes over the equity held by controlling shareholders or by other shareholders that are controlled by controlling shareholders or actual controllers.

To enhance confidentiality and archive management for domestic enterprises' overseas offerings and listings, CSRC, MOF, National Administration of State Secrets Protection, and National Archives Administration revised regulations. The updated Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (CSRC Announcement [2009] No. 29) (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》(證監會公告[2009]29號) were replaced with the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (《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》(證監會公告[2023]44號) which became effective on March 31, 2023. These provisions now cover domestic joint stock companies directly listing overseas and entities indirectly listing abroad. They outline procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration, in alignment with the Trial Administrative Measures.

### Full Circulation of H Shares

"Full circulation" represents listing and circulating on the Stock Exchange of the domestic unlisted shares of a domestic H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On August 10, 2023, CSRC announced the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》), allows certain qualified H-share listed companies and H-share companies to be listed for the application of full circulation to CSRC.

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for "full circulation". Pursuant to the Trial Administrative Measures, shareholders holding unlisted shares in the PRC should comply with the relevant requirements of the CSRC and appoint a domestic enterprise to file a report with the CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business ("**Measures for Implementation**"). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to these Measures for Implementation. In order to fully promote the reform of H-shares "full circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, China Securities Depository and Clearing Corporation Limited has issued the Circular on Issuing the Guidelines to the Program for "Full Circulation" of H-shares (《關於發佈<H股「全流通」業務指南>的通知》) in February 2020, which specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

## REGULATIONS RELATED TO THE COMMERCIAL SPACE INDUSTRY

### Qualification Requirements for the Production of Civil Satellites

The Notice of the State Council on Issuing the Catalog of Investment Projects Subject to Government Confirmation (2016 Edition) (《國務院關於發佈政府核准的投資項目目錄(2016年本)的通知》) issued by the State Council in December 2016 stipulates that the production of civil satellites shall be subject to approval by the investment authority under the State Council. In accordance with the Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) and the Administrative Regulation for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》), the specific approval process is as follows:

*(1)* ***Project Application and Document Submission:*** The project entity shall prepare a project application report (including the enterprise's basic information, project details, analysis of resource utilization, assessment of ecological and environmental impact, and analysis of economic and social impact) and submit it to the provincial development and reform authority, which will forward it to the NDRC within 5 working days of receipt.

*(2)* ***Review and Acceptance by the Approval Authority:*** The NDRC, as the approval authority, will review the submitted materials. If the documents are incomplete or non-compliant, the authority shall notify the project entity once within 5 working days to request supplementation or corrections. No notification within this period means the application is deemed accepted as of the date of submission.

*(3)* ***Interdepartmental Consultation and Evaluation***: If the project involves responsibilities of relevant industry regulators or local governments, the NDRC shall solicit written review opinions from them within 7 working days. If an evaluation is deemed necessary, the authority may commission a third-party assessment, which should generally be completed within 30 working days (extendable to 60 working days for complex projects).

*(4)* ***Approval Decision:*** The NDRC shall make a decision within 20 working days of accepting the application. For complex projects, this period may be extended to 40 working days upon approval (evaluation time is excluded from the approval timeline).

Pursuant to the Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》), any material changes to an approved project, such as adjustments to the construction location, significant modifications to investment or construction scale, or potential adverse impacts on the economy, society or environment, require the project entity to submit a formal written application to the original approval authority. The authority must issue a decision on the proposed changes within 20 working days of receiving the application.

**Regulations on Radio Frequency Allocation**

According to the Radio Regulations of the People's Republic of China (Revised in 2016) (《中華人民共和國無線電管理條例(2016修訂)》) issued on November 11, 2016, a permit is required for the use of radio frequencies, with the exception of the following frequencies: (i) frequencies of amateur radio stations, public speakerphone and compulsory radio stations; (ii) international fixed frequencies of international security and distress systems which are used for aviation, maritime mobile services and radio navigation services; and (iii) frequencies used by micro power short-distance radio transmitting equipment prescribed by the radio regulatory authority of the state. To obtain a permit for the radio frequency use permit, the following conditions shall be met: (i) the radio frequencies applied for comply with the provisions on the division and use of radio frequencies and have clear and specific purposes; (ii) the technical scheme for the use of radio frequencies is feasible; (iii) the applicant has corresponding professional and technical personnel; (iv) no harmful interference to other radio frequencies used in accordance with the law will be caused. The radio regulatory authority shall complete examination within 20 working days of the date of acceptance of an application for the use of radio frequencies, and shall make a decision of approving or disapproving in accordance with the aforementioned conditions and taking into comprehensive consideration national security needs and the availability of frequencies. To set up or use a radio station, the applicant shall apply to the radio regulatory authority for the radio station license, with the exception of the setup and use of the following radio stations: (i) ground public mobile communication terminals; (ii) single receiving radio stations; and (iii) micro power short-distance radio stations prescribed by the radio regulatory authority of the state. Except for amateur radio stations, the establishment and use of radio stations must meet the following conditions: (i) availability of radio frequencies; (ii) the radio transmitting equipment used has obtained a type approval certificate for radio transmitting equipment in accordance with the law and complies with the national product quality requirements; (iii) personnel familiar with radio management regulations and possessing relevant professional skills; (iv) a clear and specific purpose, with a feasible technical plan; and (v) an electromagnetic environment capable of ensuring the normal operation of the radio station, and the proposed radio station will not cause harmful interference to other lawfully operated radio stations. Entities seeking continued use of a radio frequency after permit expiration must file a renewal application with the relevant radio management authority at least 30 working days prior to expiry. The authority will review the application within 20 working days, considering national security requirements and frequency availability, to grant or deny renewal. Renewal applications for radio station licenses must also be submitted 30 working days before expiration. The radio management authority will conduct a review within 30 working days to assess compliance with technical and operational standards before approving or rejecting the renewal.

According to Measures for the Administration of the Permit for the Use of Radio Frequencies (《無線電頻率使用許可管理辦法》), to obtain a permit for the radio frequency use permit, the following conditions shall be met: (i) the radio frequencies applied for comply with the provisions on the division and use of radio frequencies and have clear and specific purposes; (ii) the technical scheme for the use of radio frequencies is feasible; (iii) the applicant has corresponding professional and technical personnel; (iv) no harmful interference to other radio frequencies used in accordance with the law will be caused; and (v) other conditions as proscribed by laws or administrative regulations. The use of satellite radio frequencies shall also comply with the relevant provisions on the administration of space radio business. The radio regulatory authority shall complete examination within 20 working days of the date of acceptance of an application and shall make a decision of approving or disapproving permit. Where a decision is unable to be made within 20 working days, with approval of the person in charge of the radio regulatory authority, 10 working days may be extended and the applicant shall be informed of the reasons for the extension. The term of a radio frequency use permit shall not exceed ten years. Where the radio frequency needs to be used after the expiry of the permit, an extension application shall be filed with the radio regulatory authority which makes the decision at least 30 working days before the expiration of the term.

As stipulated in the Measures for the administration of registration of space objects (《空間物體登記管理辦法》), registrants shall submit the registration materials to the State Administration of science, Technology and Industry for National Defence and complete the registration procedures within 60 days after the space object enters the space orbit. Registrants must update the registry within 60 days of any significant change to a space object's status, including orbital adjustments, structural disintegration, operational termination or atmospheric re-entry.

## REGULATIONS ON THE APPROVAL AND FILING MANAGEMENT OF ENTERPRISE INVESTMENT PROJECTS

The Regulations on the Approval and Filing Management of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) were promulgated on November 30, 2016, and implemented from February 1, 2017. The Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) were issued on March 8, 2017, and implemented on April 8, 2017 and amended by the Decision of the National Development and Reform Commission on Revision of Regulations and Administrative Normative Documents on Investment Management (《國家發展改革委關於修訂投資管理有關規章和行政規範性文件的決定》) issued on March 23, 2023 and implemented on May 1, 2023. According to these regulations and measures, projects related to national security, significant national productivity layouts, strategic resource development and major public interests are subject to approval management. The determination of specific projects and approval authority is governed by the investment project catalogue approved by the government. This catalogue is proposed by the investment authority under the State Council in conjunction with relevant departments of the State Council, implemented following the State Council's approval and adjusted periodically. Except for special provisions, other projects are subject to filing management, typically following the principle of territoriality, with local governments stipulating the filing authorities and their powers.

## REGULATIONS RELATING TO LAND, PLANNING AND CONSTRUCTION PERMITS

### Land Use Rights

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 with effect from January 1, 2020, lands owned by China might be allocated to be used by units or individuals in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated on November 24, 2014 and last amended on March 10, 2024 and brought into effect on May 1, 2024, the real estate registration shall be conducted by the real estate registration authority.

According to the Civil Code, the creation, alteration, alienation or extinguishment of a real right of the immovable property that is required by law to be registered becomes effective at the time when it is recorded in the register of immovable property. The real right certificate for immovable property is the proof of a right holder's entitlement to the right in the immovable property.

### 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》) (the "**Urban and Rural Planning Law**") promulgated by the SCNPC on October 28, 2007, implemented on January 1, 2008 and amended on April 24, 2015 and April 23, 2019 respectively, a Construction Land Planning Permit is required for the right to use the State-owned land acquired by transfer and allocation.

### Construction Work Planning Permit

According to the Urban and Rural Planning Law, to build any building, structure, road, pipeline or conduct other engineering project within a city or town planning area, the relevant construction entity or individual shall apply for a Construction Work Planning Permit from a competent urban and rural planning administrative department.

### Construction Work Commencement Permit

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997, implemented on March 1, 1998 and last amended on April 23, 2019, a construction entity shall, prior to the commencement of a construction project, apply for a Construction Work Commencement Permit to a competent construction administrative department of the place where the project is located pursuant to relevant regulations, except for small projects below the limit determined by the construction administrative department of the State Council. The entity in charge of construction should start to build the projects within three months since obtaining construction licenses.

### Inspection and Acceptance on Completion of Construction Projects

According to the Regulations on the Administration of Construction Quality and the Administrative Measures for Recording of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructures (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated and implemented by the former Ministry of Construction on April 4, 2000 and amended on October 19, 2009, a construction project shall not be delivered for use unless it has passed the acceptance checks. The construction entity should file a record to a competent construction administrative department of the place where the project is located within 15 days from the day when the construction project passes the acceptance checks.

## REGULATIONS RELATING TO SAFETY PRODUCTION

According to the Safety Production Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and last amended with effect from September 1, 2021, any enterprise that carries out production and business operation activities shall (1) abide by the Safety Production Law of the PRC and other laws and regulations related to production safety, strengthen production safety management, establish a sound production safety responsibility system and formulate a set of production safety rules and regulations for all employees; (2) increase the efforts to guarantee the input of funds, supplies, technology and personnel to production safety, improve production safety conditions, and strengthen standardization and informatization of production safety; (3) construct a "dual-prevention" mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, enhance production safety levels and ensure production safety. Enterprises that do not have the conditions for safe production shall not engage in production and business activities.

According to the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Facilities of Construction Projects (《建設項目安全設施"三同時"監督管理辦法》), which were promulgated by the former State Administration of Work Safety (now the Ministry of Emergency Management) on April 2, 2015 and became effective on May 1, 2015, the safety facilities of a construction project must be designed, constructed and put into operation simultaneously with the major construction works of the construction project.

## REGULATIONS RELATED TO FIRE PREVENTION

### Fire Protection Design Review and Final Inspection

According to the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and effective on June 1, 2020, and recently amended on August 21, 2023, the fire protection design review system shall apply to special construction projects which a hotel, a restaurant, a shopping mall or a market, with a GFA of more than 10,000 sq.m. Where an as-built special construction project undergoes the final inspection formalities, the construction entity shall file an application for fire protection final inspection with the competent department of fire protection design review and final inspection; where the project fails to undergo or pass the fire protection design review, it shall be prohibited from being put into use.

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and recently amended on April 29, 2021, where a construction project that is subject to fire protection final inspection according to the law fails or is nonconforming as established by the fire protection final inspection, it shall be prohibited from being put into use; and any other construction project that is nonconforming as established by random inspection conducted under the law shall cease to be used.

## REGULATIONS RELATED TO ENVIRONMENTAL PROTECTION

### Ecological and Environmental Code

The Ecological and Environmental Code of the PRC (《中華人民共和國生態環境法典》) (the "**Ecological and Environmental Code**") was promulgated on March 12, 2026 and came into effect on August 15, 2026. The Ecological and Environmental Code is formulated to protect the ecological environment, prevent and control pollution and other public hazards, safeguard public health and the ecological and environmental rights and interests, maintain ecological security, promote green

and low-carbon development, build an ecological civilization, comprehensively advance the building of a Beautiful China, accelerate the modernization of harmony between humanity and nature, and realize the sustainable development of the Chinese nation. Under the Ecological and Environmental Code, construction projects that have an impact on the ecological environment shall be subject to ecological and environmental impact assessments in accordance with the law. The State implements classified management on the ecological and environmental impact assessments of construction projects according to the degree of their impact on the ecological environment. Construction entities shall organize the preparation of an ecological and environmental impact report, an ecological and environmental impact report form, or fill in an ecological and environmental impact registration form in accordance with the following provisions: (i) where significant ecological and environmental impacts may be caused, an ecological and environmental impact report shall be prepared to comprehensively assess the ecological and environmental impacts generated; (ii) where mild ecological and environmental impacts may be caused, an ecological and environmental impact report form shall be prepared to analyze or conduct a special assessment on the ecological and environmental impacts generated; and (iii) where the ecological and environmental impacts are very small and it is not necessary to prepare an ecological and environmental impact report or an ecological and environmental impact report form, an ecological and environmental impact registration form shall be filled in. The pollution prevention and control facilities in a construction project shall be designed, constructed and put into production and use simultaneously with the principal project.

**Export Control and Confidentiality Regulations for Commercial Satellites**

The Notice of the State Administration of Science, Technology, and Industry for National Defense and the Equipment Development Department of the Central Military Commission on Promoting the Systematic Development of Miniature Satellites and Strengthening Safety Management (《國家國防科技工業局、中央軍委裝備發展部關於促進微小衛星有序發展和加強安全管理的通知》) issued on May 7, 2021 stipulates that institutions and individuals engaged in scientific research, production, launch, measurement and control, and application of miniature satellites must not endanger public security or harm national interests.

## REGULATIONS ON THE CONTROLLING OF THE IMPORT AND EXPORT OF PRODUCTS

**Foreign Trade**

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the "**Foreign Trade Law**") promulgated by the SCNPC on May 12, 1994 , amended on December 30, 2022, and recently amended on December 27, 2025, Implemented on March 1, 2026, foreign trade operators are not required to register since December 30, 2022. The PRC government permits the free import and export of commodities and technologies, unless otherwise provided by laws and administrative regulations.

**Customs Law**

According to the Customs Law of the PRC (《中華人民共和國海關法》) adopted by the SCNPC on January 22, 1987, most recently amended on April 29, 2021 and effective from the same date, the Customs of the People's Republic of China is the state's entry and exit customs supervision and administration authority. According to the relevant laws and administrative regulations, the Customs supervises the transportation vehicles, goods, luggages, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

## LAWS IN RELATION TO PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and latest amended on December 29, 2018 by the SCNPC, the seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of the purchased product, the seller shall compensate for such losses.

Under the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "Civil Code", effective from January 1, 2021) adopted by the National People's Congress on May 28, 2020, a producer or a commercial seller is subject to liability for physical injury or property loss caused by the product defects. The aggrieved party may seek compensation from the producer or the commercial seller. Where the aggrieved party seeks compensation from the commercial seller, the commercial seller has the right to make a claim against the liable producer after it has made compensation.

## REGULATIONS REGARDING THE SALE OF PRODUCTS

### Laws Related to Anti-Unfair Competition

The Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the Standing Committee of the National People's Congress on September 2, 1993, and effective from December 1, 1993, and amendment taking effect on April 23, 2019, with the latest amendment on June 27th, 2025 and Effective on October 15, 2025, has established several measures to combat unfair competition and protect market order. These measures include prohibiting acts such as unfair prize promotions and dumping to exclude market competitors.

## REGULATIONS ON CYBER INFORMATION SECURITY, DATA SECURITY AND PRIVACY PROTECTION

### Cyber Information Security and Data Protection

On November 7, 2016, the Cyber Security Law of the PRC (《中華人民共和國網絡安全 法》) (the "**Cyber Security Law**") was promulgated by the SCNPC and became effective on June 1, 2017, latest amended on October 28, 2025, and effective on January 1, 2026, which requires that a network operator (including, among others, internet information services providers) take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to ensure the secure and stable operation of the network, effectively cope with cyber security events, prevent criminal activities committed on the network, and protect the integrity, confidentiality and availability of network data. Any violation of the provisions and requirements under the Cyber Security Law may subject a network operator to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, close down of websites or even criminal liabilities.

On July 30, 2021, the State Council promulgated the Regulations for Safe Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "**CII Regulations**") which came into effect on September 1, 2021. Pursuant to the CII Regulations, critical information infrastructure refers to important network infrastructure and information system in public telecommunications, information services, energy sources, transportation, water conservation, finance, public services, e-government affairs and national defense and other related technology industries, as well as others in which any destruction or data leakage will have severe impact on national security, the nation's welfare, the people's living and public interests. The CII Regulations provide for the specific requirements of CIIOs' responsibilities and obligations, which include, among others, that the CIIOs shall give priority to purchasing the safe and reliable network products and services, and the procurement of network products and services that may affect national security shall be subject to security review in accordance with national cyber security regulations. The CII Regulations has also specified the penalties, such as fines, for the failure of CIIOs to fulfill their security protection responsibilities.

For purposes of ensuring the security of the supply chain for critical information infrastructure and safeguarding national security, the Measures for Cyber Security Review (the "**Cybersecurity Review Measures**") (《網絡安全審查辦法》) was jointly issued by the CAC, the NDRC, the MIIT, the Ministry of Public Security (the "**MPS**"), the Ministry of State Security, the MOF, the MOFCOM, the PBOC, the SAMR, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration on December 28, 2021 and took effect on February 15, 2022. The Cyber Security Review Measures specifies that the procurement of network products and services by a CIIO and the activities of data process carried out by a network platform operator that raise or may raise "national security" concerns shall be subject to strict cyber security review by the Cyber Security Review Office established by the CAC. Before such CIIO purchases internet products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give raise to national security concerns, it should apply for the cyber security review by the Cyber Security Review Office and a report of analysis of the

potential effect on national security shall be submitted when the application is made. In addition, network platform operators that possess the personal data of at least one million users must apply for the cyber security review by the Cyber Security Review Office before "foreign" listing (國外上市). The Cyber Security Review Office may voluntarily conduct cyber security review if any network products and services, activities of data process or listing of companies overseas affects or may affect national security. Pursuant to the Cyber Security Review Measures, any violation shall be punished in accordance with the Cyber Security Law and the Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties, suspension of non-compliant operations. On December 24, 2024, the Company and the Company's PRC Legal Advisor have conducted a real-name telephone consultation and communication with the competent regulatory authority, the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心, the "**CCRC**"), and CCRC has confirmed that a listing in Hong Kong does not fall within the scope of the term of "listing abroad (國外上市)" under the Cybersecurity Review Measures.

Given that (i) as of the Latest Practicable Date, we had not been notified by any competent governmental authorities as a CIIO; (ii) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad (國外上市); and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, and the interpretation of activities that "affect or may affect national security" under the current PRC laws and regulations requires further clarification from the competent authorities, therefore, as advised by our PRC Legal Advisor, we were of the view that we are not obliged to apply for a cybersecurity review pursuant to the Cybersecurity Review Measures with respect to our Proposed Listing. However, as further advised by our PRC Legal Advisor, the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations, and we are suggested by our PRC Legal Advisor that we should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

On September 24, 2024, the Cyber Data Security Regulations (《網絡數據安全管理條例》) was promulgated by the State Council and came into effect on January 1, 2025. The Cyber Data Security Regulations reiterate the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers' obligations. The Cyber Data Security Regulations do not include the content related to cybersecurity review standards for listing abroad and in Hong Kong in the Administration Governing the Cyber Data Security (Draft for Comments), published on November 14, 2021.

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》) passed by the SCNPC on June 10, 2021 and implemented on September 1, 2021, the state establishes a classified and tiered system for data protection. The use of the internet and other information networks to carry out data processing activities shall, on the basis of the hierarchical network security protection system, fulfill the obligations of data security protection. The processors of important data shall, in accordance with relevant provisions, carry out risk assessment on their data processing activities on a regular basis and submit risk assessment reports to the relevant competent authorities. Those who fail to fulfill the obligations of data security protection and provide important data abroad in violation of the law will be ordered to correct, warned, fined, suspended with their business or suspended for rectification, or revoked of relevant business licenses.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》), which came into effect on September 1, 2022. According to the Measures for the Security Assessment of Cross-border Data Transmission, a data processor shall apply for a data export security assessment when it provides personal information or important data collected and generated in the course of its business operation within the PRC to a recipient outside the PRC under certain circumstances On March 22, 2024, the CAC issued the *Provisions on Promoting and Regulating Cross-border Flow of Data*, or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the Measures for the Security Assessment of Cross-border Data Transmission, the New Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions set out scenarios under which

certain obligations for the cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification.

**Privacy Protection**

On May 28, 2020, the National People's Congress promulgated the Civil Code, which came into effect on January 1, 2021. According to the Civil Code, the personal information of natural persons is protected by law. Any entity or individual who needs to obtain personal information of any other individual shall obtain such information legally and ensure the security of such information, and shall not unlawfully collect, use, process, or transmit the personal information of any other individual or unlawfully purchase, sell, provide, or disclose to the public the personal information of any other individual.

On August 20, 2021, the Law of the People's Republic of China on the Protection of Personal Information (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**") was promulgated by the SCNPC and came into effect on November 1, 2021. Personal information, as defined in the Personal Information Protection Law, refers to all kinds of information related to an identified or identifiable natural person recorded electronically or by other means, excluding the information that has been anonymized. The Personal Information Protection Law stipulates the circumstances in which a processor of personal information may process personal information, including, but not limited to, when the consent of the individual concerned has been obtained and when it is necessary for the conclusion or performance of a contract to which the individual is a party. It has also set out a number of specific rules on the obligations of processors of personal information, such as informing individuals of the purpose and method of processing. Personal information processors who violate the provisions and requirements of the Personal Information Protection Law may be subject to correction, warning, fines, suspension of related business, revocation of licenses, entry into credit files, or even criminal liability.

**LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY**

**Trademark Law**

The Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**") and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern trademark registration, protection, and usage in China. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the "first-to-file" principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the NIPA. Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension.

**Patent Law**

The Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**") and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions. The Patent Law and its Implementation Rules recognize three patent types: "invention," "utility model," and "design." Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new aesthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

**Copyright Law**

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and most recently amended on November 11, 2020 and effective from June 1, 2021, Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law. Unless otherwise provided in the Copyright Law of the People's Republic of China and other

related system and laws and regulations, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. In exercising the rights, copyright owners and copyright related rights holders shall not be in violation to the Constitution and laws nor prejudice to public interests. According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) issued by the Ministry of Machine Building and Electronics Industry (currently incorporated into the Ministry of Industry and Information Technology) on April 6, 1992 and most recently amended on June 18, 2004 and Effective on July 1, 2004, and the Regulations on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and most recently amended on January 30, 2013 and effective from March 1, 2013, the State Copyright Administration shall be responsible for the administration of software copyright registration nationwide, and the China Copyright Protection Center is recognized as the software registration authority.

**Domain Names**

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and effective from November 1, 2017, the Ministry of Industry and Information Technology supervises and administers domain services nationwide. The principle of "first come, first serve" is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate and complete information about the identity of the domain name holder for registration purpose, and sign a registration agreement with it. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/it.

## LAWS AND REGULATIONS ON LABOR AND SOCIAL SECURITY

**Labor Law and Labor Contract Law**

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of work place safety and sanitation, strictly abide by state rules and standards on work place safety, and conduct employees training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe work place and sanitation conditions which are in compliance with applicable laws and regulations of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

**Social Insurance and Housing Provident Fund**

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發<生育保險和職工基本醫療保險合併實施試點方案>的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳

關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and last amended on August 10, 2026, and became effective on the September 20, 2026, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund payment and deposit registration in the housing provident fund administrative center.

The Interpretation (II) by the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) ("Interpretation", promulgated by the Supreme People' Court of the PRC on July 31, 2025 and took effect on September 1, 2025, regulates issues related to the responsibility of the employers, confirmation of labor relations, service period and non-competition period, termination of labor contract performance and social security payment, among others. It regulates disputes in the field of social insurance, stipulating that if the employer and the employee agree or the employee promises to the employer that the employer does not need to pay social insurance premiums, the court shall determine that the relevant agreement or commitment is invalid. The employee has the right to terminate the labor contract based on this Interpretation and request the employer to pay economic compensation, and the court should support this in accordance with the relevant laws and regulations.

## LAWS AND REGULATIONS IN THE PRC RELATING TO TAX

### Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective from January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

### Income Tax Relating to Dividend Distribution

Pursuant to the Arrangement Between the Mainland of 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税和防止偷漏税的安排》) and relevant protocols, which were promulgated by the State Taxation Administration of The People's Republic of China ("**STA**") on August 21, 2006, came into effect on December 8, 2006, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in a PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Circular of STA on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》), which was promulgated by the STA and became effective on February 20, 2009, all of the following requirements shall be satisfied where a fiscal resident of the other party to a tax agreement needs to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a Chinese resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) owner's equity interests and voting shares of the Chinese resident company directly owned by such a fiscal resident

reaches a specified percentage; and (iii) the equity interests of the Chinese resident company directly owned by such a fiscal resident, at any time during the twelve months prior to the obtainment of the dividends, reach a percentage specified in the tax agreement.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納税人享受協定待遇管理辦法》), which was promulgated by the STA on October 14, 2019, came into effect on January 1, 2020, nonresident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

**Value-added Tax**

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》), which became effective on January 1, 2026. This new law establishes a unified legal framework for Value-added Tax by consolidating existing regulations and practices, maintaining the core multi-tier tax rate structure while refining tax exemption and credit mechanisms. It provides clearer guidance on taxpayer obligations, taxable activities, and computational methods, thereby enhancing the stability and transparency of China's Value-added Tax regime for businesses operating in the market.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform of the MOF, the State Taxation Administration and the General Administration of Customs (《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》) ("Announcement of the MOF of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39") announced by the MOF, the State Taxation Administration, and the General Administration of Customs amended on August 22, 2025 and effective from September 1, 2025, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.

**REGULATIONS IN RELATION TO FOREIGN INVESTMENT**

On March 15, 2019, the National People's Congress approved the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》), and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》) (the "**Implementing Rules**"), to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules.

On October 26, 2022, the MOFCOM and the National Development and the NDRC, released the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraging Catalog**") which became effective on January 1, 2023, to replace the previous encouraging catalog. The Special Administrative Measure (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**") was promulgated by the NDRC and the MOFCOM on September 6, 2024 and became effective on November 1, 2024. The Negative List enumerates ownership requirements, requirements for senior executives, and other special management measures in the aspect of the access of foreign investment for the industries that falls within the Negative List. Any field not on the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

## LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on January 29, 1996 and was latest amended on August 5, 2008. Pursuant to this regulation and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the State Administration of Foreign Exchange (SAFE) or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), according to which, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration. On March 30, 2015, SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "**SAFE Circular 19**"). According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement, which means that the foreign exchange capital in the capital account of a foreign invested enterprise for which the rights and interests of monetary contribution have been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, the SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations; (iii) directly or indirectly used for granting entrust loans in Renminbi (unless permitted by the scope of business), repaying inter enterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or (iv) directly or indirectly used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

The Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), (the "**SAFE Circular 13**"), which became effective on June 1, 2015 and was amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

## OVERVIEW

With the dedication to the development of commercial aerospace business, Dr. Lu founded our Company in May 2018. Since then, we have successfully secured multiple rounds of financing for the development and operation of our business. See "— Pre-IPO Investments." In January 2022, our Company was converted into a joint stock company with limited liability in accordance with the laws of the PRC. For detailed biography of Dr. Lu, see "Directors and Senior Management."

We are committed to developing commercial satellite constellations, aiming to provide globally stable and sustainable satellite-based solutions and satellite-based computing services that are widely accessible, cost-effective and user-friendly. According to Frost & Sullivan, we are a leader in China in introducing the development roadmap for AI satellite technology, which encompasses both AI application satellites and AI computing satellites.

## OUR DEVELOPMENT MILESTONES

The following is a summary of our key development milestones:

| Year | Month | Milestone |
|---|---|---|
| 2018 | May | Our Company was established. |
| | December | We successfully launched our first AI application satellite. |
| 2019 | December | We were selected by the MIIT as a key initiative in new generation AI industrial innovation (新一代人工智能產業創新重點任務揭榜單位). |
| 2021 | March | We were awarded the First Phase AI Industrial Innovation Award (第一期人工智能產業創新揭榜優勝單位) by the MIIT. |
| | July | We were recognized as a National Key Specialized and Innovative "Little Giant" Enterprise (國家級重點專精特新小巨人企業) by the MIIT. |
| 2024 | September | We developed and launched China's first general purpose large model computing satellite. |
| | October | We successfully completed the world's first technical validation of a large-scale general purpose model operating in-orbit on satellites (衛星在軌運行AI大模型的技術驗證). |
| 2025 | May | We successfully developed and launched 12 AI computing satellites (Star-Compute Project Group 01), representing the launch of the world's first AI computing satellite constellation (太空計算星座). |
| | June | Our Zero-Carbon Space Computing Center was selected for MIIT's Strong Computing Power Foundation Initiative — Unveiled List (算力強基揭榜行動). |
| | November | We completed the first on-orbit deployment in space and technical validation of a general-purpose large language model (Qwen3 of Alibaba) globally. |
| 2026 | January | We completed the first on-orbit deployment in space and technical validation of a multimodal large model (UI-TARS of ByteDance) globally, enabling image inference tasks to be carried out in space. |
| | March | We achieved the first instance of a ground-based robot invoking space-based computing power, which also passed testing by the China Academy of Information and Communications Technology. |

| Year | Month | Milestone |
|---|---|---|
| | April | We completed our Series Pre-IPO+++ Financing, with an aggregate amount of RMB3.55 billion raised. |
| | October | We launched eight Star-Compute Project Group 02 AI computing satellites. |

## OUR MAJOR SUBSIDIARY

During the Track Record Period, the following subsidiary made a material contribution to our results of operation and financial position:

| Name of subsidiary | Date of establishment | Place of establishment | Percentage of equity interest held by our Group | Principal business activities |
|---|---|---|---|---|
| Chengdu Xingshidai . . . . . | June 29, 2018 | PRC | 100% | Satellite R&D and satellite-based solutions |
| Chengdu Guoxing Kongtian . . . . . | April 9, 2025 | PRC | 51% | AI-powered additive production |
| Shenzhen Guoxing Zhihui . . . . . | September 21, 2023 | PRC | 100% | Satellite R&D and satellite-based solutions |

## MAJOR CHANGES IN OUR COMPANY'S REGISTERED CAPITAL AND SHAREHOLDING STRUCTURE

### A. Establishment of our Company in May 2018

Our Company was established in the PRC as a limited liability company on May 3, 2018 with an initial registered capital of RMB1 million, which was held as to 70.0% and 30.0% by Beijing Xingrong Yuhang and Beijing New Era Space, respectively. Beijing Xingrong Yuhang and Beijing New Era Space were limited partnerships established in the PRC with Dr. Lu being the sole general partner of Beijing Xingrong Yuhang and Beijing New Era Space, and holding 41.35% and 20.87% partnership interest in Beijing Xingrong Yuhang and Beijing New Era Space, respectively, as of the Latest Practicable Date. For further details of Beijing Xingrong Yuhang and Beijing New Era Space, see "— Share Ownership Platforms."

### B. Pre-IPO Investments

From January 2019 to April 2026, we completed several rounds of Pre-IPO Investments. See "— Pre-IPO Investments" for details of the Pre-IPO Investments.

### C. Conversion into a joint stock company in January 2022

On January 29, 2022, our Company was converted from a limited liability company into a joint stock limited company. Immediately upon completion of the conversion, the registered capital of our Company became RMB30,000,000 divided into 30,000,000 Shares with a nominal value of RMB1.0 each, which were subscribed by all of the then Shareholders in proportion to their respective equity interests in our Company before the conversion.

### D. Share Subdivision

Pursuant to the resolutions of the Shareholders dated April 22, 2026, the Shares were split on a one-for-ten basis on October 14, 2026, and the nominal value of the Shares was changed from RMB1.0 each to RMB0.1 each (namely, the Share Subdivision). Immediately after the Share Subdivision, the registered share capital of the Company is RMB57,229,874 with 572,298,740 Shares in a nominal value of RMB0.1 each (without taking into consideration the new Shares to be issued for the Global Offering), which are subscribed by all our then Shareholders in proportion to their respective equity interests in our Company on October 14, 2026.

## SHARE OWNERSHIP PLATFORMS

With a view to incentivizing our management members, core employees and consultants on a long term basis and in recognition of their contribution to our success and development, Beijing Xingrong Yuhang and Beijing New Era Space were established in the PRC as our share ownership platforms, with Dr. Lu being the sole general partner of each platform. As of the Latest Practicable Date, Beijing Xingrong Yuhang and Beijing New Era Space held 90,053,120 and 38,594,160 Shares, representing approximately 15.74% and 6.74% of the total issued share capital of the Company, respectively. Immediately upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), Beijing Xingrong Yuhang and Beijing New Era Space will be interested in approximately 14.95% and 6.41% of the total issued share capital of our Company, respectively. Given the Shares have already been issued to such platforms as of the Latest Practicable Date, there will not be any dilutive effect to the issued Shares as a result of the operation of such platforms.

Pursuant to the partnership agreements, the general partner of Beijing Xingrong Yuhang and Beijing New Era Space, namely Dr. Lu, is entitled to exercise of the voting rights attaching to all of the Shares held by Beijing Xingrong Yuhang and Beijing New Era Space. None of the selected participants is entitled to exercise any voting rights attaching to the Shares held by Beijing Xingrong Yuhang and Beijing New Era Space.

Based on an evaluation of the length of service, positions and performance, certain management members and core employees were selected to participate in our share ownership platforms. The selected participants were granted awards in the form of holding partnership interests in Beijing Xingrong Yuhang and/or Beijing New Era Space. As at the Latest Practicable Date, there were 28 limited partners in Beijing Xingrong Yuhang and 25 limited partners in Beijing New Era Space.

- Among the 28 limited partners in Beijing Xingrong Yuhang, Mr. Guo Yong, our executive Director, was interested in 1.94% of the limited partnership interest, Dr. Zhao Hongjie, our executive Director, was interested in 1.00% of the limited partnership interest and our current employees Mr. Ou Hui, Mr. Li Zhensuo and Mr. Yan Jingyu were interested in 16.99%, 16.66% and 12.39% of the limited partnership interest, respectively; an independent business consultant engaged by our Group, Ms. Xie Juan, was granted 0.11% limited partnership interest as consideration for the product design and business development consultancy services she provided in relation to the Group's aerospace study tour business, including market development, solution and product design advice and venue operation support; Ms. Xu Ying, the financial officer of a company in which the Company previously held a 10% equity interest, was interested in 0.11% of the limited partnership interest. Ms. Xu Ying was granted the relevant partnership interests taking into account the contributions made by her to the Company's business development. The remaining limited partners in Beijing Xingrong Yuhang were all current and former employees of the Group, and none of them held 5% or more of the limited partnership interest.

- Among the 25 limited partners in Beijing New Era Space, Mr. Huang Ruoliang, our executive Director, was interested in 28.69% of the limited partnership interest, Dr. Wang Lei, our executive Director, was interested in 28.41% of the limited partnership interest, Dr. Zhao Hongjie, our executive Director, was interested in 2.26% of the limited partnership interest, our former employee Ms. Li Yanjie was interested in 5.42% of the limited partnership interest and our employee Ms. Wang Mengjuan was interested in 5.18% of the limited partnership interest. The remaining limited partners in Beijing New Era Space were all current and former employees of the Group, and none of them held 5% or more of the limited partnership interest.

## PRE-IPO INVESTMENTS

Details of the Pre-IPO Investments are summarized below.

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| **Series Angel Financing (Post-money valuation: RMB95.0 million)[2]** | | | | | | | |
| Chengdu Electric Technology | Subscribe for new registered share capital | May 9, 2018 September 5, 2018 | June 19, 2018 | 285,714 | 20.0 | 0.52 | 97.90 |
| Shenzhen Capital Group | Subscribe for new registered share capital | September 5, 2018 December 17, 2018 | January 8, 2019 | 71,429 | 5.0 | 0.52 | 97.90 |
| **Series Pre-A financing (Post-money valuation: RMB226.0 million)[2]** | | | | | | | |
| Guangdong Wanquan Investment | Subscribe for new registered share capital | October 26, 2018 | January 16, 2019 | 67,857 | 10.0 | 1.10 | 95.59 |
| Ouzhuo Enterprise | Subscribe for new registered share capital | October 26, 2018 | January 11, 2019 | 67,857 | 10.0 | 1.10 | 95.59 |
| Hongyu No. I Enterprise | Subscribe for new registered share capital | October 26, 2018 | January 14, 2019 | 27,143 | 4.0 | 1.10 | 95.59 |
| CTG | Subscribe for new registered share capital | December 26, 2018 | April 28, 2019 | 13,571 | 2.0 | 1.10 | 95.59 |
| **Series Pre-A2 financing (Post-money valuation: RMB365.0 million)[2]** | | | | | | | |
| Hexing No. II Investment | Subscribe for new registered share capital | January 28, 2019 | May 22, 2019 | 65,725 | 15.0 | 1.70 | 93.16 |
| **Equity transfers** | | | | | | | |
| Huizhou Yilin Investment | Transfer from Chengdu Electric Technology | August 12, 2019 | August 26, 2019 | 79,964 | 25.0[5] | 2.33 | 90.64 |
| Galaxy Industry Group | Transfer from Chengdu Electric Technology | October 18, 2019 | October 28, 2019 | 205,750 | 64.35[5] | 2.33 | 90.63 |
| **Series A+ financing (Post-money valuation: RMB938.0 million)[2]** | | | | | | | |
| Guang Xin Development | Subscribe for new registered share capital | October 29, 2019 | December 26, 2019 | 29,987 | 15.0 | 3.73 | 85.02 |
| Galaxy Industry Group | Subscribe for new registered share capital | November 12, 2019 | November 29, 2019 | 79,965 | 40.0 | 3.73 | 85.02 |
| New World Strategy (Beijing) Investment Consulting Co., Ltd. (新世界策略(北京)投資顧問有限公司) ("**New World Strategy**") | Subscribe for new registered share capital | December 31, 2019 | March 2, 2020 | 9,996 | 5.0 | 3.73 | 85.02 |
| Kangjian Agricultural | Subscribe for new registered share capital | March 19, 2020 | March 30, 2020 | 19,991 | 10.0 | 3.73 | 85.02 |
| Xinjiang Communications Construction | Subscribe for new registered share capital | July 8, 2020 | June 11, 2020 | 15,993 | 8.0 | 3.73 | 85.02 |
| Shenzhen Capital Group | Subscribe for new registered share capital | July 17, 2020 | August 11, 2020 | 39,982 | 20.0 | 3.73 | 85.02 |
| Hongtai Kuyu | Subscribe for new registered share capital | July 18, 2020 | September 18, 2020 | 79,965 | 40.0 | 3.73 | 85.02 |
| **Equity transfer** | | | | | | | |
| Linzhi Zhengyuan[6] | Transfer from New World Strategy | December 21, 2020 | December 24, 2020 | 9,996 | 5.0[5] | 3.73 | 85.02 |
| **Series A++ financing (Post-money valuation: RMB1,580.0 million)[2]** | | | | | | | |
| Tongkun Langtai | Subscribe for new registered share capital | December 30, 2020 | February 2, 2021 | 25,002 | 20.0 | 5.96 | 76.04 |
| SME Development Fund | Subscribe for new registered share capital | January 12, 2021 | February 3, 2021 | 37,503 | 30.0 | 5.96 | 76.04 |
| Aoyrise Industry | Subscribe for new registered share capital | January 13, 2021 | February 5, 2021 | 12,501 | 10.0 | 5.96 | 76.04 |
| Huacang Yixing Investment | Subscribe for new registered share capital | March 15, 2021 | March 18, 2021 | 25,002 | 20.0 | 5.96 | 76.04 |

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| **Equity transfer** | | | | | | | |
| Ms. Feng Meiqian[7] | Transfer from Beijing Xingrong Yuhang | April 1, 2021 | June 2, 2021 | 17,501 | 14.0[5] | 5.96 | 76.04 |
| | Transfer from Beijing New Era Space | April 1, 2021 | June 2, 2021 | 7,501 | 6.0[5] | 5.96 | 76.04 |
| **Series Pre-IPO Financing (Post-money valuation: RMB1,900.0 million)[2]** | | | | | | | |
| Jiaxing Tianhai Desheng | Subscribe for new registered share capital | May 16, 2021 | April 16, 2021 | 22,193 | 20.0 | 6.71 | 73.01 |
| Hengkun Development Fund | Subscribe for new registered share capital | May 21, 2021 | May 31, 2021 | 110,965 | 100.0 | 6.71 | 73.01 |
| **Equity transfer** | | | | | | | |
| Shengren Investment[8] | Transfer from Beijing Xingrong Yuhang | July 21, 2021 | September 27, 2021 | 11,651 | 10.5[5] | 6.71 | 73.01 |
| | Transfer from Beijing New Era Space | July 21, 2021 | September 27, 2021 | 4,993 | 4.5[5] | 6.71 | 73.01 |
| **Series Pre-IPO2 Financing (Post-money valuation: RMB2,170.0 million)[2]** | | | | | | | |
| Dongguan Investment | Subscribe for new registered share capital | September 18, 2021 | September 26, 2021 | 21,083 | 20.0 | 7.07 | 71.59 |
| Zhenye Aerospace | Subscribe for new registered share capital | September 18, 2021 | September 26, 2021 | 10,542 | 10.0 | 7.07 | 71.59 |
| Wuxi Tianyanxing | Subscribe for new registered share capital | September 22, 2021 | October 21, 2021 | 21,083 | 20.0 | 7.07 | 71.59 |
| Qingchuang Bole Gongyu | Subscribe for new registered share capital | September 26, 2021 | September 27, 2021 | 57,979 | 55.0 | 7.07 | 71.59 |
| Yinfeng Rongjin | Subscribe for new registered share capital | September 30, 2021 | October 11, 2021 | 15,813 | 15.0 | 7.07 | 71.59 |
| Guangdong Jiahao Investment | Subscribe for new registered share capital | March 11, 2022 | February 16, 2022 | 283,019 | 20.0 | 7.07 | 71.59 |
| Beijing Xinghua Zhilian Investment | Subscribe for new registered share capital | March 11, 2022 | January 19, 2022 | 424,528 | 30.0 | 7.07 | 71.59 |
| **Equity transfer** | | | | | | | |
| Qingdao Juderong Financial[9] | Transfer from Aoyrise Industry | November 20, 2023 | November 27, 2023 | 167,811 | 19.7[5] | 11.74 | 52.80 |
| **Series Pre-IPO+ Financing (Post-money valuation: RMB4,121.95 million)[2]** | | | | | | | |
| Wuhu Investment | Subscribe for new registered share capital | September 16, 2022 | October 27, 2022 | 255,896 | 30.0 | 11.72 | 52.87 |
| Hongtai Industrialization | Subscribe for new registered share capital | February 3, 2023 | February 22, 2023 | 1,705,975 | 200.0 | 11.72 | 52.87 |
| Ceyuan Youchan | Subscribe for new registered share capital | July 11, 2023 | July 21, 2023 | 255,896 | 30.0 | 11.72 | 52.87 |
| Ceyuan Innovation | Subscribe for new registered share capital | July 11, 2023 | July 21, 2023 | 85,299 | 10.0 | 11.72 | 52.87 |
| Qingda Honghe | Subscribe for new registered share capital | July 23, 2023 | July 31, 2023 | 852,987 | 100.0 | 11.72 | 52.87 |
| Haijin Xingyu | Subscribe for new registered share capital | July 24, 2023 | July 31, 2023 | 852,561 | 99.95 | 11.72 | 52.87 |
| Xiuhu Fund | Subscribe for new registered share capital | July 26, 2023 | August 11, 2023 | 426,494 | 50.0 | 11.72 | 52.87 |
| Haijin Juying | Subscribe for new registered share capital | September 28, 2023 | December 8, 2023 | 17,060 | 2.0 | 11.72 | 52.87 |
| **Series Pre-IPO++ Financing (Post-money valuation: RMB6,762.5 million)[2]** | | | | | | | |
| Neijiang High-Tech Investment | Subscribe for new registered share capital | December 28, 2023 | February 23, 2024 | 58,600 | 10.0 | 17.06 | 31.39 |
| Wuxi Guoxing Fund | Subscribe for new registered share capital | October 27, 2024 | December 6, 2024 | 1,757,986 | 300.0 | 17.06 | 31.39 |
| Qingchuang Bole Fengqing | Subscribe for new registered share capital | November 21, 2024 | November 29, 2024 | 55,670 | 9.5 | 17.06 | 31.39 |
| Taizhou Capital | Subscribe for new registered share capital | December 9, 2024 | December 13, 2024 | 527,396 | 90.0 | 17.06 | 31.39 |

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| Taizhou Jintou | Subscribe for new registered share capital | December 9, 2024 | December 19, 2024 | 410,197 | 70.0 | 17.06 | 31.39 |
| Dongtou Chantou | Subscribe for new registered share capital | December 9, 2024 | December 18, 2024 | 175,799 | 30.0 | 17.06 | 31.39 |
| Zhejiang Zhongjing | Subscribe for new registered share capital | December 9, 2024 | December 13, 2024 | 58,600 | 10.0 | 17.06 | 31.39 |
| Haikou Zongbao Fund | Subscribe for new registered share capital | December 23, 2024 | December 26, 2024 | 105,479 | 18.0 | 17.06 | 31.39 |
| Neijiang High-Tech Investment | Subscribe for new registered share capital | July 16, 2025 | July 29, 2025 | 58,599 | 10.0 | 17.06 | 31.39 |
| Hangzhou Quanzhi | Subscribe for new registered share capital | July 16, 2025 | July 4, 2025 | 292,998 | 50.0 | 17.06 | 31.39 |
| West Lake Industrial Fund | Subscribe for new registered share capital | July 16, 2025 | July 31, 2025 | 175,799 | 30.0 | 17.06 | 31.39 |
| Neijiang Investment | Subscribe for new registered share capital | July 16, 2025 | July 25, 2025 | 117,199 | 20.0 | 17.06 | 31.39 |
| Chengdu Dongjin | Subscribe for new registered share capital | July 16, 2025 | July 30, 2025 | 292,998 | 50.0 | 17.06 | 31.39 |
| SME Development Fund (Chengdu) | Subscribe for new registered share capital | July 16, 2025 | July 30, 2025 | 292,998 | 50.0 | 17.06 | 31.39 |
| Xinhuanet Venture Capital | Subscribe for new registered share capital | July 16, 2025 | July 30, 2025 | 87,899 | 15.0 | 17.06 | 31.39 |
| **Equity transfers** | | | | | | | |
| Xiamen Shengtian | Transfer from Ceyuan Youchan | April 8, 2026 | April 10, 2026 | 110,078 | 20.0[5] | 18.2 | 26.95 |
| Xiamen Shengtian | Transfer from Galaxy Industry Group | April 2, 2026 | April 10, 2026 | 56,611 | 10.0[5] | 17.7 | 28.98 |
| Shenzhen Fengfan Xinghang Venture Capital Partnership (Limited Partnership) (深圳風帆星航創業投資合夥企業(有限合夥)) ("**Shenzhen Fengfan**") | Transfer from Galaxy Industry Group | April 2, 2026 | April 8, 2026 | 345,329 | 61.0[5] | 17.7 | 28.98 |
| Mr. Sun Jianhui (孫建輝) | Transfer from Galaxy Industry Group | March 23, 2026 | April 1, 2026 | 283,056 | 50.0[5] | 17.7 | 28.98 |
| Fujian Lingshui Times Equity Investment Partnership (Limited Partnership) (福建淩水時代股權投資合夥企業(有限合夥)) ("**Fujian Lingshui**") | Transfer from Galaxy Industry Group | April 2, 2026 | April 9, 2026 | 56,611 | 10.0[5] | 17.7 | 28.98 |
| Shenzhen Zhixuan Xingkong Investment Partnership (Limited Partnership) (深圳市智選星空投資合夥企業(有限合夥)) ("**Shenzhen Zhixuan**") | Transfer from Ouzhuo Enterprise | April 8, 2026 | April 10, 2026 | 85,602 | 16.3[5] | 19.0 | 23.68 |
| Jianjia Digital Technology (Shanghai) Co., Ltd. (健家數字科技(上海)有限公司) ("**Shanghai Jianjia**") | Transfer from Ouzhuo Enterprise | April 3, 2026 | April 10, 2026 | 68,675 | 13.0[5] | 18.9 | 23.89 |
| Hangzhou Chuangli | Transfer from Ouzhuo Enterprise | April 2, 2026 | April 9, 2026 | 455,448 | 80.5[5] | 17.7 | 28.94 |

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| Mr. Xiao Shan (肖善) | Transfer from Ms. Feng Meiqian | March 26, 2026 | April 3, 2026 | 108,976 | 22.0[5] | 20.2 | 18.84 |
| Mr. Jin Jun (金君) | Transfer from Ms. Feng Meiqian | April 7, 2026 | April 13, 2026 | 49,534 | 10.0[5] | 20.2 | 18.84 |
| Ms. Liu Tao (劉桃) | Transfer from Beijing Xinghua Zhilian Investment | January 15, 2026 | January 21, 2026 | 198,140 | 30.0[5] | 15.1 | 39.13 |
| Shenzhen Yunfan Tongchuang No. I Enterprise Management Partnership (Limited Partnership) (深圳雲帆同創壹號企業管理合夥企業(有限合夥)) ("**Shenzhen Yunfan**") | Transfer from Beijing Xinghua Zhilian Investment | March 30, 2026 | March 31, 2026 | 176,840 | 35.7[5] | 20.2 | 18.84 |
| Changzhou Shenghe Xingyu Venture Capital Partnership (Limited Partnership) (常州昇和星煜創業投資合夥企業(有限合夥)) ("**Changzhou Shenghe**") | Transfer from Ceyuan Youchan | April 8, 2026 | April 9, 2026 | 35,740 | 6.5[5] | 18.2 | 26.95 |
| Changzhou Shenghe | Transfer from Ceyuan Innovation | April 8, 2026 | April 9, 2026 | 85,299 | 15.5[5] | 18.2 | 26.95 |
| Anhui Xinsuan Zhilian Technology Partnership (Limited Partnership) (安徽芯算智聯科技合夥企業(有限合夥)) ("**Anhui Xinsuan**") | Transfer from Ceyuan Youchan | April 8, 2026 | April 10, 2026 | 110,078 | 20.0[5] | 18.2 | 26.95 |
| Haikou Citong Zhihui Enterprise Management Partnership (Limited Partnership) (海口磁通智匯企業管理合夥企業(有限合夥)) ("**Haikou Citong**") | Transfer from Ouzhuo Enterprise | April 8, 2026 April 14, 2026 | April 15, 2026 | 116,241 | 22.0[5] | 18.9 | 23.91 |
| Zhiyan Xinhe | Transfer from Hongyu No. I Enterprise | April 12, 2026 | April 14, 2026 | 364,361 | 50.6[5] | 13.9 | 44.17 |
| **Series Pre-IPO+++ Financing (Post-money valuation: RMB11,553.6 million)[2]** | | | | | | | |
| Hangzhou Chuangli | Subscribe for new registered share capital | April 10, 2026 | April 9, 2026 | 339,017 | 68.4 | 20.2 | 18.84 |
| Mr. Wang Xin (王新) | Subscribe for new registered share capital | April 10, 2026 | March 26, 2026 | 396,279 | 80.0 | 20.2 | 18.84 |
| Mr. Ye Guofu (葉國富) | Subscribe for new registered share capital | April 10, 2026 | March 26, 2026 | 792,558 | 160.0 | 20.2 | 18.84 |
| Xinjiang Torch Gas Co., Ltd. (新疆火炬燃氣股份有限公司) ("**Torch Gas**") | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Qingdao Heda Yuankang Venture Capital Fund Partnership (Limited Partnership) (青島和達元康創業投資基金合夥企業(有限合夥)) ("**Qingdao Heda**") | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 520,117 | 105.0 | 20.2 | 18.84 |

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| Ya'an Jiaoying Yazhi Innovation Investment Fund Partnership (Limited Partnership) (雅安交盈雅至創新投資基金合夥企業(有限合夥)) ("**Jiaoying Yazhi**") . . . | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 346,744 | 70.0 | 20.2 | 18.84 |
| Mr. Jiang Zhenlin (蔣震林). | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 1,981,397 | 400.0 | 20.2 | 18.84 |
| Shenzhen Zhisheng Yuhang Technology Partnership (Limited Partnership) (深圳市至盛羽航科技合夥企業(有限合夥)) ("**Shenzhen Zhisheng**") . | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 148,605 | 30.0 | 20.2 | 18.84 |
| Huanyu Chenyao (Shanghai) Enterprise Management Partnership (Limited Partnership) (寰宇宸曜(上海)企業管理合夥企業(有限合夥)) ("**Huanyu Chenyao**") . . | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Shenzhen Fanglin Gongchuang Investment Partnership (Limited Partnership) (深圳市方林共創投資合夥企業(有限合夥)) ("**Shenzhen Fanglin**") . . . . . | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Shenzhen Hanqingda Investment Development Co., Ltd. (深圳市澣清達投資發展有限公司) ("**Shenzhen Hanqingda**"). . . . . | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Shenzhen Longgang District Yueke Artificial Intelligence Venture Capital Fund Partnership (Limited Partnership) (深圳市龍崗區粵科人工智能創業投資基金合夥企業(有限合夥)) ("**Shenzhen Yueke**") . . . . . | Subscribe for new registered share capital | April 10, 2026 | March 31, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Shanghai Guoce Green Technology Manufacturing Private Equity Fund Partnership (Limited Partnership) (上海國策綠色科技製造私募投資基金合夥企業(有限合夥)) ("**Shanghai Guoce**") . . . . . | Subscribe for new registered share capital | April 10, 2026 | March 31, 2026 | 99,070 | 20.0 | 20.2 | 18.84 |
| Trina Solar (Changzhou) Technology Co., Ltd. (天合光能(常州)科技有限公司) ("**Trina Solar**") . . . | Subscribe for new registered share capital | April 10, 2026 | March 31, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| China Bester Group Telecom Co., Ltd. (中貝通信集團股份有限公司) ("**Bester Group**") | Subscribe for new registered share capital | April 10, 2026 | March 31, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Shenzhen Baiying | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 148,605 | 30.0 | 20.2 | 18.84 |
| Dongtai Chenhang Enterprise Management Consulting Partnership (Limited Partnership) (東台宸航企業管理諮詢合夥企業(有限合夥)) ("**Dongtai Chenhang**") | Subscribe for new registered share capital | April 10, 2026 | March 31, 2026 | 99,070 | 20.0 | 20.2 | 18.84 |
| Tianjin Qingchen Haihe Intelligent Manufacturing Venture Capital Fund Partnership (Limited Partnership) (天津清宸海河智能製造創業投資基金合夥企業(有限合夥)) ("**Tianjin Qingchen**") | Subscribe for new registered share capital | April 10, 2026 | March 31, 2026 | 49,535 | 10.0 | 20.2 | 18.84 |
| Gongqingcheng Laike Ruishi Venture Capital Partnership (Limited Partnership) (共青城萊克睿石創業投資合夥企業(有限合夥)) ("**Gongqingcheng Laike**") | Subscribe for new registered share capital | April 10, 2026 | April 1, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Juyuan Qixin Venture Capital (Shanghai) Partnership (Limited Partnership) (聚源啟芯創業投資(上海)合夥企業(有限合夥)) ("**Juyuan Qixin**") | Subscribe for new registered share capital | April 10, 2026 | April 1, 2026 | 297,209 | 60.0 | 20.2 | 18.84 |
| Mr. Wei Wei (魏巍) | Subscribe for new registered share capital | April 10, 2026 | April 1, 2026 | 495,349 | 100.0 | 20.2 | 18.84 |
| Guangdong Lingyi Intelligent Manufacturing Co., Ltd. (廣東領益智造股份有限公司) ("**Guangdong Lingyi**") | Subscribe for new registered share capital | April 10, 2026 | April 1, 2026 | 148,605 | 30.0 | 20.2 | 18.84 |
| Shenzhen Longgang District Guiding Fund Investment Co., Ltd. (深圳市龍崗區引導基金投資有限公司) ("**Longgang Guiding**") | Subscribe for new registered share capital | April 10, 2026 | April 2, 2026 | 222,907 | 45.0 | 20.2 | 18.84 |
| Suzhou Panxing Jieyue Venture Capital Partnership (Limited Partnership) (蘇州磐星界躍創業投資合夥企業(有限合夥)) ("**Suzhou Panxing**") | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 148,605 | 30.0 | 20.2 | 18.84 |

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| Shenzhen Gongtong Jiayuan No. II Technology Innovation Partnership (Limited Partnership) (深圳共同家園二號科技創新合夥企業(有限合夥)) ("**Shenzhen Gongtong Jiayuan**") | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Beijing Shuimu Fuzhuo Venture Capital Fund Partnership (Limited Partnership) (北京水木福卓創業投資基金合夥企業(有限合夥)) ("**Beijing Shuimu**") | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 99,070 | 20.0 | 20.2 | 18.84 |
| Fuhai Yuhang | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 297,209 | 60.0 | 20.2 | 18.84 |
| Yangzhou Echeng Honghui Venture Capital Partnership (Limited Partnership) (揚州鵝城弘輝創業投資合夥企業(有限合夥)) ("**Yangzhou Echeng**") | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Fuhai Juanyong | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 297,209 | 60.0 | 20.2 | 18.84 |
| Fuhai Qiantang | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 99,070 | 20.0 | 20.2 | 18.84 |
| Gongqingcheng Qianniu No. VI Investment Partnership (Limited Partnership) (共青城千牛六號投資合夥企業(有限合夥)) ("**Gongqingcheng Qianniu**") | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Wuxi Xinzhi | Subscribe for new registered share capital | April 10, 2026 | April 7, 2026 | 495,349 | 100.0 | 20.2 | 18.84 |
| Zhuodai Shengtu (Wenzhou) Venture Capital Partnership (Limited Partnership) (卓戴晟圖(溫州)創業投資合夥企業(有限合夥)) ("**Zhuodai Shengtu**") | Subscribe for new registered share capital | April 10, 2026 | April 7, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Xiamen Yaheng | Subscribe for new registered share capital | April 10, 2026 | April 14, 2026 | 1,238,373 | 250.0 | 20.2 | 18.84 |
| Beijing Anshan | Subscribe for new registered share capital | April 10, 2026 | April 17, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Jiaxing Jinmu | Subscribe for new registered share capital | April 10, 2026 | April 13, 2026 | 1,278,001 | 258.0 | 20.2 | 18.84 |
| Shenzhen Kezhen Investment Partnership (Limited Partnership) (深圳市可貞投資合夥企業(有限合夥)) ("**Shenzhen Kezhen**") | Subscribe for new registered share capital | April 10, 2026 | April 9, 2026 | 84,209 | 17.0 | 20.2 | 18.84 |
| Jinko Technology | Subscribe for new registered share capital | April 10, 2026 | April 13, 2026 | 321,977 | 65.0 | 20.2 | 18.84 |

| Name of Pre-IPO Investor | Investment method | Date of the investment agreement/ shareholders' agreement | Date on which investment was fully settled[1] | Amount of registered capital subscribed/ acquired | Consideration[1] | Cost per Share paid[3] | Discount to the Offer Price[4] |
|---|---|---|---|---|---|---|---|
| | | | | *RMB* | *RMB in millions* | *RMB* | *%* |
| Jiaxing Liucheng Hongle Equity Investment Partnership (Limited Partnership) (嘉興柳成泓樂股權投資合夥企業(有限合夥)) ("**Jiaxing Liucheng**") | Subscribe for new registered share capital | April 10, 2026 | April 10, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Yunjin Tianqu (Shanghai) Enterprise Management Partnership (Limited Partnership) (雲錦天衢(上海)企業管理合夥企業(有限合夥)) ("**Yunjin Tianqu**") | Subscribe for new registered share capital | April 10, 2026 | April 13, 2026 | 173,372 | 35.0 | 20.2 | 18.84 |
| Ningbo Kunrui | Subscribe for new registered share capital | April 10, 2026 | April 10, 2026 | 1,486,048 | 300.0 | 20.2 | 18.84 |
| Qingdao Xinghe Dongchang Investment Centre Partnership (Limited Partnership) (青島星河東長投資中心(有限合夥)) ("**Qingdao Xinghe**") | Subscribe for new registered share capital | April 10, 2026 | March 30, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| Haikou Xingsuan Enterprise Management Consulting Partnership (Limited Partnership) (海口市星算企業管理諮詢合夥企業(有限合夥)) ("**Haikou Xingsuan**")[10] | Subscribe for new registered share capital | April 10, 2026 | April 16, 2026 | 198,140 | 40.0 | 20.2 | 18.84 |
| Beijiao No. II | Subscribe for new registered share capital | April 10, 2026 | April 14, 2026 | 460,675 | 93.0 | 20.2 | 18.84 |
| Beijiao No. VI | Subscribe for new registered share capital | April 10, 2026 | April 10, 2026 | 530,024 | 107.0 | 20.2 | 18.84 |
| Qingchuang Bole Songyun | Subscribe for new registered share capital | April 10, 2026 | April 14, 2026 | 297,209 | 60.0 | 20.2 | 18.84 |
| Qingdao Baizhong No. II Venture Capital Fund Partnership (Limited Partnership) (青島百中貳號創業投資基金合夥企業(有限合夥)) ("**Qingdao Baizhong**") | Subscribe for new registered share capital | April 10, 2026 | April 2, 2026 | 247,675 | 50.0 | 20.2 | 18.84 |
| SME Development Fund (Chengdu) | Subscribe for new registered share capital | April 10, 2026 | April 3, 2026 | 49,535 | 10.0 | 20.2 | 18.84 |

*Notes:*

(1) This refers to the timing of last payment made by the relevant Pre-IPO Investors in the relevant series of the Pre-IPO Investment.

(2) Post-money valuation refers to the sum of (i) the pre-money valuation for the corresponding round of the Pre-IPO Investment and (ii) the total funds received by the Company from the corresponding round of the Pre-IPO Investment. Pre-money valuation refers to the cost per newly issued share paid to the Company for the corresponding round of the Pre-IPO Investment, multiplied by the issued share capital of the Company immediately prior to the corresponding round of the Pre-IPO Investment.

(3) Before the Company was converted into a joint stock company on January 29, 2022, the Company did not have any shares. Cost per Share prior to the conversion was calculated with reference to the investment consideration and the corresponding registered capital subscribed or acquired.

(4) The discount to the Offer Price is calculated based on (i) the assumption that the Offer Price is HK$29.05 per Share, being the mid-point of the indicative Offer Price range of HK$24.90 to HK$33.20 per Share; and (ii) the exchange rate of HK$1 to RMB0.85621, which was the exchange rate published by the People's Bank of China on the Latest Practicable Date.

(5) To the best knowledge of the Company, the considerations in respect of such equity transfers were determined after arm's length negotiations between the parties, with reference to the value of the registered capital of the Company and the status and prospect of our business at the time of the relevant transactions.

(6) Linzhi Zhengyuan is a limited liability company established in the PRC on August 3, 2009, and, as of the Latest Practicable Date, was held as to 100% by Beijing Zhengyuan Strategic Investment Co., Ltd (北京正源策略投資有限公司), which was ultimately owned as to 50% by two individuals.

(7) Ms. Feng Meiqian has more than ten years of experience in primary and secondary equity investment.

(8) Shengren Investment is a limited liability company established in the PRC on May 11, 2021, and, as of the Latest Practicable Date, was held as to 100% by Shenzhen Shengdao Investment Development Co., Ltd (深圳市聖道投資發展有限公司), which was ultimately owned by an individual.

(9) Aoyrise Industry ceased to hold any interest in the Company. Qingdao Juderong Financial is a limited liability company established in the PRC on March 15, 2019, and, as of the Latest Practicable Date, was held as to 100% by Qingdao Luhao Investment Group Co., Ltd (青島魯昊投資集團有限公司), which was ultimately owned by an individual.

(10) Haikou Xingsuan is a limited partnership established in the PRC on April 7, 2026. Its general partner is Dr. Lu, who holds 7.5% of the interest therein. Haikou Xingsuan has four limited partners, comprising (i) Mr. Gong Jian (宮劍), an Independent Third Party, who holds 50% interest therein, (ii) Mr. Zou Kang (鄒康), who holds 25% interest therein, and (iii) two other limited partners, each of which holds less than 20% interest therein.

**Other principal terms of the Pre-IPO Investments**

The table below sets forth the other principal terms of the Pre-IPO Investments:

| | |
|---|---|
| **Use of proceeds from the Pre-IPO Investments** | The gross proceeds from the Pre-IPO Investments have been utilised in part for the development and operation of our business, including without limitation, research and development on technologies and products, marketing, employee recruitment, and working capital.<br><br>As of the Latest Practicable Date, RMB3,830.5 million remained unutilized and will be used for the operation and further development of our Group's business, including but not limited to research and development on technologies and products, market development, employee recruitment and daily operating expenses. |
| **Strategic benefits to our Company brought by the Pre-IPO Investors** | At the time of the relevant Pre-IPO Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors' investments in our Company, and that the Pre-IPO Investors' investments in our Company demonstrated their confidence in our Group's operations and served as an endorsement of our Company's performance, strengths and prospects. |
| **Basis of determining the considerations** | The consideration of each of the Pre-IPO investments was determined after arm's length negotiations between us and each of the Pre-IPO Investors with reference to the timing of the investments and the status and prospect of our business. |
| **Lock-up requirement** | The Pre-IPO Investors are not subject to any lock-up arrangement at the time of Listing under the relevant agreements in relation to the Pre-IPO Investments.<br><br>Pursuant to the applicable PRC law, the Shares held by the all existing Shareholders (including the Pre-IPO Investors) are subject to a lock-up period of 12 months after the Listing Date. |
| **Special rights of the Pre-IPO Investors** | Pursuant to the investment agreements with the Pre-IPO Investors, the Pre-IPO Investors were granted certain special rights in relation to our Company, including, among others, right to appoint Directors, anti-dilution right, pre-emptive right, co-sale right, right of liquidation preference, and repurchase right. |

The repurchase right, granted by Beijing Xingrong Yuhang and Beijing New Era Space, was automatically terminated on the date of the first submission of the listing application to the Stock Exchange, provided that the repurchase right shall be automatically restored on the following day upon the occurrence of the earliest of (i) the withdrawal of the listing application by the Company, (ii) the rejection of the listing application by the Stock Exchange, or (iii) the Stock Exchange not granting approval for the Listing. The Group has not provided any guarantee in respect of the repurchase right granted by Beijing Xingrong Yuhang and Beijing New Era Space, and has not entered into any side agreements in this regard. As the Group has no obligation under the repurchase right granted by Beijing Xingrong Yuhang and Beijing New Era Space, no liability in respect of such right has been recorded during the Track Record Period. See Note 29 to the Accountants' Report included in Appendix I to this prospectus. The other special rights will be automatically terminated on the date of Listing and shall not survive the Listing.

**Information about the major Pre-IPO Investors**

The background information of our major Pre-IPO Investors holding more than 1.0% of our total issued share capital immediately prior to completion of the Global Offering is set out below. The information set out below is based on the information available to, and to the best knowledge of the Company, as at the Latest Practicable Date.

***1. Galaxy Industry Group***

Galaxy Industry Group is a limited liability company established in the PRC on August 18, 2015, and is held as to 100% by Galaxy Holding Group Co., Ltd. (星河控股集團有限公司), which is in turn ultimately owned by Mr. Huang Chulong (黃楚龍). Galaxy Industry Group principally engages in five major business sectors, namely industrial carrier development and operation, industrial capital investment, industrial city research and planning, industrial entity operation, and asset operation management.

***2. Mr. Jiang Zhenlin***

Mr. Jiang Zhenlin (蔣震林) serves as the chairman of the board of directors of Ningbo Zhenyu Technology Co., Ltd. (寧波震裕科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300953), and has years of experience in primary and secondary equity investment.

***3. Hongtai Industrialization, Hongtai Kuyu, Wuxi Guoxing Fund and Wuxi Xinzhi***

Hongtai Industrialization is a limited partnership established in the PRC on April 1, 2022. Its general partner is Beijing Hongtai Tongchuang Investment Management Co., Ltd (北京洪泰同創投資管理有限公司) ("**Beijing Hongtai Tongchuang**"), which holds 1.0% of the interest therein. Hongtai Industrialization has two limited partners, comprising (i) Tai'an Dongyue Wealth Equity Investment Fund Co., Ltd (泰安市東岳財富股權投資基金有限公司), which holds 89% interest therein, and is ultimately owned by Tai'an Finance Bureau (泰安市財政局), and (ii) another limited partner, which holds 10% interest therein.

Hongtai Kuyu is a limited partnership established in the PRC on July 12, 2018. Its general partners are Beijing Hongtai Tongchuang and Tibet Hongtai Lecheng Enterprise Management Co., Ltd. (西藏洪泰樂成企業管理有限公司) ("**Hongtai Lecheng**"), each of which holds 0.4% of the partnership interest therein. Beijing Hongtai Tongchuang and Hongtai Lecheng are ultimately owned by Dr. Sheng Xitai (盛希泰), our non-executive Director. Hongtai Kuyu has six limited partners, comprising (i) Shanghai Megami Asset Management Co., Ltd (上海兆米資產管理有限公司) ("**Shanghai Megami**"), which holds 72.8% interest therein, and (ii) five other limited partners, each of which holds less than 20% interest therein.

Wuxi Guoxing Fund is a limited partnership established in the PRC on October 10, 2024. Its general partner is Wuxi Xingxin Co-Creation Investment Co., Ltd. (無錫市星鑫共創投資有限公司) ("**Wuxi Xingxin Co-Creation Investment**"), which holds approximately 0.33% of the interest therein and is ultimately controlled by Dr. Sheng Xitai (盛希泰), our non-executive Director. The sole limited partner of Wuxi Guoxing Fund is Wuxi Liangxi Science and Technology Innovation Industry Investment Phase II Fund Partnership (Limited Partnership) (無錫市梁溪科創產業投資二期基金合夥企業(有限合夥)) ("**Wuxi Liangxi Phase II Fund**"), which holds approximately 99.67% therein. Wuxi Liangxi Phase II Fund is a private equity fund. Its general partner is Wuxi Liangxi Science and Technology Innovation Industry Investment Phase II Management Co., Ltd. (無錫市梁溪科創產業投資二期管理有限公司), which holds 0.08% of the interest. The other partners are Wuxi Xiangyun Investment Co., Ltd. (無錫市象雲投資有限公司), and Wuxi Liangxi Science and Technology City Innovation Investment Co., Ltd. (無錫市梁溪科技城創新投資有限公司) ("**Liangxi Innovation**"), each holding 49.96% of the interest, and is ultimately controlled by the State-owned Assets Supervision and Administration Office of the People's Government of Liangxi District, Wuxi City (無錫市梁溪區人民政府國有資產監督管理辦公室) ("**Liangxi SASAO**"). Wuxi Guoxing Fund principally engages in venture capital investment.

Wuxi Xinzhi is a limited partnership established in the PRC on January 17, 2025. Its general partner is Wuxi Xingxin Co-Creation Investment, which holds approximately 0.16% of the interest therein. Wuxi Xinzhi has two limited partners, comprising (i) Liangxi Innovation, which holds approximately 49.92% of the interest therein; and (ii) Wuxi Keyi Investment Development Group Co., Ltd. (無錫市科益投資發展集團有限公司), which holds approximately 49.92% of the interest therein, and is ultimately controlled by Liangxi SASAO.

***4. Shenzhen Capital Group***

Shenzhen Capital Group is a limited liability company established in the PRC on August 25, 1999. Shenzhen Capital Group is held as to 28.2% 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), 20.0% by Shenzhen Galaxy Real Estate Development Co., Ltd (深圳市星河房地產開發有限公司), 12.8% by Shenzhen Capital Operation Group Co., Ltd (深圳市資本運營集團有限公司), 10.8% by Shanghai Dazhong Public Utilities (Group) Co., Ltd (上海大眾公用事業(集團)股份有限公司), and certain remaining entities each holding less than 10% equity interest. Shenzhen Capital Group principally engages in the business of venture investment, equity investment, investment in equity investment funds, equity investment fund management, entrusted management of investment funds, etc.

***5. Hengkun Development Fund***

Hengkun Development Fund is a limited liability company established in the PRC on April 16, 2013. It is held as to 100% by Guangdong Hengxin Private Equity Fund Management Co., Ltd (廣東恒信私募基金管理有限公司), which is in turn ultimately owned by State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province.

***6. Ningbo Kunrui and Zhiyan Xinhe***

Ningbo Kunrui is a limited partnership established in the PRC on March 23, 2026. Its general partner is Shanghai Dingyao Xingheng Enterprise Management Consulting Co., Ltd. (上海鼎曜星衡企業管理諮詢有限公司), which holds 0.1% of the interest therein, and is owned as to 80% by Xu Wei (徐偉) and as to 20% by Dr. Lu. Ningbo Kunrui has five limited partners, comprising (i) Zhejiang Wuluo Smart City Technology Co., Ltd. (浙江武珞智慧城市技術有限公司), which holds 44.57% interest therein, and is held as to 25% by Zhejiang Risun Intelligent Technology Co., Ltd. (浙江瑞晟智能科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688215), as its largest shareholder; (ii) Qingdao Gon Technology Co., Ltd. (青島國恩科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002768) and the Stock Exchange (stock code: 2768), which holds 33.33% interest therein, and (iii) three other limited partners, each of which holds less than 10% interest therein.

Zhiyan Xinhe is a limited partnership established in the PRC on April 2, 2025. Its general partner is Mr. Xu Wei (徐偉), who holds 67.06% of the interest therein. Zhiyan Xinhe has two limited partners, comprising (i) Ms. Liu Jie (劉杰), who holds 17.25% of the interest therein; and (ii) Ningbo Zhisuan Engine Information Technology Partnership (Limited Partnership) (寧波智算引擎信息技術合夥企業(有限合夥)), which holds 15.69% of the interest therein.

### *7. Jiaxing Jinmu and Jinko Technology*

Jiaxing Jinmu is a limited partnership established in the PRC on June 22, 2022. Its general partner is Jinneng Private Equity Fund Management (Shanghai) Co., Ltd. (金能私募基金管理(上海)有限公司), which holds 0.35% of the interest therein, and is indirectly wholly-owned by Jinko Holdings Limited, a company listed on the New York Stock Exchange (stock code: JKS). Jiaxing Jinmu has 18 limited partners, comprising (i) Mr. Jiang Zhenlin (蔣震林), our Pre-IPO Investor, who holds 38.67% of the interest therein; (ii) Xiamen Shengtian, our Pre-IPO investor, which holds 7.73% of the interest therein; and (iii) 16 other limited partners, each of which holds less than 10% interest therein.

Jinko Technology is a company listed on the Shanghai Stock Exchange (stock code: 601778).

Jiaxing Jinmu (through Jinko Holdings Limited) and Jinko Technology are both ultimately controlled by Mr. Li Xiande (李仙德), Mr. Chen Kangping (陳康平) and Mr. Li Xianhua (李仙華).

### *8. HongShan*

Xiamen Yaheng is a limited partnership established in the PRC on March 17, 2022. Its general partner is Xiamen HongShan Kunteng Investment Partnership (Limited Partnership) (廈門紅杉坤騰投資合夥企業(有限合夥)), which holds 0.01% of the interest therein, and is ultimately controlled by Mr. Zhou Kui (周逵). Xiamen Yaheng has one limited partner, Xiamen HongShan Peiheng Investment Partnership (Limited Partnership) (廈門紅杉沛恒投資合夥企業(有限合夥)),which holds 99.99% of the interest therein, and is ultimately controlled by Mr. Zhou Kui.

Beijing Anshan is a limited partnership established in the PRC on September 1, 2023. Its general partner is Beijing Anshan Gongyue Management Consulting Partnership (Limited Partnership) (北京安杉共悦管理諮詢合夥企業(有限合夥)), which holds 1.05% interest therein, and is ultimately controlled by Mr. Zhou Kui. Beijing Anshan has three limited partners, comprising (i) Ping An Life Insurance Company Of China, Ltd. (中國平安人壽保險股份有限公司), which holds 86.05% interest therein, and is owned as to 99.54% by Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601318) and the Stock Exchange (stock codes: 2318, 82318); and (ii) two other limited partners, each of which holds less than 10% interest therein.

### *9. Huizhou Yilin Investment*

Huizhou Yilin Investment is a limited partnership established in the PRC on July 9, 2019 and is held as to 60% by Mr. Lai Haiyang (賴海洋) as is general partner and 40% by Mr. Lai Guoyang (賴國洋) as its sole limited partner.

### *10. Guangdong Wanquan Investment*

Guangdong Wanquan Investment is a limited liability company established in the PRC on May 27, 2017. It is held as to 51% by Qushui Wanquan Technology Co., Ltd (曲水萬全科技有限公司) ("**Qushui Wanquan**"), and 49% by Shenzhen Vanke Financial Consulting Co., Ltd (深圳市萬科財務顧問有限公司) ("**Shenzhen Vanke**"). Qushui Wanquan principally engages in software development, software technology services, electronic product design services, electronic product retail, building materials, steel retail business and is ultimately owned by Ms. Yang Xueyan (楊雪艷). Shenzhen Vanke principally engages in investment consulting and investment in industrial business and is ultimately owned by China Vanke Co., Ltd. (萬科企業股份有限公司) (a company listed on the Stock Exchange (stock code: 2202)).

### *11. Hexing No. II Investment and Shenzhen Baiying*

Hexing No. II Investment is a limited partnership established in the PRC on June 27, 2018. Its general partner is Shenzhen Hexing Fund Management Co., Ltd (深圳市合興基金管理有限公司), which holds 0.99% of the interest therein and is ultimately owned by Mr. Yang Guosheng (楊國勝). Hexing No. II Investment has five limited partners, comprising (i) Mr. Yang Guosheng (楊國勝), which holds 80.2% interest therein, and (ii) four other limited partners, each of which holds less than 20% interest therein.

Shenzhen Baiying is a limited partnership established in the PRC on March 23, 2021. Its general partner is Mr. Yang Guosheng (楊國勝), who holds 60% interest therein. Shenzhen Baiying has one limited partner, Ms. Chen Dangqing (陳黨清), who holds 40% interest therein.

***12. Qingda Honghe***

Qingda Honghe is a limited partnership established in the PRC on August 31, 2022. Its general partner is Xiamen Qingda Honghe Private Equity Fund Management Co., Ltd (廈門清大紅禾私募基金管理有限公司), which holds 0.47% of the interest therein and is ultimately owned by Mr. Huang Chenyun (黃晨昀). Qingda Honghe has six limited partners, comprising (i) Tai'an Taishan Development Investment Co., Ltd (泰安市泰山發展投資有限公司), which holds 93.6% interest therein, and (ii) five other limited partners, each of which holds less than 10% interest therein.

***13. Haijin Xingyu and Haijin Juying***

Haijin Xingyu is a limited partnership established in the PRC on June 26, 2023. Its general partner is Qingdao Rongfu Huijin Asset Management Co., Ltd (青島融富匯金資產管理有限公司), which holds 0.1% interest therein and is ultimately owned by Qingdao State-owned Assets Supervision and Administration Commission. Haijin Xingyu has two limited partners, comprising (i) Qingdao Haifa Technology Innovation Investment Co., Ltd (青島海發科技創新投資有限公司), which holds 99.8% interest therein, and (ii) Qingdao Haifa Supply Chain Management Co., Ltd (青島海發供應鏈管理有限公司), which holds 0.1% interest therein. Qingdao Haifa Industrial Investment Holding Co., Ltd is ultimately owned by Qingdao State-owned Assets Supervision and Administration Commission.

Haijin Juying is a limited partnership established in the PRC on June 25, 2023. Its general partner is Qingdao Rongfu Huijin Asset Management Co., Ltd (青島融富匯金資產管理有限公司), which holds 0.1% interest therein and is ultimately owned by Qingdao State-owned Assets Supervision and Administration Commission. Haijin Juying has three limited partners, comprising (i) Mr. Sun Nengwen (孫能文), who holds 33.51% interest therein; (ii) Mr. Zhang Jianhua (張建華), who holds 33.22% interest therein; and (iii) Mr. Sun Honggui (孫鴻貴), who holds 33.18% interest therein.

***14. Hangzhou Chuangli and Hangzhou Quanzhi***

Hangzhou Chuangli is a limited partnership established in the PRC on May 28, 2025. Its general partner is Huaxia Hengtian Capital Management Co., Ltd. (華夏恒天資本管理有限公司) ("**Huaxia Hengtian**"), which holds 0.64% of the interest therein, and is ultimately owned by Mr. Guo Yongliang (郭勇亮). Hangzhou Chuangli has 30 limited partners, comprising (i) Zhejiang Yameili New Energy Technology Co., Ltd. (浙江亞美力新能源科技有限公司), which holds 7.73% interest therein, and (ii) 29 other limited partners, each of which holds less than 10% interest therein.

Hangzhou Quanzhi is a limited partnership established in the PRC on February 19, 2025. Its general partner is Huaxia Hengtian, which holds 2.11% of the interest therein. Hangzhou Quanzhi has 13 limited partners, comprising (i) Ms. Wang Cuiming (王萃明), who holds 19.19% of the interest therein, and (ii) 12 other limited partners, each of which holds less than 20% interest therein.

***15. Mr. Ye Guofu***

Mr. Ye Guofu (葉國富) is the chairman of the board of directors and the chief executive officer of MINISO Group Holding Limited, a company listed on the Stock Exchange (stock code: 9896), and has years of experience in primary and secondary equity investment.

***16. Qingchuang Bole Gongyu, Qingchuang Bole Fengqing and Qingchuang Bole Songyun***

Qingchuang Bole Gongyu is a limited partnership established in the PRC on March 26, 2021. Its general partner is Qingchuang Bole Investment Co., Ltd (北京青創伯樂投資有限公司) ("**Qingchuang Bole Investment**"), which holds as to 48.9% interest therein and is ultimately owned by Mr. Lai Guangning (賴光寧). Qingchuang Bole Gongyu has 36 limited partners, comprising (i) Mr. Lu Gele (呂歌樂), which holds 8.9% interest therein, and (ii) 35 other limited partners, each of which holds less than 5% interest therein.

Qingchuang Bole Fengqing is a limited part established in the PRC on September 15, 2022. Its general partner is Beijing Qingchuang Bole Investment, which holds as to 1.00% interest therein. Qingchuang Bole Fengqing has nine limited partners, comprising (i) Ms. Li Min (李敏), which holds 20% interest therein, (ii) Mr. Liu Dong (劉東), which holds 20% interest therein, and (iii) seven other limited partners, each of which holds less than 20% interest therein.

Qingchuang Bole Songyun is a limited partnership established in the PRC on September 15, 2022. Its general partner is Qingchuang Bole Investment, which holds approximately 0.16% of the interest therein. Qingchuang Bole Songyun has 13 limited partners, comprising (i) Mr. Wen Hua (文華), who holds approximately 25.04% interest therein, and (ii) 12 other limited partners, each of which holds less than 20% interest therein.

***17. Beijiao No. II and Beijiao No. VI***

Beijiao No. II is a limited partnership established in the PRC on September 9, 2021. Its general partner is Beijing Jiaotong United Investment Fund Management Co., Ltd. (北交聯合投資基金管理有限公司) ("**Beijiao United**"), which holds 3.11% of the interest therein, and is ultimately owned by Mr. Li Menggang (李孟剛). Beijiao No. II has one limited partner, Ningxia Baofeng Energy Group Co., Ltd. (寧夏寶豐能源集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600989), which holds 96.89% of the interest therein.

Beijiao No. VI is a limited partnership established in the PRC on January 15, 2026. Its general partner is Beijiao United, which holds 4.5% of the interest therein. Beijiao No. VI has 14 limited partners, comprising (i) Ms. Qi Dan (祁丹), who holds 19.66% of the interest therein, and (ii) 13 other limited partners, each of which holds less than 10% interest therein.

***18. Taizhou Capital, Taizhou Jintou and Zhejiang Zhongjing***

Taizhou Capital was established on January 23, 2008 as a wholly state-owned company approved by the Taizhou Municipal People's Government and funded by the Taizhou Municipal People's Government State-owned Assets Supervision and Administration Commission and Zhejiang Financial Development Co., Ltd. (Provincial Social Security Fund). The main credit rating is AAA and the registered capital is RMB3 billion. As the state-owned capital operation pilot unit in Taizhou's state-owned assets system, Taizhou State-owned Capital Operation Group Co., Ltd. is the main investor of many municipal SOE groups and undertakes functions such as equity management, capital operation and asset integration.

Taizhou Jintou is a limited liability company established in the PRC on December 31, 2021, and is wholly owned by Taizhou Financial Investment Group Co., Ltd. (台州市金融投資集團有限公司), which is in turn ultimately owned by Taizhou SASAC. Taizhou Jintou is an entity of state-owned capital equity investment.

Zhejiang Zhongjing a limited liability company established in the PRC on November 10, 2021, and is a wholly owned subsidiary of Taizhou Capital.

***19. SME Development Fund, SME Development Fund (Chengdu), Fuhai Juanyong, Fuhai Yuhang and Fuhai Qiantang***

SME Development Fund is a limited partnership established in the PRC on December 21, 2016, and principally engages in equity investment. Its general partner is Shenzhen Fuhai SME Development Fund Equity Investment Management Co., Ltd (深圳市富海中小企業發展基金股權投資管理有限公司) ("**OFC SME Management**"), which holds 1.0% of the interest therein and is owned by Shenzhen Oriental Fortune Investment Management Co., Ltd. (深圳市東方富海投資管理股份有限公司) ("**Oriental Fortune Investment**"). SME Development Fund had 11 limited partners, comprising (i) National Small and Medium Enterprise Development Fund Co., Ltd (國家中小企業發展基金有限公司), which holds 24.4% interest therein, (ii) Shenzhen Guidance Fund Investment Co., Ltd. (深圳市引導基金投資有限公司), which holds 24.3% interest therein, and (iii) nine other limited partners, each of which hold less than 20% interest therein.

SME Development Fund (Chengdu) is a partnership established on June 8, 2022 under the laws of the PRC with limited liability. Its general partner is Shenzhen Oriental Fortune Venture Capital Management Co., Ltd. (深圳市東方富海創業投資管理有限公司), the parent company of OFC SME Management. It has 14 limited partners, comprising (i) National Small and Medium Enterprise Development Fund Co., Ltd (國家中小企業發展基金有限公司), which holds 30.0%

interest therein; (ii) Chengdu Jiaozi Financial Holdings Equity Investment (Group) Co., Ltd. (成都交子金控股權投資(集團)有限公司), which holds 20.0% interest therein; and (iii) 12 other limited partners, each of which holds less than 20% interest therein.

Fuhai Juanyong is a limited partnership established in the PRC on March 25, 2026. Its general partner is Shenzhen Fuhai Xinwan Equity Investment Fund Management Enterprise (Limited Partnership) (深圳市富海鑫灣股權投資基金管理企業(有限合夥)) ("**Fuhai Xinwan**"), which holds 1.56% of the interest therein, and is controlled by its general partner, Shenzhen Oriental Fortune Venture Capital Management Co., Ltd. (深圳市東方富海創業投資管理有限公司). Fuhai Juanyong has 12 limited partners, comprising (i) Mr. He Dazhuang (何大壯), who holds 31.25% of the interest therein, and (ii) 11 other limited partners, each of which holds less than 20% interest therein.

Fuhai Yuhang is a limited partnership established in the PRC on March 25, 2026. Its general partner is Fuhai Xinwan, which holds 6.25% of the interest therein. Fuhai Yuhang has 14 limited partners, comprising (i) Mr. Yang Yi (楊毅), who holds 18.75% of the interest therein, and (ii) 13 other limited partners, each of which holds less than 20% interest therein.

Fuhai Qiantang is a limited partnership established in the PRC on May 8, 2025. Its general partner is Fuhai Xinwan, which holds 1.43% of the interest therein. Fuhai Qiantang has eight limited partners, comprising (i) Beijing Zhongguancun Science City Phase III Technology Growth Equity Investment Partnership (Limited Partnership) (北京中關村科學城三期科技成長股權投資合夥企業(有限合夥)), which holds 25.71% of the interest therein, and is ultimately owned by Beijing Haidian District State-owned Assets Supervision and Administration Commission (北京市海淀區人民政府國有資產監督管理委員會); (ii) Oriental Fortune Investment, which holds 24.29% of the interest therein, and (iii) six other limited partners, each of which holds less than 20% interest therein.

***Sole Sponsor's Confirmation***

On the basis that (i) the consideration for the Pre-IPO Investments was irrevocably settled no less than 120 clear days before the Listing Date; and (ii) all special right granted to the Pre-IPO Investors have been terminated, the Sole Sponsor confirms that the Pre-IPO Investments are in compliance with the Pre-IPO Investment Guidance (as defined in the Guide for New Listing Applicants).

## VOTING ARRANGEMENTS

During the period from November 2018 to November 2021, to enhance the Company's decision-making efficiency and to demonstrate a commitment to the long-term business development of the Group, certain shareholders (namely, Huizhou Yilin Investment, Ouzhuo Enterprise, Hexing No. II Investment, Qingchuang Bole Gongyu, Hongyu No. I Enterprise, Ms. Feng Meiqian, Jiaxing Tianhai Desheng, Wuxi Tianyanxing, Kangjian Agricultural, Shengren Investment, Yinfeng Rongjin, Aoyrise Industry, who are all Independent Third Parties) entered into acting-in-concert agreements with Beijing Xingrong Yuhang pursuant to which, each such shareholder agreed to exercise his/her/its voting rights at shareholders' meetings of the Company in accordance with the opinion or instructions of Beijing Xingrong Yuhang, which was controlled by Dr. Lu by virtue of his role as the general partner. In November 2023, Aoyrise Industry transferred its entire equity interest in the Company to Qingdao Juderong Financial. Accordingly, Aoyrise Industry's rights and obligations under the Voting Arrangement have been assumed by Qingdao Juderong Financial.

During October 2024 to November 2024, Beijing Xingrong Yuhang has entered into a supplemental acting-in-concert agreement with each of these shareholders, including Huizhou Yilin, Ouzhuo Enterprise, Hexing No. II Investment, Qingchuang Bole Gongyu, Hongyu No. I Enterprise, Ms. Feng Meiqian, Jiaxing Tianhai Desheng, Wuxi Tianyanxing, Kangjian Agricultural, Shengren Investment, Yinfeng Rongjin, Qingdao Juderong Financial (collectively, the "**Relevant Shareholders**"), pursuant to which their abovementioned respective voting arrangements were confirmed to continue to be effective up until the time immediately prior to the Listing (the "**Voting Arrangements**"). For more details of the Relevant Shareholders, please see "— Pre-IPO Investments."

The Directors are of the view, and the Sole Sponsor concurs, that the Relevant Shareholders are passive financial investors of the Company. In this regard: (i) each such shareholder is an independent investor holding a relatively small and dispersed shareholding, (ii) each of the corporate financial investors was owned and managed by different entities without any cross

ownership or management amongst those entities, and none of the financial investors have any joint investments other than their investment in the Company, (iii) none of the Relevant Shareholders has appointed any representative to the Board of the Company, nor do they exercise any significant influence at the Board level or coordinate their actions at the Board level in any manner, and (iv) the Voting Arrangements had not entitled any of the Relevant Shareholders to exercise control over voting rights attaching to the Shares held by Single Largest Group of Shareholders. In addition, as the Company is expected to become a publicly listed entity with a broader shareholder base, the Voting Arrangements remain effective only until immediately prior to the Listing to allow the Relevant Shareholders to exercise their voting rights independently in line with principles of transparency, accountability, and sound corporate governance of a listed company.

## MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we considered to be material to us.

## PUBLIC FLOAT

Following completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), our Company will have 174,394,570 Unlisted Shares and 428,025,170 H Shares, among which:

(i) 174,394,570 Unlisted Shares (representing approximately 28.95% of our total issued Shares following completion of the Conversion of Unlisted Shares into H Shares and the Global Offering) will not be considered as part of the public float as such Unlisted Shares will not be converted into H Shares; and

(ii) 52,308,820 H Shares to be converted from the Unlisted Shares will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules as such H Shares are being held by Haikou Xingsuan where Mr. Lu Chuan, our executive Director, is the sole general partner and the entities controlled by Dr. Sheng Xitai (namely Wuxi Guoxing Fund, Hongtai Industrialization, Hongtai Kuyu and Wuxi Xinzhi), each being core connected person of our Company, and the remaining 375,716,350 H Shares held by our Shareholders will be counted towards to the public float of our Company according to Rule 19A.13A(1) of the Listing Rules upon the Listing.

Assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, (A) based on an Offer Price of HK$24.90 per Offer Share (being the low end of the indicative Offer Price range), our expected market capitalization upon the Listing is HK$15,000.0 million, and the minimum percentage of the H Shares to be held by the public at Listing is 15% pursuant to Rule 19A.13A(1) of the Listing Rules; (B) based on an Offer Price of HK$29.05 per Offer Share (being the mid-point of the indicative Offer Price range), our expected market capitalization upon the Listing is HK$17,500.0 million, and the minimum percentage of the H Shares to be held by the public at Listing is 15% pursuant to Rule 19A.13A(1) of the Listing Rules; (C) based on an Offer Price of HK$33.20 per Offer Share (being the high end of the indicative Offer Price range), our expected market capitalization upon the Listing is HK$20,000.0 million, and the minimum percentage of the H Shares to be held by the public at Listing is 15% pursuant to Rule 19A.13A(1) of the Listing Rules. Immediately upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), taking into account 30,121,000 H Shares to be offered pursuant to the Global Offering, an aggregate of 375,716,350 H Shares will count towards the public float of our Company, representing 62.37% of the total issued Shares of our Company, which is higher than the prescribed percentage of H Shares required to be held in public hands under Rule 19A.13A(1) of the Listing Rules. Accordingly, our Company will be able to meet the minimum public float requirements under Rule 19A.13A(1) of the Listing Rules.

## FREE FLOAT

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. In consideration that the Company will issue 30,121,000 H Shares, representing 5.00% of the enlarged share capital upon completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the market value of our H Shares in issue upon Listing that are held by the public and not subject to any disposal restrictions is expected to be (A) HK$690.0 million, based on an Offer Price of HK$24.90 per Offer Share (being the low end of the indicative Offer Price range), comprising 27,711,400 Shares (representing 30,121,000 Offer Shares less 2,409,600 Offer Shares to be subscribed for by the Cornerstone Investors); (B) HK$815.0 million, based on an Offer Price of HK$29.05 per Offer Share (being the mid-point of the indicative Offer Price range), comprising 28,055,700 Shares (representing 30,121,000 Offer Shares less 2,065,300 Offer Shares to be subscribed for by the Cornerstone Investors); and (C) HK$940.0 million, based on an Offer Price of HK$33.20 per Offer Share (being the high end of the indicative Offer Price range), comprising 28,313,800 Shares (representing 30,121,000 Offer Shares less 1,807,200 Offer Shares to be subscribed for by the Cornerstone Investors). Accordingly, our Company is expected to satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules at the time of the Listing.

## SHAREHOLDING STRUCTURE

The table below summarizes the shareholding structure of our Company (a) as of the Latest Practicable Date and (b) immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

| Shareholder | Number of Share held as of the Latest Practicable Date | Percentage of shareholding as of the Latest Practicable Date | Percentage of shareholding immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised |
|---|---|---|---|
| Beijing Xingrong Yuhang[1] | 90,053,120 | 15.74% | 14.95% |
| Beijing New Era Space[1] | 38,594,160 | 6.74% | 6.41% |
| **Major Pre-IPO Investors[2][3]** | | | |
| Galaxy Industry Group | 30,937,670 | 5.41% | 5.14% |
| Mr. Jiang Zhenlin | 19,813,970 | 3.46% | 3.29% |
| *Entities controlled by Dr. Sheng Xitai* | | | |
| – Wuxi Guoxing Fund | 17,579,860 | 3.07% | 2.92% |
| – Hongtai Industrialization | 17,059,750 | 2.98% | 2.83% |
| – Hongtai Kuyu | 10,734,320 | 1.88% | 1.78% |
| – Wuxi Xinzhi | 4,953,490 | 0.87% | 0.82% |
| Shenzhen Capital Group | 14,955,560 | 2.61% | 2.48% |
| Hengkun Development Fund | 14,895,690 | 2.60% | 2.47% |
| *Entities controlled by Mr. Xu Wei* | | | |
| – Ningbo Kunrui | 14,860,480 | 2.60% | 2.47% |
| – Zhiyan Xinhe | 3,643,610 | 0.64% | 0.60% |
| *Jinko* | | | |
| – Jiaxing Jinmu | 12,780,010 | 2.23% | 2.12% |
| – Jinko Technology[4] | 3,219,770 | 0.56% | 0.53% |
| *Entities controlled by Mr. Zhou Kui* | | | |
| – Xiamen Yaheng | 12,383,730 | 2.16% | 2.06% |
| – Beijing Anshan | 2,476,750 | 0.43% | 0.41% |
| Huizhou Yilin Investment | 10,734,190 | 1.88% | 1.78% |
| Guangdong Wanquan Investment[5] | 9,108,970 | 1.59% | 1.51% |
| *Entities controlled by Mr. Yang Guosheng* | | | |
| – Hexing No. II Investment | 8,822,780 | 1.54% | 1.46% |
| – Shenzhen Baiying | 1,486,050 | 0.26% | 0.25% |
| Qingda Honghe | 8,529,870 | 1.49% | 1.42% |
| *Haijin* | | | |
| – Haijin Xingyu | 8,525,610 | 1.49% | 1.42% |
| – Haijin Juying | 170,600 | 0.03% | 0.03% |
| *Entities controlled by Huaxia Hengtian* | | | |
| – Hangzhou Chuangli | 7,944,650 | 1.39% | 1.32% |
| – Hangzhou Quanzhi | 2,929,980 | 0.51% | 0.49% |
| Mr. Ye Guofu | 7,925,580 | 1.38% | 1.32% |

| Shareholder | Number of Share held as of the Latest Practicable Date | Percentage of shareholding as of the Latest Practicable Date | Percentage of shareholding immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised |
|---|---|---|---|
| *Qingchuang Bole* | | | |
| – Qingchuang Bole Gongyu | 7,782,970 | 1.36% | 1.29% |
| – Qingchuang Bole Fengqing | 556,700 | 0.10% | 0.09% |
| – Qingchuang Bole Songyun | 2,972,090 | 0.52% | 0.49% |
| **Other Pre-IPO Investors**[3] | | | |
| *Beijiao* | | | |
| – Beijiao No. VI | 5,300,240 | 0.93% | 0.88% |
| – Beijiao No. II | 4,606,750 | 0.80% | 0.76% |
| *Taizhou Capital and its wholly owned subsidiaries* | | | |
| – Taizhou Capital | 5,273,960 | 0.92% | 0.88% |
| – Taizhou Jintou | 4,101,970 | 0.72% | 0.68% |
| – Zhejiang Zhongjing | 586,000 | 0.10% | 0.10% |
| Qingdao Heda | 5,201,170 | 0.91% | 0.86% |
| *SME Development Fund entities* | | | |
| – SME Development Fund | 5,034,320 | 0.88% | 0.84% |
| – SME Development Fund (Chengdu) | 3,425,330 | 0.60% | 0.57% |
| – Fuhai Yuhang | 2,972,090 | 0.52% | 0.49% |
| – Fuhai Juanyong | 2,972,090 | 0.52% | 0.49% |
| – Fuhai Qiantang | 990,700 | 0.17% | 0.16% |
| Mr. Wei Wei | 4,953,490 | 0.87% | 0.82% |
| Xiuhu Fund | 4,264,940 | 0.75% | 0.71% |
| Guang Xin Development | 4,025,390 | 0.70% | 0.67% |
| Mr. Wang Xin | 3,962,790 | 0.69% | 0.66% |
| Jiaoying Yazhi | 3,467,440 | 0.61% | 0.58% |
| Shenzhen Fengfan | 3,453,290 | 0.60% | 0.57% |
| Tongkun Langtai | 3,356,210 | 0.59% | 0.56% |
| Huacang Yixing Investment | 3,356,210 | 0.59% | 0.56% |
| Jiaxing Tianhai Desheng | 2,979,140 | 0.52% | 0.49% |
| Juyuan Qixin | 2,972,090 | 0.52% | 0.49% |
| Chengdu Dongjin | 2,929,980 | 0.51% | 0.49% |
| Mr. Sun Jianhui | 2,830,560 | 0.49% | 0.47% |
| Guangdong Jiahao Investment | 2,830,190 | 0.49% | 0.47% |
| Dongguan Investment | 2,830,130 | 0.49% | 0.47% |
| Wuxi Tianyanxing | 2,830,130 | 0.49% | 0.47% |
| Kangjian Agricultural | 2,683,550 | 0.47% | 0.45% |
| Wuhu Investment | 2,558,960 | 0.45% | 0.42% |
| Torch Gas | 2,476,750 | 0.43% | 0.41% |
| Huanyu Chenyao | 2,476,750 | 0.43% | 0.41% |
| Shenzhen Fanglin | 2,476,750 | 0.43% | 0.41% |
| Shenzhen Hanqingda | 2,476,750 | 0.43% | 0.41% |
| Shenzhen Yueke[6] | 2,476,750 | 0.43% | 0.41% |
| Trina Solar | 2,476,750 | 0.43% | 0.41% |
| Bester Group | 2,476,750 | 0.43% | 0.41% |
| Gongqingcheng Laike | 2,476,750 | 0.43% | 0.41% |
| Shenzhen Gongtong Jiayuan | 2,476,750 | 0.43% | 0.41% |
| Yangzhou Echeng | 2,476,750 | 0.43% | 0.41% |
| Gongqingcheng Qianniu | 2,476,750 | 0.43% | 0.41% |
| Zhuodai Shengtu | 2,476,750 | 0.43% | 0.41% |
| Jiaxing Liucheng | 2,476,750 | 0.43% | 0.41% |
| Qingdao Xinghe | 2,476,750 | 0.43% | 0.41% |
| Qingdao Baizhong | 2,476,750 | 0.43% | 0.41% |
| Shengren Investment | 2,234,250 | 0.39% | 0.37% |
| Longgang Guiding[6] | 2,229,070 | 0.39% | 0.37% |
| Xinjiang Communications Construction | 2,146,860 | 0.38% | 0.36% |
| Yinfeng Rongjin | 2,122,700 | 0.37% | 0.35% |
| Ms. Liu Tao | 1,981,400 | 0.35% | 0.33% |
| Haikou Xingsuan | 1,981,400 | 0.35% | 0.33% |
| Ouzhuo Enterprise | 1,849,310 | 0.32% | 0.31% |
| CTG | 1,821,740 | 0.32% | 0.30% |
| Ms. Feng Meiqian | 1,771,110 | 0.31% | 0.29% |
| Shenzhen Yunfan | 1,768,400 | 0.31% | 0.29% |
| Dongtou Chantou | 1,757,990 | 0.31% | 0.29% |

| Shareholder | Number of Share held as of the Latest Practicable Date | Percentage of shareholding as of the Latest Practicable Date | Percentage of shareholding immediately upon completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised |
|---|---|---|---|
| West Lake Industrial Fund | 1,757,990 | 0.31% | 0.29% |
| Yunjin Tianqu[4] | 1,733,720 | 0.30% | 0.29% |
| Qingdao Juderong Financial | 1,678,110 | 0.29% | 0.28% |
| Xiamen Shengtian | 1,666,890 | 0.29% | 0.28% |
| Shenzhen Zhisheng | 1,486,050 | 0.26% | 0.25% |
| Guangdong Lingyi | 1,486,050 | 0.26% | 0.25% |
| Suzhou Panxing | 1,486,050 | 0.26% | 0.25% |
| Zhenye Aerospace | 1,415,130 | 0.25% | 0.23% |
| Linzhi Zhengyuan | 1,341,840 | 0.23% | 0.22% |
| Changzhou Shenghe | 1,210,390 | 0.21% | 0.20% |
| *Entities controlled by Sichuan Neijiang High-tech Industrial Development Zone Management Committee* | | | |
| – Neijiang High-Tech Investment | 1,171,990 | 0.20% | 0.19% |
| – Neijiang Investment | 1,171,990 | 0.20% | 0.19% |
| Haikou Citong | 1,162,410 | 0.20% | 0.19% |
| Anhui Xinsuan | 1,100,780 | 0.19% | 0.18% |
| Mr. Xiao Shan | 1,089,760 | 0.19% | 0.18% |
| Haikou Zongbao Fund | 1,054,790 | 0.18% | 0.18% |
| Shanghai Guoce | 990,700 | 0.17% | 0.16% |
| *Entities controlled by Mr. Ma Weiguo* | | | |
| – Dongtai Chenhang | 990,700 | 0.17% | 0.16% |
| – Tianjin Qingchen | 495,350 | 0.09% | 0.08% |
| Beijing Shuimu | 990,700 | 0.17% | 0.16% |
| Xinhuanet Venture Capital | 878,990 | 0.15% | 0.15% |
| Shenzhen Zhixuan | 856,020 | 0.15% | 0.14% |
| Shenzhen Kezhen | 842,090 | 0.15% | 0.14% |
| Shanghai Jianjia | 686,750 | 0.12% | 0.11% |
| Fujian Lingshui | 566,110 | 0.10% | 0.09% |
| Beijing Xinghua Zhilian Investment | 495,480 | 0.09% | 0.08% |
| Mr. Jin Jun | 495,340 | 0.09% | 0.08% |
| **Offer Shares** | | | |
| Offer Shares Shareholders | – | – | 5.00% |
| **Total** | **572,298,740** | **100%** | **100%** |

*Notes:*

(1) For further details of Beijing Xingrong Yuhang and Beijing New Era Space, see "— Share Ownership Platforms."

(2) See " — Pre-IPO Investments — Information about the major Pre-IPO Investors" for the detailed background information of each of our major Pre-IPO Investors.

(3) To the best knowledge of our Company, other than Haikou Xingsuan, Hongtai Industrialization, Hongtai Kuyu, Wuxi Guoxing Fund and Wuxi Xinzhi, all Pre-IPO Investors are Independent Third Parties. Galaxy Industry Group is the controlling shareholder of Shenzhen Galaxy Real Estate Development Co., Ltd (深圳市星河房地產開發有限公司), a minority shareholder of Shenzhen Capital Group. Save as disclosed, as confirmed by the Pre-IPO Investors, each of the Pre-IPO Investors is independent of the others.

(4) Yunjin Tianqu is held as to 99% by Jinko Technology as its limited partner.

(5) To the best knowledge of the Company, as of the Latest Practicable Date, 9,108,970 Unlisted Shares, representing 1.59% of the total issued share capital of the Company, held by Guangdong Wanquan Investment were pledged as the collateral of financing for the debt of such shareholder and were subject to judicial freeze.

(6) Shenzhen Yueke is held as to 50% by Longgang Guiding as its limited partner.

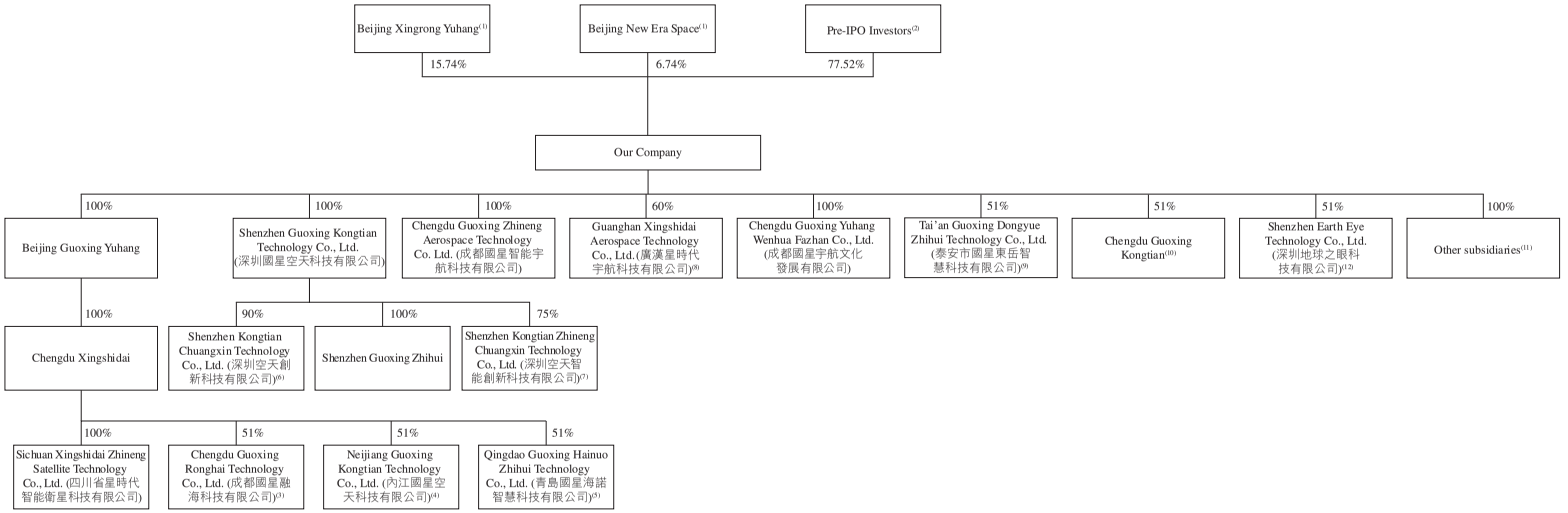
## CONFIRMATION BY THE PRC LEGAL ADVISORS

The PRC Legal Advisors have confirmed that the abovementioned equity transfers, changes in share capital and conversion from a limited company to a joint stock company with limited liability have been properly and legally completed and all necessary approvals, filings and registrations from the relevant PRC authorities have been obtained and completed in accordance with the applicable PRC laws and regulations.

## CORPORATE STRUCTURE

### A. Immediately before completion of the Global Offering

The following chart sets forth our simplified shareholding structure immediately before completion of the Global Offering:




*Notes:*

(1) Beijing Xingrong Yuhang and Beijing New Era Space are controlled by Dr. Lu by virtue of his role as their respective general partner, see "— Share Ownership Platforms" for details.

(2) For details of the Pre-IPO Investors, see "— Pre-IPO Investments."

(3) The remaining 49% interest was held by Chengdu Ronghai Yuntong Earthquake Resistant Technology Co., Ltd. (成都融海運通抗震科技有限責任公司), which was ultimately owned by Mr. Long Tianguo (龍天國), an Independent Third Party, as of the Latest Practicable Date.

(4) The remaining 49% interest was held by Neijiang High-Tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司), which was ultimately owned by Sichuan Neijiang High-tech Industrial Development Zone Management Committee (四川內江高新技術產業開發區管理委員會), an Independent Third Party, as of the Latest Practicable Date.

(5) The remaining 49% interest was held by Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司), which was ultimately owned by Qingdao Shinan District Finance Bureau (青島市市南區財政局), an Independent Third Party, as of the Latest Practicable Date.

(6) The remaining 10% interest was held by Guangdong Hengxin Private Equity Fund Management Co., Ltd (廣東恒信私募基金管理有限公司), which was ultimately owned by State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province (廣東省人民政府國有資產監督管理委員會), an Independent Third Party, as of the Latest Practicable Date.

(7) The remaining 25% interest was held by CUHK (Shenzhen) Asset Management Co., Ltd (港中大(深圳)資產經營有限公司), which was ultimately owned by The Chinese University of Hong Kong (Shenzhen), an Independent Third Party, as of the Latest Practicable Date.

(8) The remaining 40% interest was held by Guanghan Guang Xin Investment Development Co., Ltd. (廣漢市廣鑫投資發展有限公司), which was ultimately owned by Deyang State-owned Assets Supervision and Administration Commission (德陽市國有資產監督管理委員會), an Independent Third Party, as of the Latest Practicable Date.

(9) The remaining 49% interest was held by Tai'an Dongyue Construction Co., Ltd. (泰安市東岳建設有限公司), which was ultimately owned by Tai'an Municipal People's Government State-owned Assets Supervision and Administration Commission (泰安市人民政府國有資產監督管理委員會), an Independent Third Party, as of the Latest Practicable Date.

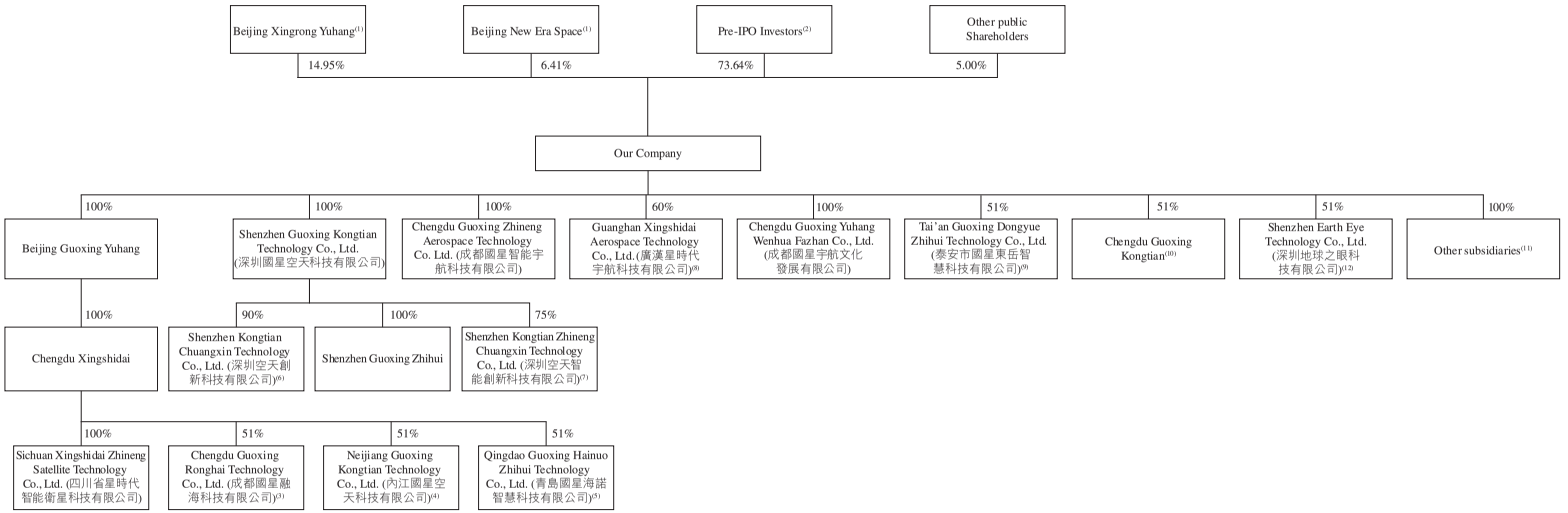
(10) As of the Latest Practicable Date, the remaining 49% interest was held by Chengdu Shuzhou Xingsuan Technology Industry Development Co., Ltd. (成都蜀州星算科技產業發展有限公司), an Independent Third Party.

(11) To (i) fulfill the procurement requirements of certain governmental and state-owned customers, and (ii) utilize local talent and expertise, the Group has established a number of subsidiaries and joint ventures in different regions of the PRC. For a complete list of the relevant subsidiaries, please refer to Note 13 of the Accountant's Report as Appendix I to this prospectus. For details of the accounting treatment of our non-wholly owned subsidiaries and our joint ventures, please refer to Note 2.1.2 of the Accountant's Report as Appendix I to this prospectus.

(12) As of the Latest Practicable Date, the remaining 49% interest was held by Mr. Lei Zifan (雷子釩), an employee of the Group and an Independent Third Party.

## B. Immediately following completion of the Global Offering

The following chart sets forth our simplified shareholding structure immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised):




*Notes:*

(1) to (12) Please refer to notes in "— Corporate structure — Immediately before completion of the Global Offering".

(13) Upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), 52,308,820 H Shares to be converted from the Unlisted Shares will not be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules as such H Shares are being held by the entities controlled by Dr. Sheng Xitai (namely Wuxi Guoxing Fund, Hongtai Industrialization, Hongtai Kuyu and Wuxi Xinzhi), each being core connected person of our Company, and Haikou Xingsuan where Mr. Lu Chuan, our executive Director, is the sole general partner and 30,121,000 H Shares to be issued under the Global Offering will be counted towards public float of our Company according to Rule 19A.13A(1) of the Listing Rules upon the Listing. Accordingly, it is expected that immediately following completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the total number of H Shares held by the public represents approximately 62.37% of our total issued Shares.

## OVERVIEW

We are a commercial aerospace company in China, with a strategic focus on satellite and related services and satellite-based solutions. Leveraging our core strengths in commercial aerospace and artificial intelligence ("**AI**"), we design and produce commercial satellites, ensuring stable operations and management, and deliver customized satellite-based solutions to meet the diverse needs of our customers.

As an AI satellite pioneer, we launched China's first AI application satellite in December 2018 and successfully developed and launched China's first AI large model computing satellite in September 2024, according to Frost & Sullivan. On May 14, 2025, we successfully developed and launched the world's first AI computing satellite constellation comprising 12 AI computing satellites, marking a critical milestone in our efforts to develop space computing satellite constellations and build an integrated AI space computing system. Since our inception and up to the Latest Practicable Date, we independently developed six AI payloads, four AI application satellites and 26 AI computing satellites, while successfully completing 15 space missions through launches arranged either by us or in coordination with our business partners.

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

Mainly driven by our key advancements in the in-orbit validation and our space AI technology, and the upgrade and enhancement of our satellite design and development capabilities, we have strengthened our product competitiveness. These two major factors have jointly propelled the rapid expansion of our business, enhanced our ability to secure high-value orders, broaden our customer base and resulted in robust revenue growth from 2023 to 2025. Our revenue increased from RMB507.5 million in 2023 to RMB553.5 million in 2024, and further increased to RMB702.7 million in 2025. Our revenue amounted to RMB241.3 million in the six months ended June 30, 2025 and RMB226.1 million in the six months ended June 30, 2026.

### Our Technologies

Through years of dedicated R&D, we have developed core technologies in satellite R&D and production and satellite-based solutions. Our core technologies include:

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

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

***High-Power Flat-Panel Satellite Platform and Constellation Networking***. To meet the unique requirements of our AI computing satellites, we developed the high-power flat-panel satellite platform that ensures sufficient electrical power supply, making it more suitable for launching multiple satellites with a single rocket, facilitating formation of space-based computing network. We designed, developed, launched and networked an AI computing satellite constellation comprising 12 satellites deployed within a single orbital plane on May 14, 2025, with an aggregate onboard computing capability of up to five POPS, according to Frost & Sullivan.

***Additive Manufacturing Capabilities for Satellite Component Production***. We are an early mover in the industrialized application of additive manufacturing technologies for satellite primary structures and the first satellite manufacturer in China to establish dedicated large-scale, multi-specification SLM production lines for satellite structural component, according to Frost & Sullivan. Our additive manufacturing technologies significantly shorten production cycles, reduce

overall satellite weight and improve material utilization, overcoming the limitations of traditional satellite manufacturing and enabling rapid, low-cost mass production. These technologies have been widely applied to core satellite components. we have established an additive manufacturing base in Chongzhou, which commenced comprehensive operation in October 2025, providing end-to-end capabilities from process development to mass production to support both our internal needs and external aerospace customers.

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

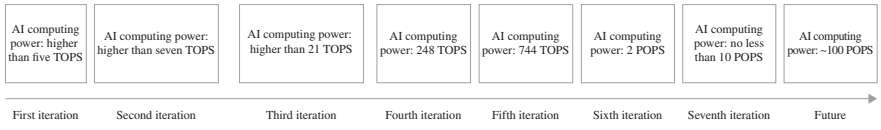
## OUR STRENGTHS

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

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

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

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




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

Since our inception and up to the Latest Practicable Date, we had successfully completed 15 space missions through launches arranged either by us or in coordination with our business partners, with an aggregate of 29 AI satellites successfully launched. Based on the cumulative number of AI satellites successfully launched, we ranked first among all private commercial aerospace companies in China, according to Frost & Sullivan.

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

While satellite frequency spectrum and orbital resources are inherently limited due to spectrum and orbital slot constraints in space, we have obtained the ITU approval of 3,157 satellites progressively from 2018 to 2025, including 2,800 obtained in 2024. According to the relevant ITU Space Explorer filing and the ITU Radio Regulations framework for satellite frequency assignments, such approval will remain valid for 50 years, provided that the relevant frequency assignments are put into actual use by launching the first satellite within seven years after the initial approval filing. After that, we must continue to deploy the planned constellation on schedule: at least 10% of the satellites within the next two years, at least 50% within the next five years and the full constellation within the next seven years. As of the Latest Practicable Date, we completed the initial satellite launch required to bring the relevant frequency assignments into use within seven years after the initial ITU filing, and were in the process of deploying at least 10% of the satellites covered by our ITU filings within the subsequent two-year milestone period. The ITU filing regime provides a framework for the international coordination, notification and recording of satellite radio-frequency use and associated orbital resources. Failure to meet the applicable deployment milestones would not, in itself, directly prohibit our business operations; however, it may result in a reduction or adjustment of the number of satellites, frequency assignments and/or associated orbital resources recorded or recognised under the relevant filings, and we may need to make new or revised filings for the relevant resources. We therefore regard our ITU filings as an important strategic asset, as they help secure international recognition of spectrum and orbital resources for our planned satellite constellation and support our long-term network deployment strategy. See "Industry Overview—The Satellite Industry in China—Entry Barriers of the Satellite Industry in China" and "Risk Factors—Risks Relating to Our Business and Industry—Spectrum and orbital resources are limited, and any constraints on, delays in or loss of access to such resources may limit the scalability of our business and materially and adversely affect our business, financial condition and results of operations."

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

**Efficient Satellite-Based Solutions for Diverse Application Scenarios**

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

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

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

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

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

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

***Satellite Development***. We are one of the few commercial aerospace companies in China with integrated capability for satellite R&D and production, according to Frost & Sullivan. Leveraging our in-house modular satellite platforms, we provide customized satellite design, component and subsystem development, AIT services based on customer requirements. Since our inception and up to the Latest Practicable Date, we independently developed six AI payloads, four AI application satellites and 26 AI computing satellites.

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

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

### Visionary Management with Innovative and Technology-Driven Corporate Culture

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

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

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

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

## OUR STRATEGIES

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

We plan to continue to enhance economies of scale recognizing the growth potential of our industry. In recent years, the Chinese government has rolled out a series of targeted policies, including the "Action Plan of the China National Space Administration for Advancing the High-Quality and Safe Development of Commercial Aerospace (2025-2027)" (《國家航天局推進商業航天高質量安全發展行動計劃(2025-2027年)》) to promote the high-quality development of commercial aerospace. As a result, the number of in-orbit satellites has grown rapidly. Data from the Union of Concerned Scientists Satellite Database shows that satellites developed and produced by Chinese entities rose from 499 at the end of 2021 to about 1,166 by the end of 2025, with commercial satellites accounting for a rapidly increasing share. Since 2026, the accelerated deployment of national LEO constellations such as the GW Constellation and Qianfan Constellation has driven a sharp surge in China's satellite launch frequency. LEO satellites, as core infrastructure for China's satellite internet and digital economy, increased from 389 at end-2021 to around 1,013 by end-2025, with their share in total in-orbit satellites rising from 78.0% to 86.9%, further consolidating the industrial structure, according to Frost & Sullivan. Driven by national development strategies and supportive policies, China's satellite industry has entered a phase of accelerated expansion. According to Frost & Sullivan, the revenue from private commercial aerospace companies with satellite-related business in China increased from approximately RMB19.2 billion in 2021 to approximately RMB34.0 billion in 2025 at a CAGR of 15.4% and is expected to further grow at a CAGR of 50.7% to RMB264.1 billion by 2030.

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

**Increasing R&D Efforts for AI Computing Satellites**

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

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

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

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

**Expanding and Exploring Satellite Application Scenarios**

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

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

**Strengthening Strategic Cooperation, Supply Chain Integration and Business Synergy**

We plan to strengthen strategic R&D collaborations with academic institutes and aerospace companies to drive sustainable innovation and stay abreast of industry trends and latest technologies. We have established partnerships with leading domestic research institutions and Hong Kong universities on joint R&D in satellite technologies, leveraging academic expertise to advance satellite technology research. Additionally, we aim to enhance supply chain integration and business synergy to maximize operational efficiency. We may consider strategic investments or

acquisitions of upstream/downstream companies with complementary strengths to strengthen R&D, production and customer-facing capabilities. As of the Latest Practicable Date, we had not identified or pursued any such targets or set a definitive timeframe. Our goal is to integrate industry resources to enhance our competitiveness, profitability and market influence, ensuring long-term sustainable growth.

**Continuously Attracting Talent for Technological Innovation**

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

## OUR BUSINESS MODEL

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

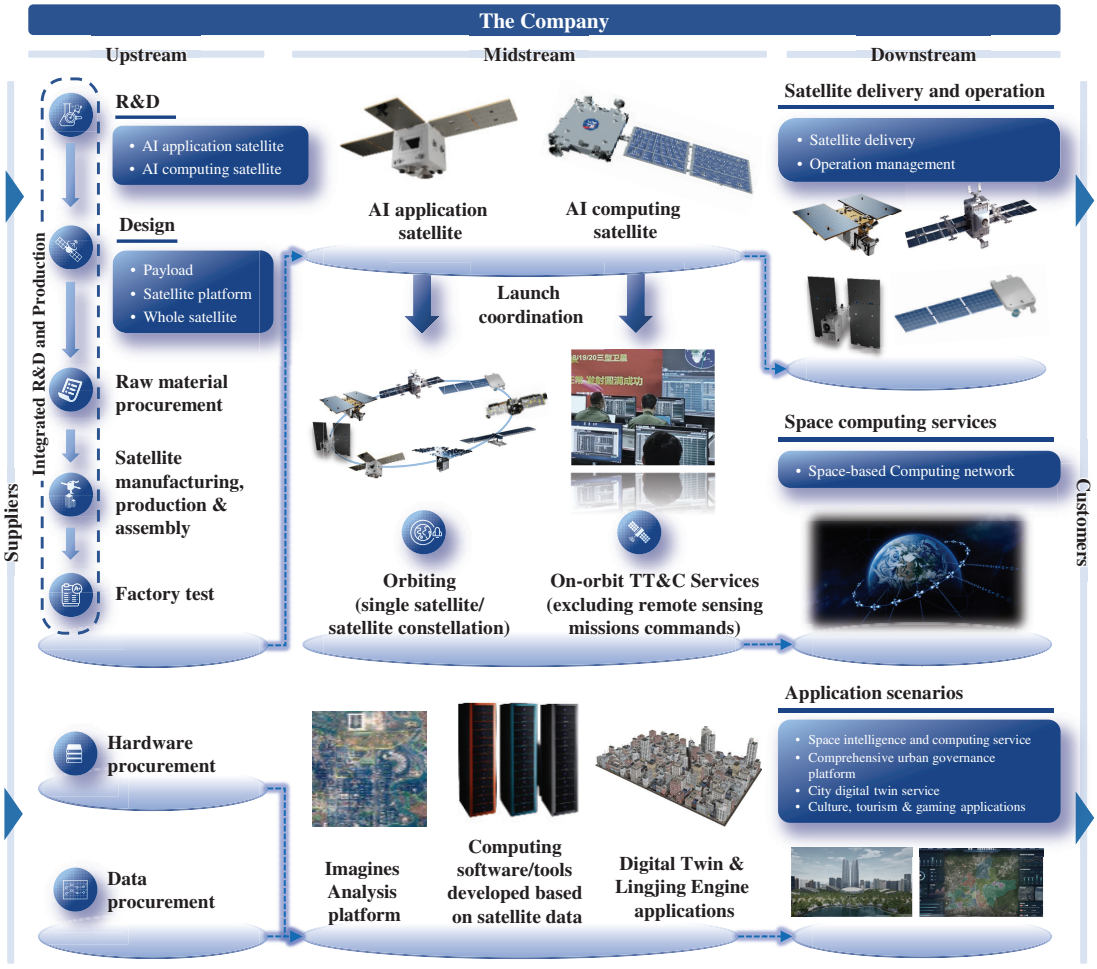
- ***Satellite design and production***. At the upstream level, we focus on the R&D and AIT AI computing satellites and related systems. Our satellite design process typically takes approximately three weeks, while satellite R&D and production generally span around four months, subject to satellite specifications. By adopting standardized satellite platforms and modular designs, we support scalable satellite production and cost-efficient deployment, providing a stable technical and operational foundation for downstream satellite operations and applications.

- ***Satellite launch coordination***. The timing of satellite launch is subject to various factors, including rocket launch schedules and regulatory approvals. According to Frost & Sullivan, satellites are typically launched within two years of the signing of customer contracts and within one year of the signing of launch contracts with launch service providers, subject to launch availability and scheduling. This production-to-launch cadence allows us to align production progress with launch planning in an orderly and commercially executable manner.

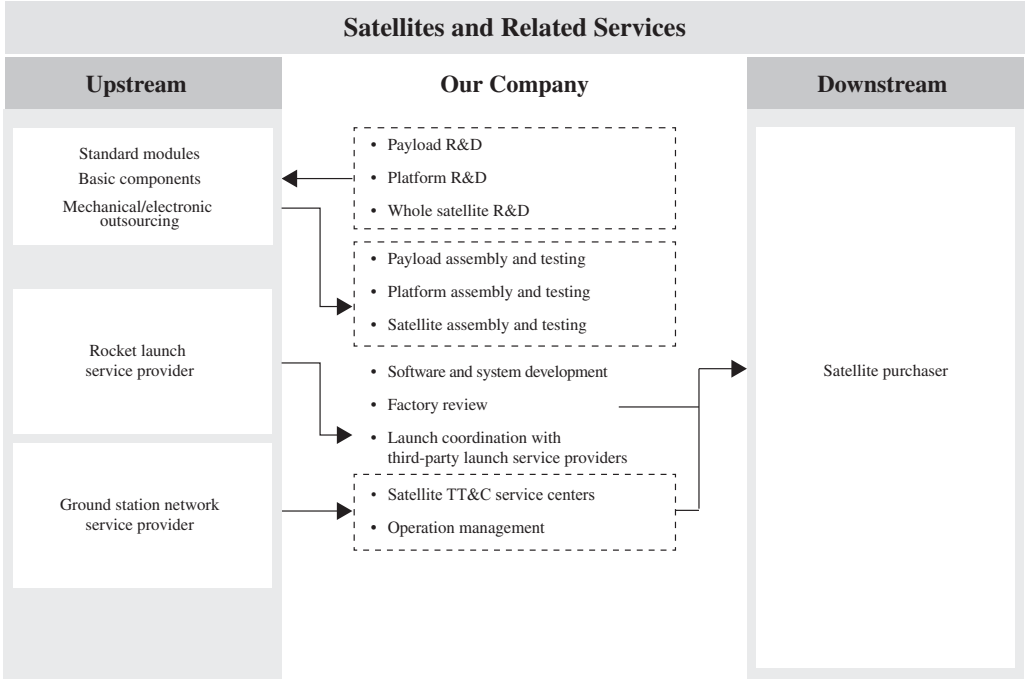
- ***Satellite management***. Following launch, we undertake TT&C services of satellites for customers who opt for such services, including health monitoring, performance optimization and lifecycle management — which generally ranges from three to five years for each satellite in line with its designed lifecycle. Through intelligent TT&C services, we support the stable and efficient functioning of satellite constellations at scale. These capabilities enable us to ensure service continuity, optimize resource utilization and support long-term constellation deployment without reliance on fragmented third-party coordination.

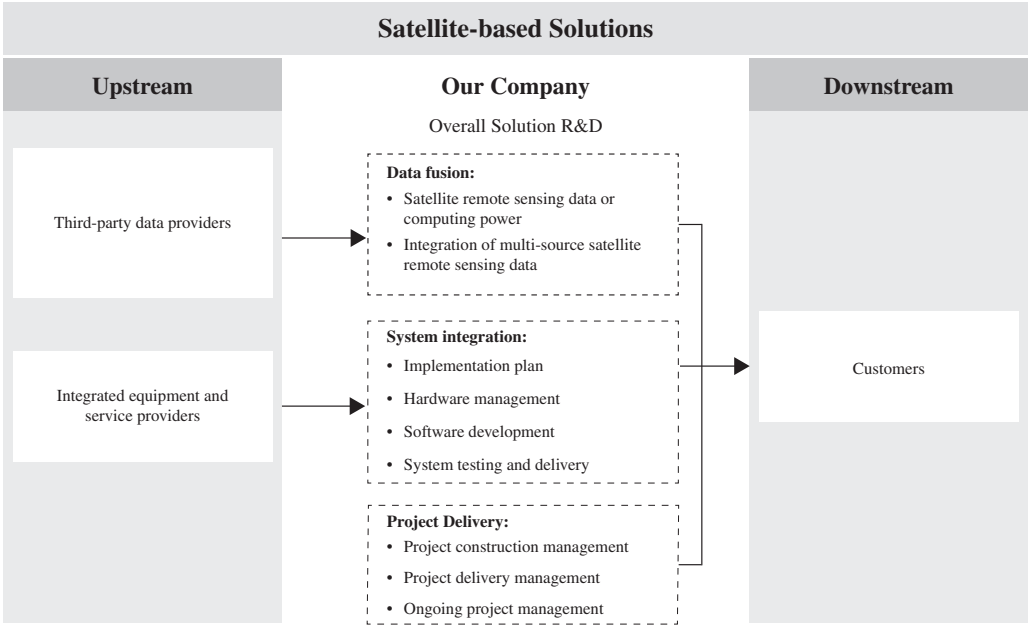
- ***Satellite utilization***. Building on stable satellite operations, we focus on the utilization of satellite-based computing resources and satellite-derived data outputs. We transform space data into value-added products and solutions for customers in areas such as space intelligence and computing services, digital city development, urban governance and immersive digital applications.

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




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






## OUR PRODUCTS AND SOLUTIONS

We offer a comprehensive suite of products and services across two business lines: (i) satellites and related services, and (ii) satellite-based solutions. Our satellites and related services cover the entire satellite lifecycle, from payload, platform and whole satellite R&D, assembly and testing, launch coordination with third-party launch service providers and on-orbit delivery to post-launch compliant operation and control management. Supported by our robust R&D and production capabilities — underpinned by modular satellite platforms, our satellite design and development facilities — we enable efficient and customized satellite design and development to meet diverse customer needs. In addition, our satellite-based solutions leverage satellite remote sensing data, space-based computing and AI algorithms to deliver customized applications, addressing diverse needs in space intelligence and computing, digital cities, urban governance, and cultural, tourism and gaming industries, empowering customers to make informed decisions and drive sustainable growth.

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

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentage)* | | | | | | *(Unaudited)* | | | |
| Satellites and related services | 3,221 | 0.6 | 90,971 | 16.4 | 256,674 | 36.5 | 122,144 | 50.6 | 130,622 | 57.7 |
| – AI application satellites | 2,655 | 0.5 | 12,490 | 2.3 | – | – | – | – | – | – |
| – AI computing satellites | – | – | 77,656 | 14.0 | 224,801 | 32.0 | 120,045 | 49.7 | 124,690 | 55.1 |
| – Others[(1)] | 566 | 0.1 | 825 | 0.1 | 31,873 | 4.5 | 2,099 | 0.9 | 5,932 | 2.6 |
| Satellite-based solutions | 460,328 | 90.7 | 440,947 | 79.7 | 443,778 | 63.2 | 118,086 | 48.9 | 94,183 | 41.7 |
| Other services[(2)] | 43,992 | 8.7 | 21,555 | 3.9 | 2,251 | 0.3 | 1,092 | 0.5 | 1,305 | 0.6 |
| **Total** | **507,541** | **100.0** | **553,473** | **100.0** | **702,703** | **100.0** | **241,322** | **100.0** | **226,110** | **100.0** |

*Notes:*

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

(2) Other services primarily included intelligent parking solutions and software and hardware agency services. See "Business — Our Products and Solutions — Other Services."

## Satellites and Related Services

Satellite and related services form the foundation of our entire business. We develop, produce and sell satellites based on our modular satellite platforms, which can be customized according to customers' specific requirements. We primarily focus on the design and production of LEO satellites, particularly AI satellites. Upon successful development of a satellite, we first carry out factory acceptance. See "— Quality Control." After the satellite passes the factory acceptance process, we engage third-party launch service providers to carry out the launch. We typically complete delivery only after the satellite has been successfully launched and deployed in orbit and accepted by the customer following the relevant in-orbit verification and acceptance procedures. See "— Quality Control." For limited circumstances, we deliver satellites to customers on an ex-works basis (i.e. ground delivery), with the customer assuming responsibility for the subsequent launch arrangements. We also offer related satellite TT&C services for customers opting for our operational services post-launch. Our revenue from satellite and related services increased significantly from RMB3.2 million in 2023 to RMB91.0 million in 2024 and further to RMB256.7 million in 2025, which also increased from RMB122.1 million in the six months ended June 30, 2025 to RMB130.6 million in the six months ended June 30, 2026.

### *Satellite Design and Production*

We have advanced through multiple stages of development, steadily expanding the depth and scope of our technological capabilities. From inception through 2022, we focused on the in-house development of AI payloads to validate the deployment of AI technologies on satellites operating in complex space environments. Building on this foundation, we successfully launched a number of AI payloads and conventional remote sensing satellites that we independently or jointly developed, enabling us to receive positive market validation.

Since 2023, we have entered a new phase marked by the development and commercialization of AI satellites and have successfully evolved from AI application satellites to AI computing satellites. The evolution from conventional remote sensing satellites to AI application satellites, and further to AI computing satellites, reflects the increasing complexity of downstream applications and the need for more efficient utilization of space-based resources. As satellite constellations expanded and application scenarios became more data-intensive and latency-sensitive, the industry progressed from a data-delivery-centric model to application-oriented processing, and ultimately toward integrated space-based computing architectures. Each generation of satellites represents a distinct stage in this evolution, with differing technical characteristics, application focus and commercial value propositions. For key differences and advantages among these satellite types, see "— Our Products and Solutions — Satellites and Related Services — Satellite Design and Production."

Our technological advancement has been validated through multiple industry milestones. In May 2025, we successfully launched the world's first AI computing satellite constellation comprising 12 AI computing satellites, further strengthening our ability to deliver stable and scalable satellite-based computing services on a commercial basis. Since our inception and up to the Latest Practicable Date, we had jointly developed six conventional remote sensing satellites and one AI application satellite with our partners, and independently developed six AI payloads, four AI application satellites and 26 AI computing satellites.

The table below sets out the key differences between our two main satellite types in terms of design and functionality as well as technical specifications:

| | AI Application Satellite | AI Computing Satellite |
|---|---|---|
| Design & Functionality | Application-oriented AI satellites designed to apply onboard AI payloads and algorithms to the satellite's own operations, including remote sensing data processing, in-orbit decision-making, transmission optimization and autonomous satellite management. | Computing-infrastructure-oriented AI satellites designed as in-orbit computing nodes for broader space-based computing services, including in-orbit computing, large-scale AI model support, external computing services for other spacecraft and ground applications, and multi-satellite collaborative computing. |

| | AI Application Satellite | AI Computing Satellite |
|---|---|---|
| Technical specification | The AI application satellite is an agile remote sensing platform using a four-reaction-wheel control configuration and high-stability attitude control. It supports rapid large-angle maneuvers, fast stabilization before imaging, and repeated imaging of the same target area during a single pass. The satellite also carries onboard AI algorithms for real-time remote-sensing image analysis and 3D reconstruction. | The AI computing satellite uses a flat-panel configuration optimized for stacked constellation launch. It includes a high-power flexible solar array to support energy-intensive onboard AI computing payloads. The platform incorporates vibration-suppression attitude control to maintain pointing stability, supporting precise laser communication and reliable inter-satellite optical links. |

Our satellites generally have a designed lifecycle ranging from three to five years. Satellites that have reached the end of their lifespan or have de-orbited will, in accordance with pre-defined de-orbit mechanics and procedures, gradually leave their original orbit due to gravitational forces. As their orbital altitude decreases, they will slowly descend and disintegrate completely upon re-entering the atmosphere. Since our inception and up to the Latest Practicable Date, we had successfully completed 15 space missions through launches arranged either by us or in coordination with our business partners, with 35 satellites successfully launched, including 22 AI computing satellites remaining in orbit. The following table sets forth key information on our satellites that remained in-orbit as of the date of this prospectus:

| Name | Type | Launch Time | Feature(s)/Usage |
|---|---|---|---|
| XSD-18 . . . . . | AI computing satellite | February 3, 2024 | • AI computing<br>• AI super-resolution |
| XSD-22 . . . . . | AI computing satellite | September 24, 2024 | • AI computing<br>• AI large model algorithm<br>• Star Screen<br>• Inter-satellite laser communication |
| XSD-27 to XSD-38. | 12 AI computing satellites | May 14, 2025 | • AI computing<br>• Inter-satellite laser communication |
| XSD-39, XSD-44 to XSD-50 . . . . . | Eight AI computing satellites | October 14, 2026 | • AI computing<br>• Inter-satellite laser communication |

Among the satellites we launched as of the Latest Practicable Date, XSD-15 and XSD-21 had completed their in-orbit testing mission and were subsequently de-orbited through a planned procedure, while XSD-10, XSD-19 and XSD-20 had completed their in-orbit testing missions and exited their operational orbits due to force majeure events resulting from changes in the orbital environment. Save as disclosed above, the de-orbiting of all other satellites was due to the normal end of their lifespan, as of the same date. All satellites remaining in-orbit as of the Latest Practicable Date were independently developed by us. In addition, with respect to XSD-18 and XSD-27 to XSD-36, we held data rights pursuant to data-sharing agreements with the relevant customers, which remained effective until our surrender of the Surveying and Mapping Qualification Certificate in February 2026.

*AI Application Satellites*

We have developed AI application satellites by integrating AI payloads with AI algorithms into our satellite systems. These AI application satellites were primarily used to verify the in-orbit performance, reliability and scalability of our AI payloads and onboard AI algorithms. Our AI application satellites offer AI-driven data analysis and computing services for their own operations, with enhanced data processing capabilities. These satellites can autonomously and efficiently execute high-intensity tasks such as data analysis and intelligent decision-making in space. In

addition, they can continuously update their onboard AI algorithms through in-orbit reconfiguration, improving performance and expanding application scope. Therefore, without the satellite returning to Earth, we can modify, update or replace its internal software, firmware or algorithms through remote commands. This enables the satellite to load specific processing software in real-time based on our needs, directly perform analysis in space and transmit the required results back to Earth. Since our inception and up to the Latest Practicable Date, we had developed five AI application satellites, comprising one jointly developed with our partner and four developed independently by us. Three of these satellites were sold to customers, while the remaining two were self-owned. As of the same date, all of the five AI application satellites had de-orbited.

Our AI application satellites feature the following key characteristics:

- *Enhanced Data Quality*. Due to variable and unpredictable weather conditions, some satellite remote sensing data may be of sub-optimal quality and of limited use for satellite-based solutions. Our AI application satellites are capable of intelligently processing satellite remote sensing data and determining its validity to enhance data quality before transmission to ground stations. For example, our AI application satellites can automatically identify and discard images completely obscured by clouds, denoise images through our AI algorithms to maintain spectral consistency and improve image resolution.

- *In-Orbit Decision Making*. Conventional remote sensing satellites need to transmit in-orbit satellite remote sensing data back to the ground, relying on ground-based data processing and analysis capabilities to make decisions. Our AI application satellites are equipped with in-orbit decision-making algorithms such as target recognition and mission assessment, enabling space-edge computing technology that allows for simultaneous imaging and decision-making, achieving swift decision-making. For example, when our AI application satellite captures images of a forest fire, it can determine in orbit that a fire has occurred at a specific geographic location and quickly transmit clear and simple information such as the fire alert and geographic coordinates back to the ground, without the need to send the complete satellite remote sensing data, thus speeding up the ground response to the fire.

- *High Transmission Efficiency*. Our AI application satellites can identify invalid and low-quality remote sensing data in orbit, efficiently eliminate redundant data and compare current images with historical images from the same geographic location to identify unchanged data. Based on the mission configuration, our AI application satellites can selectively choose to forgo transmitting all or part of this data, focusing the transmission bandwidth on high-quality data. This approach conserves bandwidth and reduces power consumption for both the satellite and the ground station.

- *Efficient Satellite Management*. Our AI application satellites integrate advanced machine learning algorithms, enabling them to make decisions and adjust functionalities for autonomous fault isolation. In addition, we can update the algorithms of the AI application satellites to meet the evolving needs of our customers. Compared to conventional remote sensing satellites, which are limited to executing pre-programmed algorithms and software after deployment, our AI application satellites can update their onboard AI algorithms through in-orbit reconfiguration, continuously improving their performance.

*AI Computing Satellites*

Building on the success of our AI application satellites, we have developed and deployed AI computing satellites in space by integrating AI payloads with AI computing power, which represents a significant advancement in space-based computing processing capabilities. Our AI computing satellite is capable of intelligent on-orbit data processing and filtering. It prepositions computing tasks in space, enabling the satellite to directly process raw data, extract valuable information and transmit only high-value results to the ground. Compared to AI application satellites limited to processing their own satellite remote sensing data, our AI computing satellites offer advanced AI-driven data analysis and computing services not only for themselves but also for other spacecraft and ground applications. Since our inception and up to the Latest Practicable Date, we had independently developed 26 AI computing satellites. Of these, 24 had been successfully launched and sold to customers, while the remaining two failed to launch. As of the same date, among the 24 successfully launched satellites, 22 remained in orbit and two satellite, XSD-15 and XSD-21, had de-orbited.

Our AI computing satellites feature the following key characteristics:

- *High Computing Power.* We have designed, researched and developed, launched and networked an AI computing satellite constellation comprising 12 satellites deployed within a single orbital plane, with an aggregate onboard computing capability of up to five POPS according to Frost & Sullivan. Based on such advanced computing capabilities, our AI computing satellite has further been technically validated to support the in-orbit operation of large-scale AI models.

- *Low Energy Cost.* Compared to conventional ground-based computing centers, which necessitate the construction of physical facilities, incur electricity costs and require data transmission to the ground for processing, our space-based computing network, comprised of AI computing satellites, is able to process data directly in orbit, thereby significantly reducing construction expenses. Furthermore, our AI computing satellites harness solar energy as a power source, eliminating the electricity costs typical of ground-based centers.

- *Network Collaboration Capability*. Leveraging inter-satellite communication capability, our AI computing satellites have transcended the conventional single-operation mode, now offering advanced multi-satellite collaboration. In our Star-Compute Project, each AI computing satellite will function as a core computing node and achieve interconnectivity through high-speed laser communication. Once networked, this will facilitate (i) global distributed computing capability through a network of satellites, interconnected via laser communication, which weaves a computational web in space, ensuring that every corner of the Earth is within reach of an on-demand satellite, and (ii) resource sharing where satellites can share computing power, storage and AI algorithms with one another, both providing support for our customers and our own satellite-based solutions.

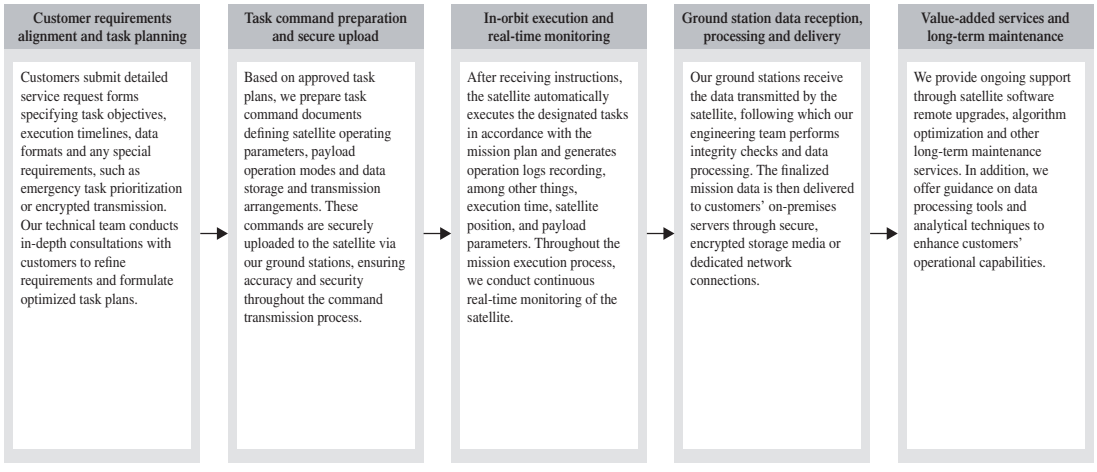
Leveraging the advanced capabilities of our AI computing satellites, we are developing the Star-Compute Project, our long-term initiative to establish a dynamically maintained space-based computing network supported by frequency spectrum and orbital resources of up to 2,800 AI computing satellites. The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

*Others*

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

***Satellite Telemetry, Tracking and Command***

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



**Satellite-Based Solutions**

We provide satellite-based solutions by integrating space-based computing capabilities and proprietary software and hardware platforms to deliver commercially deployable products and services for a range of application scenarios. Our solutions are designed to transform satellite-based capabilities into actionable insights and operational tools, supporting customers' digital and intelligent transformation needs.

Leveraging our proprietary data processing technologies, we focus on the reception, processing, integration and application of space-derived data and computing outputs. Our technologies support a full processing workflow from raw satellite signals to higher-value information products, tailored to customer requirements. This includes the decoding and decompression of raw signals, subsequent data structuring and quality optimization to mitigate sensor- and environment-related interferences, and algorithm-driven calibration to enhance data consistency, stability and usability. Building on these foundational processes, we apply advanced analytical and computational techniques to turn processed data into practical information and tools that customers can use in their specific business scenarios, enabling the extraction and utilization of key environmental features and change information for downstream industry applications.

Based on such computing resources, we develop value-added products and solutions tailored to specific application requirements, which were primarily delivered through: (i) direct sales of satellite imagery; (ii) satellite-based solutions generated by using our proprietary technologies and equipment, and (iii) software-hardware tools integrated with our proprietary technology that enable customers to process satellite imagery to meet their own demands. Throughout the development of our satellite-based solutions, we have established internal measures and policies to ensure that our data handling processes strictly comply with laws and regulations concerning state secrets. See "— Data Privacy and Security."

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

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

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

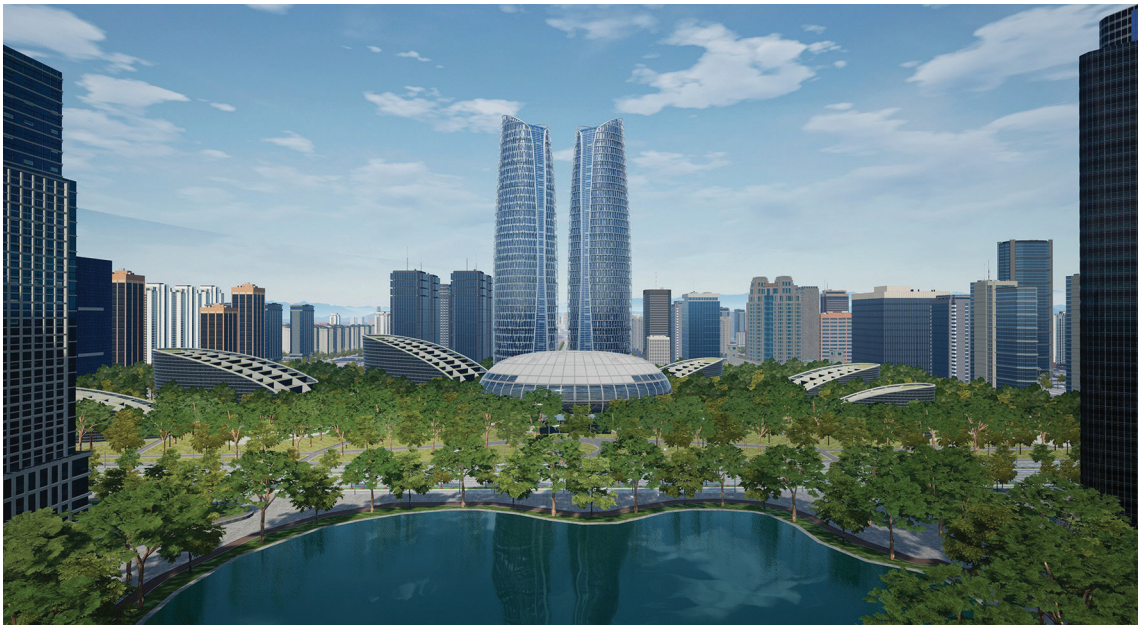
The following sets forth the application scenarios of our satellite-based solutions.

*Space Intelligence and Computing Service*

A listed company in China's digital creative industry aimed to integrate advanced metaverse technology into its business development. To address its specific needs in areas such as game mapping, cultural creativity and film scene production, we have delivered an integrated satellite digital twin system. This system incorporates satellite data, algorithms and computing power. It provides unified management and scheduling of computing resources for the customer's AI algorithm development, application and asset management. Additionally, it enables the swift creation of metaverse scenes for the customer.

Our solution allows the customer to use minimal satellite data to quickly create visual scenes in the metaverse. This facilitates the realistic depiction of natural and cultural landscapes within the gaming environment, enhancing the game's authenticity and immersion while providing players with a unique cultural experience. Moreover, our solution substantially lowers the customer's costs associated with virtual reality modelling and computing power, speeding up their content development process. This enables them to respond more rapidly to market demands and maintain a competitive advantage.

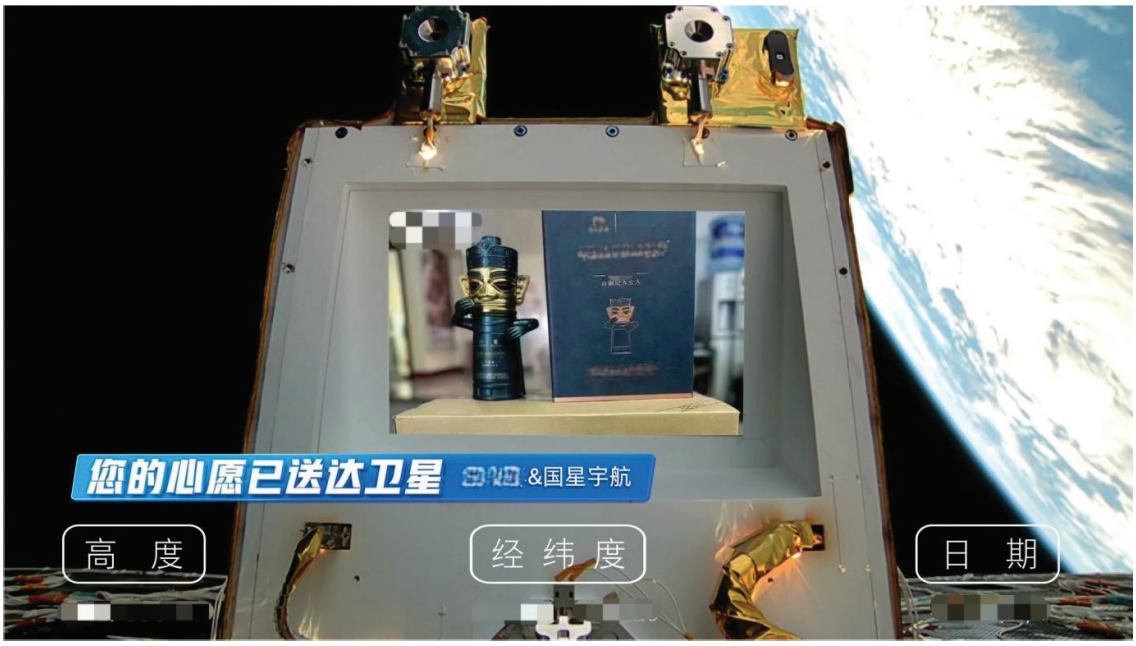
The following picture presents the visual scene we constructed in the metaverse:



*Culture, Tourism and Gaming Applications*

Leveraging our AI satellite technology, we partnered with a renowned Chinese baijiu company to execute innovative marketing campaigns during the 2024 Spring Festival and the 2024 "618" shopping festival. In January 2024, we collaborated with this prominent baijiu company to launch a "New Year Interactive Campaign," using our "Xingping (星屏)" technology to create unique space advertising content. This initiative supported the sales of its new products and invited the public to share New Year wishes and blessings. For the 2024 "618" shopping festival, we utilized our algorithms and technologies to quickly establish a virtual metaverse museum for the baijiu company, aimed at engaging consumers.

The following picture presents the space advertising content leveraging our "Xingping" technology:




By incorporating refined models of specific locations, scene enhancements and interactive mini-games, we have developed a comprehensive software and hardware product named Star Tour, which offers an immersive VR experience of cityscapes. During the May Day holiday in 2024, we launched Star Tour Qingdao, the world's first satellite cultural tourism digital twin terminal product, at venues such as the Qingdao Film Museum, allowing hundreds of families to appreciate Qingdao's authentic scenery from various aerial perspectives.

The following picture presents the scene of our Star Tour:



### Other Services

During the Track Record Period, our other services primarily comprised intelligent parking solutions and software and hardware agency services.

***Intelligent parking solutions.*** We provided solutions to support the development of information systems, network systems and management systems for indoor parking facilities such as new energy intelligent charging terminals and supporting facilities. Leveraging the technology underlying our Lingjing Engine, we generated scenario data for indoor car parks and integrated such data with ground sensor devices to facilitate indoor parking navigation and the management of parking facilities.

***Software and hardware agency services.*** We act as a procurement agent for customers, assisting them in sourcing software and hardware products from third-party suppliers based on their requirements and coordinating the relevant procurement and delivery arrangements. Our software and hardware agency services primarily addressed customers' needs for ancillary products required to implement and operate our satellite-based solutions. For example, customers may need compatible software to operate the systems we deliver or supporting hardware to facilitate their deployment. Leveraging our understanding of the specifications and technical requirements of our solutions and the industry supply chain, we help customers identify suitable suppliers and coordinate the procurement and integration of such products with our solutions, where necessary. These services simplify customers' procurement and coordination processes and facilitate the efficient implementation and operation of our satellite-based solutions.

Since 2024, we have been progressively and strategically streamlining these services to focus our resources on satellite business. We will formally cease providing intelligent parking solutions after fulfilling all existing contractual obligations.

## OUR TECHNOLOGIES

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

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

We have undertaken adaptive satellite design for the space environment, including thermal, radiation-resistant, mechanical adaptability, redundancy design, space power supply and thermal dissipation in orbit. These reliability designs are intended to address key environmental challenges such as launch vibrations, space radiation, extreme temperatures and constrained power and heat dissipation conditions in orbit. To address high device temperatures, we use high heat capacity phase change energy storage modules and rapid thermal exchange technology to control operating temperatures. Radiation hardening is implemented for core chips, and finite element simulation optimizes mechanical properties, validated via vibration and noise tests. Multi-mode redundancy, distributed storage and AI fault-handling algorithms eliminate single points of failure, while ECC verification ensures data integrity. A distributed power management system balances real-time computing power usage, improving energy efficiency and module longevity. In addition, a distributed power management system dynamically allocates power resources based on real-time computing workloads, improving overall energy efficiency and extending module service life.

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

The AI payload software consists of FPGA software, GPU software, and AI algorithms, supporting onboard data transmission, system control, high-performance computing, and intelligent processing. FPGA software manages control and data transmission functions, while GPU software

operates in a multi-threaded environment to handle interface communication, AI processing and storage operations. AI algorithms focus on data fusion, pattern recognition and quality enhancement, enabling in-orbit processing to improve the clarity and usability of data outputs.

**Rapid Satellite Development Based on Modular Satellite Platforms**

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

In addition, we have built a robust IP portfolio with 107 granted patents in China, including 99 invention patents, as of the Latest Practicable Date, covering satellite platforms, communication units, energy systems, de-orbiting mechanisms, solar wings, imaging sensors and remote data applications, forming comprehensive protection for whole satellites, subsystems and components. This IP foundation supports innovation, and our platform-based approach, supported by advanced AIT and IP, enables us to deliver cost-effective, reliable, high-performance satellites tailored to customer needs.

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

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

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

**High-Power Flat-Panel Satellite Platform and Constellation Networking**

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

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

### Additive Manufacturing Technology for Satellite Component Production

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

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

## INTEGRATED SATELLITE R&D AND PRODUCTION MODEL

We are one of the few commercial aerospace companies in China with integrated capability for satellite R&D and production, according to Frost & Sullivan. We were also the earliest commercial aerospace company in China to develop, produce and launch AI application satellites and AI computing satellites, according to Frost & Sullivan. Our satellite operations employ an integrated model that seamlessly combines satellite R&D and production to address the specialized customization needs of the industry. Compared to conventional models that separate these processes, our approach ensures closer alignment between R&D and production, enabling us to effectively translate R&D outputs into high-quality and tailor-made products while maintaining production efficiency. In addition, as we operate under a project-based business model, we currently employ a flexible satellite development strategy tailored to the specific requirements of each project supported by our Chengdu AIT Center, Jiaxing satellite testing base, Chengdu Chongzhou Additive Manufacturing Base and Taizhou Center.

### Satellite R&D and Production Team

We have assembled a satellite R&D and production team with extensive industry experience in leading academic and research institutions, industry application units and AI technology companies. This unique blend of expertise enables us to integrate cutting-edge technological innovation with deep industry insights, fostering a collaborative environment that drives the commercialization of aerospace technology. As of June 30, 2026, our R&D and production team comprised 223 employees, of whom 93.3% held a bachelor's degree and above, including a satellite R&D and production subteam of 165 employees, more than 94.6% holding a bachelor's degree and above. In addition, we have instituted a thorough internal talent development system, providing regular training and establishing an R&D knowledge-sharing mechanism for employees at all levels.

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

- ***Dr. Lu Chuan (陸川)***. Dr. Lu found our Company in May 2018. He is our executive Director and chairman of the Board. He is responsible for the overall strategic planning and major business decisions of our Group, supervising the operational efficiency of the management system and product R&D. Dr. Lu has nearly 20 years of research experience in AI and communications engineering. He was also a distinguished recipient of the National High-Level Talent Special Support Program (國家高層次人才特殊支持計劃入選者). See "Directors and Senior Management — Board of Directors — Executive Directors." As the overall head of the Company's technology direction, Dr. Lu has taken responsibility for leading the design and implementation of core technologies system architecture. He has spearheaded the top-level planning and rapid deployment of the AI satellite, leading the team to establish our advanced AI algorithm platform, which continues to drive our technological advancement and product innovation.

- ***Dr. Wang Lei (王磊)***. Dr. Wang joined our Company in June 2018 and serves as executive Director and chief executive officer. See "Directors and Senior Management — Board of Directors — Executive Directors." With over 15 years of experience in space technology applications, investment, and management, he is a selected talent under Chengdu's "Rongpiao Plan (蓉漂計劃)" and a core member of the innovation and entrepreneurship team project under Sichuan Province's "Tianfu Emei Plan (天府峨眉計劃)." Since joining, Dr. Wang has led the design and development of multiple satellite-based solutions that support diverse application scenarios and customized projects.

- ***Dr. Zhao Hongjie (趙宏傑)***. Dr. Zhao joined our Company in May 2018 and serves as executive Director and executive vice president. See "Directors and Senior Management — Board of Directors — Executive Directors." He has over ten years of experience in aerospace communications technologies and was selected as a young talent under Sichuan Province's "Tianfu Emei Plan (天府峨眉計劃)" and an innovative leading talent under Chengdu's "Rongpiao Plan (蓉漂計劃)." He has contributed to China's spacecraft tracking, telemetry and command ground systems and has published 19 papers and holds 36 PRC invention patents. He has led our early satellite and payload R&D and now leads the R&D of our data processing technologies and constellation systems.

- ***Mr. Guo Tao (郭濤)***. Mr. Guo joined our Company in October 2020 and serves as chief technical officer. He is a senior engineer with around 15 years of experience in satellite system R&D and technical management. He is a selected talent under Chengdu's "Rongpiao Plan (蓉漂計劃)" and a core member of Sichuan Province's "Tianfu Emei Plan (天府峨眉計劃)." See "Directors and Senior Management — Senior Management." Mr. Guo is responsible for the design and development of certain types of AI satellites and payloads, and the planning of satellite mass production lines. Since joining, he has led breakthroughs in rapid satellite customization based on modular platforms and developed multiple satellite platforms, including low-cost scientific experimental, rapid-response technology verification, agile maneuverable, and integrated communication-sensing-computing networking platforms. Notably, Mr. Guo led the development and delivery of 18 satellites.

- ***Mr. Liu Shanwu (劉善伍)***. Mr. Liu currently serves as our Chief Engineer of the Shanghai Research Institute. He has nearly 20 years of experience in the aerospace sector and previously worked at the Shanghai Institute of Microsystem and Information Technology of the Chinese Academy of Sciences. Over the course of his career, he has participated in the development and successful launch of multiple satellites across scientific, remote sensing, communication and navigation missions. Mr. Liu has received provincial-level science and technology progress awards on multiple occasions, has published over 20 academic papers and has applied for 20 patents.

- ***Mr. Wang Yabo (王亞波)***. Mr. Wang joined our Company in August 2022 and serves as executive vice president. He oversees our satellite business, satellite frequency application and coordination, and satellite additive production. See "Directors and Senior Management — Senior Management." With over 15 years of experience in satellite project design and management, he is a leading talent in Chengdu's Satellite Internet and Satellite Application Industry Chain (成都市衛星互聯網與衛星應用產業鏈鏈主人才). In 2025, he led the development of our Additive Production System (增材製造系統), which applies an aerospace design AI large model and AI-driven intelligent algorithms to enable efficient R&D and production of complex spacecraft components, achieving over 35% weight reduction in spacecraft structural components.

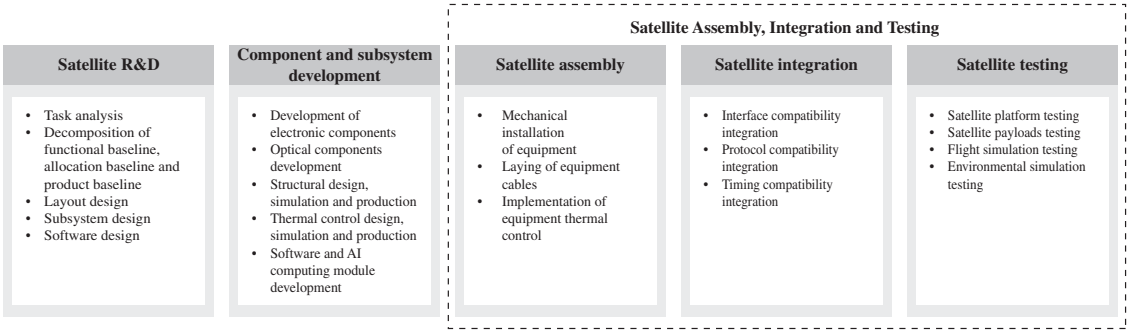
- ***Dr. Zhang Heng (張恒)***. Dr. Zhang currently serves as our Chief Technology Officer for AI Technology and is a senior expert in chip algorithms and architecture. He has led the formulation of medium-term technology roadmaps and strategic planning for multimedia-oriented chip development, and coordinated external technical collaborations and frontier technology deployment in the chip domain. Dr. Zhang obtained his Ph.D. in Computational Biochemistry from Imperial College London in 2018. He has published over 10 papers as first author or co-author in international journals and top-tier conferences including CVPR, ICCV and ACM MM, and holds more than 15 patents. His research focuses on large-scale digital twins, generative AI, multimodal large language models, low-level vision enhancement and next-generation image signal processing systems. From 2023 to 2025, he led his team to achieve a total of five championship titles across two consecutive years in CVPR competitions. He has

previously been awarded the Marie Skłodowska-Curie Actions Fellowship by the European Commission and the MIT–Imperial College Global Scholars Program, and has been recognized as a Shenzhen Overseas High-Level Talent.

- ***Mr. Lei Zifan (雷子釩)***. Mr. Lei joined our Company in June 2021 and is a technical expert in the AI computing power product department, with over 20 years of experience in product R&D and technical management and deep expertise in satellite data applications. In recent years, he led the development of (i) an AI satellite fusion system that integrates LEO satellite communications, remote sensing, and integrated space-ground networks to enable autonomous perception, decision-making, and navigation for low-altitude aircraft, enhancing flight safety and operational efficiency; and (ii) a satellite IoT terminal that combines narrowband communications and satellite technology to enable global remote data collection and command transmission, which are ideal for remote and maritime applications. The terminal also features multi-network convergence and low-power design for cost-effective, reliable IoT connectivity.

## Satellite R&D and Production Capabilities

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




### *Satellite R&D*

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

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

### *Component and Subsystem Development*

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

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

| Subsystem | Key features and function |
|---|---|
| Structural subsystem | • Provides structural support and ensures all hardware and software components withstand the launch and remain stable in space |
| Thermal control subsystem | • Safeguards instruments from thermal damage using insulation and heat-exchange systems |
| | • Uses AI algorithms to manage thermal-control energy consumption and optimize energy distribution across operating modes |
| | • Maximizes the use of inherent heat generation and exposure areas to balance onboard temperature requirements, maintaining thermal equilibrium amid extreme space temperature fluctuations |
| Integrated electronics subsystem | • Facilitates onboard data processing and communication interfaces through integrated electronic hardware, which generally include on-board computers, data storage systems, transponders, and processing units |
| | • Integrates with the satellite operations module using our AI algorithms to enable dual modes of autonomous management and ground control |
| | • Incorporates a satellite-ground digital twin model to synchronize data and algorithms with ground stations |
| Telemetry and transmission subsystem | • Enables communication between the satellite and ground stations for data transmission and receipt of control commands |
| | • Uses AI algorithms to optimize data volume and priority to enhance the efficiency of remote sensing, tracking, and command operations |
| Power subsystem | • Comprises solar panels and batteries |
| | • Uses AI algorithms to optimize satellite power management, enabling high-current charging and discharging, battery pack balancing and precise energy allocation, thereby ensuring that our satellites have continuous and reliable power supply |
| Attitude and Orbit Control subsystem ("**AOCS**") | • Controls satellite attitude and orbital position |
| | • Counters disturbance torques during standard operations and enables swift attitude maneuvers, providing operational agility to adapt to changes in customer demand, space environment changes, and mission objectives |
| | • Enables constellation formation and reconfiguration for collaborative operations |
| | • Integrated AI enables autonomous fault detection and correction, optimizes fuel consumption for attitude adjustments, and predicts and mitigates effects of external forces such as solar radiation and micrometeoroids |
| | • Machine learning technology enables more precise attitude and orbit control accuracy over time, resulting in higher quality data capture and improved operational efficiency |

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

(i) *Intelligent Control Software*, which includes multi-task scheduling operating systems, high-stability attitude control software, orbit maintenance and phase adjustment software, autonomous energy and thermal management software and intelligent multi-cycle operational logic control software.

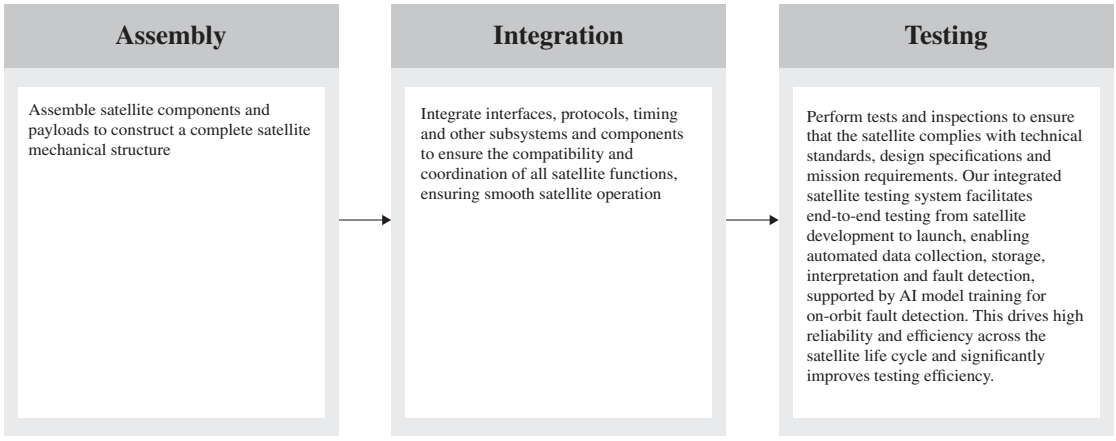
(ii) *AI Computing Software*, which features standardized AI algorithm migration interfaces, containerized AI algorithm images and in-orbit cloud computing and service system deployment.

(iii) *AI Computing Application Software*, which supports advanced functionalities such as data parsing, CCD image stitching, remote sensing data segmentation, radiometric correction, band registration, image fusion, cloud detection, object recognition and super-resolution imaging.

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

***Satellite Assembly, Integration and Testing***

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




**Satellite R&D and Production Facilities**

To support our satellite design and development activities across different stages of the satellite lifecycle, we operate multiple specialized R&D and production facilities in Sichuan and Zhejiang provinces in China. In addition, our Shenzhen Center had commenced construction as of the Latest Practicable Date. Together, these facilities enable us to efficiently design, develop and test satellites at scale to meet growing customer demand. The following table sets forth our major facilities as of the Latest Practicable Date:

| Facility[1] | Location | Commencement of operations | Primary functions | GFA/Property status | Investment costs[2] |
|---|---|---|---|---|---|
| | | | | | *(RMB'000)* |
| Chengdu AIT Center | Chengdu, Sichuan Province | January 2021 | Satellite design and development | 1,493.0 sq.m./Owned | 218,661 |
| Jiaxing Testing Base | Jiaxing, Zhejiang Province | March 2024 | Space environmental testing of satellites, including vacuum, vibration and residual magnetism testing | 3,917.9 sq.m./Leased | 34,756 |
| Chengdu Chongzhou Additive Manufacturing Base | Chongzhou, Chengdu, Sichuan Province | October 2025 | Additive manufacturing of satellite structural components | 16,032.2 sq.m./Leased | 393,840 |
| Taizhou Center | Taizhou, Zhejiang Province | February 2026 | Satellite design, development and testing | 4,432.1 sq.m./Leased | 78,825 |
| Shenzhen Center (under construction) | Shenzhen, Guangdong Province | N/A (under construction) | Intended for satellite design, research and development | 30,828.0 sq.m./Owned | 542,700 |

*Notes:*

(1) Our Chengdu AIT Center had developed five, two and twelve satellites in 2023, 2024 and 2025, respectively, with the Jiaxing Testing Base supporting the testing of the relevant satellites. The Taizhou Center had supported the development of six satellites in the six months ended June 30, 2026, with Chengdu AIT Center and Jiaxing Testing Base focusing on the R&D work of our next-generation satellite during the same period. In addition, the Chengdu Chongzhou Additive Manufacturing Base has a designed annual production capacity of approximately 200 sets of satellite structural components. Its actual output for the two months ended December 31, 2025 and the six months ended June 30, 2026 was 30 sets and 95 sets, respectively, representing production utilization rate of approximately 90.0% and 95.0% during the same periods. The production utilization rate of the Chengdu Chongzhou Additive Manufacturing Base is calculated by comparing the actual number of sets produced during the relevant period with the number of sets the base was designed to produce during the same period in proportion to its annual designed production capacity of approximately 200 sets, namely approximately 33 sets in the two months ended December 31, 2025 and 100 sets in the six months ended June 30, 2026.

(2) Expected total investment cost, including, where applicable, construction costs, production equipment costs and land acquisition costs.

As of the Latest Practicable Date, our facilities — including Chengdu AIT Center, Jiaxing Testing Base and Taizhou Center — had been operating on a project-by-project basis, undertaking the design, research and development and testing of satellites in accordance with specific customer requirements. In addition, our Chengdu Chongzhou Additive Manufacturing Base, which commenced initial operation in October 2025, is dedicated to the production of satellite structural components utilizing additive manufacturing technologies. See "— Our Technologies — Additive Manufacturing Capabilities for Satellite Component Production."

For our leased facilities, our Directors consider that the risk of relocation of these facilities is remote, taking into account that (i) we have entered into long-term lease agreements for each of these facilities, with leases for our Jiaxing Testing Base, Taizhou Center and Chengdu Chongzhou Additive Manufacturing Base expiring in 2028, 2029 and 2035, respectively and option to renewal in writing months before expiry, subject to the lessors' consent, providing contractual certainty over our occupancy; (ii) the relevant lessors are reputable SOEs that are also minority shareholders of the Group and have maintained long-standing cooperative relationships with us, resulting in a strong alignment of interests; and (iii) our operations at these facilities are closely aligned with local industrial development objectives and continue to receive support from local governments, contributing to the stability and continuity of our occupancy arrangements. In the unlikely event that we are required to relocate any of our leased facilities, considering that (i) our satellite development activities are coordinated across different bases, which allows us to flexibly allocate resources and adjust project schedules without reliance on any single base; (ii) the key assembly and testing equipment used at our facilities is generally movable and can be reinstalled or redeployed within a manageable timeframe; and (iii) based on the sufficient alternative sites available for lease and operation in the market, we expect to be able to identify suitable alternative premises at reasonable costs and on commercially acceptable terms, our Directors are of the view that such relocation would not materially disrupt our satellite development and production operations.

**Machinery and Equipment**

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

## Quality Control

We have established a quality control system covering production process and technology control, machinery inspection and testing evaluation, with product and process monitoring and measurement control procedures for raw materials, components, work-in-progress and finished products to ensure compliance with inspection standards. We have set up full quality control standards for the satellite industry and obtained ISO 9001 certification for our quality management system. For each project, a dedicated quality control team oversees overall R&D and production quality management, and we have comprehensive policies and procedures to ensure component and raw material quality from suppliers, including pre-engagement screening and performance evaluations, supported by a comprehensive supplier management system for admission and qualified supplier management. See "— Our Suppliers — Procurement."

Our quality control is also safeguarded through the satellite factory acceptance process. From the early stages of the AIT process, we collect satellite test data to support the preparation of the final review report. After the manufacturing is complete, we conduct internal testing against the customer requirements specified in the contract to verify compliance, following which an expert panel engaged by the customer conducts a formal review. The panel issues signed review conclusions confirming that all work required prior to factory release has been completed, the satellite's core functions and performance meet the design and mission requirements, all prescribed factory tests have been completed and passed, the relevant technical and delivery documentation is complete, and there are no quality issues affecting factory release, transportation or launch. Upon obtaining such review conclusions, we arrange for the customer to complete the acceptance procedures and sign the relevant acceptance documentation, which may take up to two weeks. Following launch, we first conduct in-orbit testing in accordance with industry practice and the technical requirements agreed with the customer, and prepare an in-orbit testing report. The customer then organizes and leads a review panel, with our assistance and technical support, to review the testing results and confirm that the satellite has met the applicable design, mission and performance requirements, completed and passed all required in-orbit testing, and does not have any material quality issues that would adversely affect its long-term stable operation in orbit. Upon the issuance of a signed passing conclusion by the review panel, the customer completes the in-orbit acceptance by executing the acceptance documents. The entire process is generally completed within two to six weeks following launch, depending on the complexity of the testing and the customer's internal review and approval procedures. During the Track Record Period, we did not encounter any material quality problems or supply shortages that materially and adversely affected our business, financial condition or results of operations.

## R&D Collaborations

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

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

| Name | Type | Launch time | Partner | Intellectual Property | Data Right |
|---|---|---|---|---|---|
| XSD-4 . . . | Conventional remote sensing satellite | October 29, 2018 | A commercial aerospace company established in the PRC in 2015, primarily engaging in the development of space systems and payloads for the commercial market. | The partner owns all intellectual property rights, while we are granted the right to use such intellectual property. | Jointly owned, and each party has right to use such data. |

| Name | Type | Launch time | Partner | Intellectual Property | Data Right |
|---|---|---|---|---|---|
| XSD-7 . . . | Conventional remote sensing satellite | December 7, 2018 | Same as XSD-4 | The partner owns all intellectual property rights, while we are granted the right to use such intellectual property. | Jointly owned, and each party has right to use such data. |
| XSD-9 . . . | AI application satellite | December 7, 2018 | Same as XSD-4 | Both parties have the right to use and transfer the technical know-how. Each party is entitled to apply for patents for results arising from the R&D it conducts. | We are entitled to hold and use the data. |
| XSD-5 . . . | Conventional remote sensing satellite | August 17, 2019 | A commercial aerospace company established in the PRC in 2017, primarily engaging in the R&D and manufacturing of satellite and satellite constellation systems, and satellite in-orbit delivery services. | Both parties jointly hold the right to apply for patents and own the ownership of technical know-how. | Jointly owned, and each party has right to use such data. |
| XSD-8 . . . | Conventional remote sensing satellite | December 20, 2019 | Same as XSD-5 | We own all intellectual property rights. | We are entitled to hold and use the data. |
| XSD-11 . . | Conventional remote sensing satellite | November 6, 2020 | Same as XSD-5 | Both parties have the right to use and transfer the technical know-how. Each party is entitled to apply for patents for results arising from the R&D it conducts. | We are entitled to hold and use the data. |
| XSD-10 . . | Conventional remote sensing satellite | July 3, 2021 | A commercial aerospace company established in the PRC in 2014, primarily engaging in the R&D and production of satellite and payload system, R&D of satellite detection system and equipment and satellite ground system development and construction. | Both parties have the right to use and transfer the technical know-how. Each party is entitled to apply for patents for results arising from the R&D it conducts. | We are entitled to hold and use the data. |

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

- ***Duration***. Within one year.
- ***Responsibilities***. The agreement specifies the responsibilities of both parties for the joint development. While we are generally required to provide satellite design or satellite technology requirements, the partner is generally tasked with designing the satellite platform, developing the satellite platform system software, integrating and testing the satellite modules, among others. Upon delivering the technological outcomes, the partner shall provide us with complimentary technical support free of charge.

- ***Payments***. We make a fixed total price for the contract. We shall make payments in installment according to the agreed-upon milestones. We make an initial proportion of the total contract value payable upon signing the contract, followed by subsequent installments tied to the achievement of key milestones, including the satellite platform's components having been assembled, completing satellite integration and factory acceptance review, and achieving in-orbit delivery. This fixed total price encompasses all associated costs, including but not limited to R&D, raw materials, and testing expenses. The partner is contractually prohibited from requesting additional payments beyond this agreed amount.

- ***Application***. We shall be responsible for applying for the radio frequency use permits, radio station license and launch authorization. However, the partner shall provide necessary documentation and related support.

- ***Satellite Launch***. The partner shall be responsible for satellite delivery to the designated launch site, whereas all launch costs shall be borne by us.

- ***Intellectual Property and technical secrets***. Depending on the specific terms of the agreement, either (i) both parties shall have rights to the intellectual property arising from the R&D activities; or (ii) the intellectual property shall be owned by the partner, while we shall have the right to use it solely for the project, and with the written consent of the partner, we may utilize the technological outcomes from the project for further development, with any new technological outcomes from such development being jointly owned by both parties.

- ***Ownership***. The ownership of the conventional remote sensing satellites and AI application satellite jointly developed was determined by the specific joint development agreements.

We also engage in R&D collaborations with academic institutes and other commercial aerospace companies. The following table sets forth the R&D collaboration arrangements we entered into during the Track Record Period and up to the Latest Practicable Date.

| No. | Date | R&D Collaboration | Collaboration Status as of the Latest Practicable Date |
|---|---|---|---|
| 1. . . | October 2023 | We entered into a cooperation framework agreement with the University of Hong Kong to promote the establishment of a joint R&D team and industry collaboration in, among others, satellite R&D and STEM education. | The collaboration had been completed. |
| 2. . . | October 2023 | We initiated an industry-academia research collaboration with the Laboratory for Space Research of the University of Hong Kong for the continuous advancement of scientific, engineering and technical research and development in the field of satellite and data applications. | The collaboration had been completed. |
| 3. . . | June 2024 | We entered into a cooperation framework agreement with the Hong Kong Polytechnic University to explore the possible establishment of a joint remote sensing satellite technology laboratory, among others. In addition, in recognition of our technological capabilities and product excellence, the Hong Kong Polytechnic University procured on-orbit AI visual enhancement, intelligent analysis experimental payload development and satellite accommodation services from us in July 2025. | The collaboration was ongoing. |
| 4. . . | July 2024 | We entered into a strategic framework agreement focusing on space computing development with a research institution in Zhejiang Province, establishing a strategic partnership for the Star-Compute Project. Under this collaboration, we jointly engage in the R&D of key space computing technologies and the formulation of standard systems. | The collaboration had progressed into satellite orders. We had secured orders from this platform for two AI computing satellites, payload services for ten AI computing satellites, and a set of integrated satellite telemetry, tracking and command equipment. |

| No. | Date | R&D Collaboration | Collaboration Status as of the Latest Practicable Date |
|---|---|---|---|
| 5. . . | November 2024 | We initiated the Star-Compute Project and entered into joint R&D collaboration with a number of companies, universities and research institutions, to promote the development of the Star-Compute Project by harnessing the collective expertise and resources of all involved parties. | The collaboration was ongoing. |
| 6. . . | April 2025 | We engaged in a strategic R&D collaboration with Xingyao Guangyu (Changzhou) Technology Co., Ltd. ("**Xingyao Guangyu**"), a leading company in the R&D of space laser communication terminals in China and a strategic cooperation partner under the Star-Compute Project, to deepen cooperation in fields including space computing. | The collaboration was ongoing. |
| 7. . . | December 2025 | We entered into a cooperation agreement with Shanghai Jiaotong University to establish the first university-industry joint laboratory for space computing in China, according to Frost & Sullivan. The laboratory will focus on R&D in areas such as space-based computing chips. | The collaboration was ongoing. |
| 8. . . | January 2026 | We entered into a cooperation agreement with a national-level public service institution. According to the agreement, we will leverage our space computing constellation to provide cloud computing capabilities to facilitate the overseas expansion of small and medium-sized enterprises. | The collaboration was ongoing. |
| 9. . . | June 2026 | We entered into a strategic cooperation agreement with Tencent Cloud, pursuant to which we cooperate with Tencent Cloud on space-ground computing infrastructure, deployment of AI models on satellites, and validation in low-connectivity environments and edge computing. | The collaboration was ongoing. |
| 10. . | July 2026 | We entered into a strategic cooperation agreement with SenseTime, pursuant to which we cooperate with SenseTime on the planned construction of a thousand-satellite-scale AI computing constellation, an integrated space-ground AI computing platform and on-orbit validation of satellite-borne large models. | The collaboration had progressed into satellite orders. We had secured orders from SenseTime for two AI computing satellites. |

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

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

- ***Duration***. Three years, five years or indefinite, depending on the project.
- ***Right and Responsibilities***. The framework agreement specifies the rights and responsibilities of both parties for the R&D collaborations, including the work scope and requirement, communication mechanism and collaboration objectives.
- ***Intellectual Property***. Generally, each party retains ownership of the intellectual property arising from its respective scope of work. The ownership of technological achievements and resulting intellectual property jointly developed by both parties, as well as the distribution of rights, shall be determined through a separate agreement between the parties. As of the Latest Practicable Date, we had not entered into any separate intellectual property agreement for our R&D collaborations. For the two R&D collaborations completed as mentioned in the above table, given their relatively short-term and exploratory nature, no specific R&D deliverables were generated. For certain R&D collaborations that subsequently developed into satellite orders, the relevant intellectual property arrangements were provided for under the corresponding satellite sales agreements. See "— Salient Terms of Agreements with Customers — Satellite Sales Agreements." For the remaining R&D collaborations that were ongoing as of the Latest Practicable Date, no specific R&D deliverables had been generated yet.
- ***Confidentiality***. All confidential information provided by either party shall generally not be disclosed to any third party without prior written consent.

In February 2024, we entered into a R&D framework agreement with a third-party technology service provider for its R&D services of space AI computing modules. Such R&D services do not constitute satellite R&D activities, but relate only to a module of a computing payload to be deployed on the satellite. As of the Latest Practicable Date, the cooperation was concluded following full performance of the parties' respective obligations. The salient terms of this outsourced R&D agreement are set forth below:

- ***Rights and Responsibilities***. We agree to procure AI computing module development services from our technology service provider. In particular, the procurement covers low-power computing modules and related supporting services designed for operation in the space environment.

  We are responsible for timely payment of the service fees. If we fail to make the payments as agreed, the technology service provider has the right to suspend services until the fees are settled. The technology service provider is obliged to accept our feedback and oversight, promptly informing us of any significant issues. Furthermore, the technology service provider must deliver quality after-sales service and support, and assist us in addressing customer complaints concerning the AI computing modules and related software.

- ***Intellectual property***. All R&D results delivered by the service provider under the agreement, which primarily include related technical documentation and test reports, shall be jointly owned by both parties. Each party shall be perpetually entitled to independently use the R&D results within Chinese mainland, including applying the relevant technology to satellites launched from within Chinese mainland and any satellites incorporating such R&D results may provide services only to our customers located within the Chinese mainland. Such right shall survive the termination or expiry of the agreement. Neither party shall transfer, pledge or grant an exclusive licence to any third party in respect of the R&D results without the prior written consent of the other party. The service provider may grant non-exclusive licences to third parties to use the R&D results, provided that both parties to this agreement shall negotiate and agree on the allocation of any revenue arising therefrom.

- ***Termination***. The agreement may be terminated (i) by mutual consent, (ii) in the event of a material breach by either party, or (iii) if, following a written reminder, either party fails or refuses to fulfil its contractual obligations without a reasonable excuse within ten days.

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

## LOGISTICS AND INVENTORY MANAGEMENT

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

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

## MARKETING AND SALES

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

### Pricing

For satellites and related services, we generally determine our prices with reference to the specifications of each satellite, including its weight, functionality, computing power and data transmission capability, as well as the applicable launch service fees, TT&C requirements and delivery schedule. For satellite-based solutions, our prices are determined mainly with reference to the scope of work and delivery timeline, the complexity of the solution, software and hardware requirements, the satellite data or computing resources involved, implementation requirements and comparable market prices. For other services, our prices are determined based on the relevant service scope or software and hardware procurement arrangements, as agreed with customers on a project-by-project basis. For revenue recognition policy of each business line, see Note 2.1.5 of Appendix I to this prospectus.

### After-Sales and Warranty

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

## OUR CUSTOMERS

We primarily sell our products and solutions to customers in the PRC across sectors such as aerospace, AI, electronic products and software development and digital cultural applications. Our customers primarily include technology companies, government agencies, research institutions, communications service providers and universities. Revenue from our five largest customers in each year/period during the Track Record Period amounted to RMB284.5 million, RMB428.8 million, RMB547.9 million and RMB205.9 million, respectively, accounting for 56.1%, 77.5%, 78.0% and 91.1% of our total revenue for the respective year/period. Revenue from our largest customer in each year/period during the Track Record Period amounted to RMB109.1 million, RMB173.3 million, RMB185.2 million and RMB81.3 million, respectively, accounting for 21.5%, 31.3%, 26.4% and 35.9% of our total revenue for the respective year/period. See "Risk Factors — Risks Relating to Our Business and Industry — We relied on a limited number of customers during the Track Record Period, which exposes us to customer concentration risks."

The tables below set forth the basic information of our five largest customers in each year/period during the Track Record Period:

***Year ended December 31, 2023***

| Customers | Background | Products provided | Revenue | % of total revenue | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Customer A . . | A public company located in Beijing, China and listed on the Shenzhen Stock Exchange, primarily engaging in digital cultural creativity, content production and technical services. | Satellite-based solutions | 109,087 | 21.5% | 2023 | Within 12 months after inspection and acceptance of the satellite-based solutions | Bank transfer |

| Customers | Background | Products provided | Revenue | % of total revenue | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Customer B . . | A state-owned company located in Sichuan, China, primarily engaging in the survey and design of construction engineering. | Satellite-based solutions | 66,745 | 13.2% | 2023 | Within eight months after inspection and acceptance of the satellite-based solutions, and receipt of invoice | Bank transfer |
| Customer C . . | A limited liability company located in Hubei, China, primarily engaging in providing smart city solutions through big data, AI large model, space information, digital twin technologies and cloud computing. | Satellite-based solutions | 38,379 | 7.6% | 2021 | Within 30 days after receiving the invoice or within 210 days upon the acceptance of our satellite-based solutions | Bank transfer |
| Customer D . . | A state-owned company located in Sichuan, China, primarily engaging in gas production and supply. | Satellite-based solutions | 35,575 | 7.0% | 2023 | N/A | Bank transfer |
| Company E . . | A limited liability company located in Guangdong, China, primarily engaging in the R&D and sales of electronic products, satellite communication products and computer software. | Satellites and related services and satellite-based solutions | 34,707 | 6.8% | 2022 | N/A or before January 31, 2024 | Bank transfer |
| **Total**. . . . . | | | **284,493** | **56.1%** | | | |

***Year ended December 31, 2024***

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

| Customers | Background | Products provided | Revenue | % of total revenue | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Customer H . . . | A state-owned company located in Sichuan, China, primarily engaging in the software and IT services. | Satellite-based solutions | 65,289 | 11.8% | 2023 | Within 60 business days after inspection and acceptance of the satellite-based solutions, and receipt of invoice | Bank transfer |
| Customer I . . . | A state-owned company located in Sichuan, China, primarily engaging in the R&D and promotion of technologies. | Satellite-based solutions | 61,948 | 11.2% | 2024 | One year after the inspection and acceptance of the satellite-based solutions | Bank transfer |
| Company J . . . | A limited liability company located in Shanghai, China, primarily engaging in laser communication solutions. | Satellites and related services | 35,437 | 6.4% | 2023 | Within 11 months after receiving the invoice | Bank transfer |
| **Total** . . . . . | | | **428,808** | **77.5%** | | | |

***Year ended December 31, 2025***

| Customers | Background | Products provided | Revenue | % of total revenue | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Customer K . . | A limited liability company located in Sichuan, China, primarily engaging in the application of AI technology. | Satellite-based solutions | 185,213 | 26.4% | 2025 | Within nine months after inspection and acceptance of solutions | Bank transfer |
| Company L . . | A state-owned company located in Sichuan, China, primarily engaging in the scientific and technological promotion and application services. | Satellites and related services | 120,045 | 17.1% | 2024 | Before December 31, 2026 | Bank transfer |
| Customer M . . | A limited liability company located in Guangdong, China, primarily engaging in big data infrastructure development and related digital technology services. | Satellite-based solutions | 96,826 | 13.8% | 2024 | Payment by installment with final payment to be made within 90 days upon customer acceptance | Bank transfer |

| Customers | Background | Products provided | Revenue | % of total revenue | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Customer N | A state-owned enterprise located in Anhui, China, primarily engaging in the development and application of artificial intelligence technologies and the technology promotion services. | Satellite-based solutions | 92,208 | 13.1% | 2025 | Payment by installment with final payment to be made within six months upon customer acceptance | Bank transfer |
| Customer O | A state R&D institution located in Zhejiang, China, focusing on the R&D of intelligent computing. | Satellites and related services | 53,612 | 7.6% | 2024 | Payment by installment with final payment to be made within 15 days after final inspection of the satellite | Bank transfer |
| **Total** | | | **547,905** | **78.0%** | | | |

***Six months ended June 30, 2026***

| Customers | Background | Products provided | Revenue | % of total revenue | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Customer N | See above. | Satellite-based solutions | 81,251 | 35.9% | 2025 | Payment by installment with final payment to be made within six months upon customer acceptance | Bank transfer |
| Customer P | A limited liability company located in Jiangsu, China, primarily engaging in satellite application and artificial intelligence-related technology services. | Satellites and related services | 44,248 | 19.6% | 2025 | Payment by installment with each payment to be made within seven business days after each agreed milestones | Bank transfer |
| Customer Q | A limited liability company located in Guangdong, China, primarily engaging in cloud computing, data processing and related technology services. | Satellites and related services | 31,858 | 14.1% | 2026 | Payment by installment with each payment to be made within 15 days after receipt of invoice | Bank transfer |

| Customers | Background | Products provided | Revenue | % of total revenue | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Customer R . . | A limited liability company located in Chongqing, China, primarily engaging in spatial intelligence and related digital technology solutions. | Satellites and related services | 30,000 | 13.3% | 2026 | Payment by installment with each payment to be made within seven business days after each agreed milestones | Bank transfer |
| Customer M . . | See above. | Satellites and related services | 18,584 | 8.2% | 2024 | Payment by installment with final payment to be made within 90 days upon customer acceptance | Bank transfer |
| **Total**. . . . . | | | **205,941** | **91.1%** | | | |

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.

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

| | Year ended December 31, | | | | | | Six months ended June 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | Number of customers[1] | Customer retention rate[2] | Number of customers[1] | Customer retention rate[2] | Number of customers[1] | Customer retention rate[2] | Number of customers[1] | Customer retention rate[2] |
| Satellites and related services[3] . . . . . | 2 | – | 8 | 50.0% | 14 | 12.5% | 16 | 7.1% |
| Satellite-based solutions[4] . | 48 | 20.0% | 17 | 6.2% | 19 | 5.9% | 4 | 5.3% |

*Notes:*

(1) The customer number is calculated as the sum of retained customers from the previous period and new customers from contracts engaged in the current period.

(2) Customer retention rate is calculated by dividing the number of customers retained from the previous period by the total customer number in the previous period.

(3) The number of customers for our satellites and related services increased during the Track Record Period, primarily as a result of the technological upgrade and commercialization of our AI computing satellites, which enabled us to expand and scale our cooperation with a broader range of customers. The customer retention rate of our satellites and related services decreased from 50.0% in 2024 to 12.5% in 2025 and was 7.1% in the six months ended June 30, 2026, primarily reflecting the procurement pattern of the satellite industry rather than any deterioration in our customer relationships. Satellites are long-cycle, high-value and mission-specific infrastructure assets and, unlike consumable products or subscription services, are not purchased at frequent or regular intervals. Customer procurement is generally driven by constellation construction, expansion or replenishment plans and is subject to project approvals, budget cycles, technical specifications and launch schedules. In addition, our contracts typically cover multiple development and delivery stages over an extended period and, as our satellite capabilities matured and customer relationships deepened, customers increasingly shifted from procuring a single satellite to procuring multiple satellites at a time under one project. A customer may therefore remain actively engaged with us throughout the project lifecycle without placing a new order in each subsequent year, while a larger multi-satellite procurement may also lengthen the interval before its next procurement.

(4) The decrease in the number of customers for our satellite-based solutions primarily reflected our strategic shift from undertaking a larger number of smaller projects to concentrating our resources on fewer, higher-value and more technically complex projects for key customers. The customer retention rates during the Track Record Period primarily reflected the project-based procurement model of this business line. Each project typically spans one to two years, and customer procurement generally arises only when the customer initiates a new project, which is not expected on a regular annual basis.

## Salient Terms of Agreements with Customers

*Satellite Sales Agreement*

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

- *Duration*. The deployment of the satellite in space is expected to occur within two years from the date of signing. The parties may mutually agree to extend the term if necessary.

- *Rights and Responsibilities*. We are responsible for the R&D, production and deployment of the satellite(s) in accordance with the specifications and standards agreed by the parties. Depending on the contract, we are responsible for obtaining the required regulatory approvals for launching the satellite into orbit and we or the customer may be responsible for engaging third-party service providers for the launch into the satellite.

- *Transfer of Risk*. Risks are generally transferred to the customer upon on-orbit delivery, or, in some cases, upon the date the satellite passes the factory review. In the latter case, to facilitate the satellite launch, we typically assume responsibility for the satellite's custody from the factory review date until the launch, during which the customer retains control of the satellite. If the satellite is damaged due to our fault during this custody period, we shall compensate the customer.

- *Price and Payment*. We generally charge a fixed total price for the contract. The customer shall make payments in installment according to the agreed-upon milestones. Customers typically make an initial proportion of the total contract value payable upon signing the contract, followed by subsequent installments tied to the achievement of key milestones, including technical validation at the ground-level acceptance stage and final in-orbit acceptance testing. The remaining balance is paid upon full satisfaction of contractual obligations. Revenue from sales of satellites is recognized upon the transfer of control, typically at the completion of production and/or upon on-orbit delivery.

- *Warranty*. The warranty period generally lasts for one to five years after in-orbit delivery.

- *Intellectual Property*. Each party shall retain the intellectual property rights with respect to the technologies or components that they contribute to the R&D, production and deployment of the satellite.

*Finance Lease Agreement*

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

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

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

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

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

- *Delivery*. The finance lease companies lease the satellites to the customer and authorize us to deliver the satellites directly to the customer. The customer is entitled to inspect the satellites prior to acceptance and provides written notices to the finance lease companies upon acceptance.

- *Ownership*. Ownership of the satellites transfers to the finance lease companies upon the customer's inspection and written acceptance.

- *Risk allocation*. All risks of loss or damage to the satellites remain with us until delivery is completed. Upon the customer's written acceptance of the satellites, such risks transfer to and are borne solely by the customer.

*TT&C Service Agreement*

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

- *Cooperation*. We are responsible for providing satellite TT&C services for customers free of charge during the satellite's in-orbit period.

- *Satellite Data and Intellectual Property*. In consideration, we are entitled to joint satellite data rights with our customers. We have the sole discretion to use, license or sell the satellite data, and any resulting income will be exclusively owned by us. All results and intellectual property arising from the development of satellite data will also be solely owned by us.

*Satellite-based Solution Provision Agreement*

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

- *Duration*. The duration of the contract is typically two years and is renewable upon mutual agreement.

- *Intellectual Property*. We generally retain all intellectual property rights in any work product, materials or deliverables that we create or develop in the course of providing services to our customers. We generally grant our customers non-exclusive licenses to use such intellectual property for the duration of the contract and solely for the purpose of receiving the services.

- *Warranty*. We generally provide a warranty period of one to three years during which we provide technological troubleshooting, customer service and maintenance services.

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

## OUR SUPPLIERS

Our suppliers primarily comprise (i) software and hardware providers for satellite-based solutions, (ii) satellite material providers for satellite production, and (iii) launch service providers. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB213.3 million, RMB301.6 million, RMB473.6 million and RMB219.6 million, respectively, representing 43.1%, 70.6%, 58.3% and 46.9% of our total purchases for the respective year/period, respectively. Purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB93.1 million, RMB148.8 million, RMB166.2 million and RMB84.3 million, respectively, representing 18.8%, 34.8%, 20.4% and 18.0% of our total purchases for the respective year/period, respectively. See "Risk Factors — Risks Relating to Our Business and Industry — We relied on a limited number of suppliers during the Track Record Period, which exposes us to supplier concentration risks."

The tables below set forth the basic information of our five largest suppliers in each year/period during the Track Record Period:

***Year ended December 31, 2023***

| Suppliers | Background | Products/ services purchased | Purchase amount | % of total purchases | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Supplier A . . | A limited liability company located in Guangdong, China, primarily engaging in the R&D of AI platforms. | Hardware | 93,140 | 18.8% | 2023 | Within ten business days after inspection and acceptance of the hardware, and receipt of invoice | Bank transfer |
| Supplier B . . | A limited liability company located in Sichuan, China, primarily engaging in the consulting, development, implementation, operation and maintenance services of information systems. | Software and hardware | 55,590 | 11.2% | 2023 | Within 15 business days after inspection and acceptance of the software and hardware, and receipt of invoice | Note settlement and bank transfer |
| Supplier C . . | A limited liability company located in Sichuan, China, primarily engaging in digital economy big data platform operation and AI computing center construction. | Software and hardware | 25,003 | 5.1% | 2023 | Within ten business days after delivery, inspection and acceptance of the software and hardware, and receipt of invoice | Bank transfer |
| Supplier D . . | A limited liability company located in Sichuan, China, primarily engaging in engineering and technology research and development. | Hardware | 20,338 | 4.1% | 2023 | Payment by installment with final payment within 90 days after inspection and acceptance | Bank transfer |
| Supplier E . . | A limited liability company located in Guangdong, China, primarily engaging in the software development and information technology services. | Software and service | 19,253 | 3.9% | 2022 | Payment by installment with final payment after inspection and acceptance | Bank transfer |
| **Total** . . . . . | | | **213,324** | **43.1%** | | | |

***Year ended December 31, 2024***

| Suppliers | Background | Products/ services purchased | Purchase amount | % of total purchases | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Supplier F . . | A limited liability company located in Chongqing, China, primarily engaging in R&D and promotion of technologies. | Software and hardware | 148,829 | 34.8% | 2024 | Within five business days after final inspection and acceptance of the software and hardware, and receipt of invoice | Bank transfer |
| Supplier G . . | A state-owned company located in Guangdong, China, primarily engaging in the cloud computing equipment manufacturing and technical services. | Software and hardware | 49,558 | 11.6% | 2024 | One year after the inspection and acceptance of the software and hardware | Bank transfer |
| Supplier H . . | A limited liability company located in Sichuan, China, primarily engaging in AI computing infrastructure and solutions. | R&D services | 46,887 | 11.0% | 2024 | Within ten days after the signing of the agreement of the R&D services | Bank transfer |
| Supplier I . . | A state-owned company located in Beijing, China, primarily engaging in commercial spacecraft launch services. | Rocket launch service | 32,750 | 7.7% | 2023 | Within ten days upon agreed milestones of the software and hardware | Bank transfer |
| Supplier J . . | A limited liability company located in Jiangsu, China, primarily engaging in the provision of intelligent manufacturing equipment and industrial internet solutions. | Software services / Computing cluster | 23,585 | 5.5% | 2024 | Payment by installment with final payment within 30 working days after final acceptance of all development services | Bank transfer |
| **Total** . . . . . | | | **301,609** | **70.6%** | | | |

***Year ended December 31, 2025***

| Suppliers | Background | Products/ services purchased | Purchase amount | % of total purchases | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Supplier K . . | A limited liability company located in Guangdong, China primarily engaging in AI-related R&D and service. | Software and hardware | 166,221 | 20.4% | 2025 | Within five days to three months upon agreed milestones of the service | Bank transfer |

| Suppliers | Background | Products/ services purchased | Purchase amount | % of total purchases | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Supplier L . . | A SOE headquartered in Shanghai, China, primarily engaging in commercial spacecraft launch services and commercial spacecraft R&D. | Rocket launch service | 112,000 | 13.8% | 2024 | Within ten days upon agreed milestones of the service | Bank transfer |
| Supplier M . . | A state-owned company located in Sichuan, China, primarily engaging in AI system. | Software and hardware | 79,386 | 9.8% | 2024 | Within seven to ten days upon agreed milestones of the service and software | Bank transfer |
| Supplier N . . | A limited liability company located in Jiangsu, China, primarily engaging in AI algorithm and IoT application services. | Software and hardware | 72,009 | 8.9% | 2024 | Within five days or six months upon the agreed milestone of the service and software | Bank transfer |
| Company L. . | A state-owned company located in Sichuan, China, primarily engaging in the scientific and technological promotion and application services. | Property leasing | 44,000 | 5.4% | 2024 | Prepayment of rent prior to the commencement of each subsequent year after initial payment | Bank transfer |
| **Total** . . . . . | | | **473,615** | **58.3%** | | | |

***Six months ended June 30, 2026***

| Suppliers | Background | Products/ services purchased | Purchase amount | % of total purchases | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Supplier H . . | See above. | Computing module and R&D services | 84,289 | 18.0% | 2024 | Within ten days after the signing of the agreement | Bank transfer |
| Supplier O . . | A limited liability company located in Guangdong, China, primarily engaged in AI application software development and information system integration. | Application software | 36,053 | 7.7% | 2026 | Payment by installment with final payment within 30 days after receiving invoice | Bank transfer |
| Supplier P . . | A limited liability company located in Beijing, China, primarily engaging in AI computing infrastructure, data analytics, and software development. | Computing cluster | 34,513 | 7.4% | 2025 | Payment by installment with final payment within 10 days after receiving invoice | Bank transfer |

| Suppliers | Background | Products/ services purchased | Purchase amount | % of total purchases | Year of commencement of business relationship | Credit terms | Payment method |
|---|---|---|---|---|---|---|---|
| | | | *(RMB'000)* | | | | |
| Supplier J . . | See above. | Software services/ Computing cluster | 33,894 | 7.2% | 2024 | Within seven business days after delivery and preliminary acceptance, and within 30 working days after final acceptance of all development services | Bank transfer |
| Supplier Q . . | A limited liability company located in Guangdong, China, primarily engaging in information technology services, software development, technology consulting and the provision of related technical support services. | Servers and software | 30,895 | 6.6% | 2025 | Within seven business days upon agreed contractual milestones and receipt of the corresponding invoice | Bank transfer |
| **Total** . . . . | | | **219,644** | **46.9%** | | | |

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.

## Procurement

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

### *Selection and Engagement of Suppliers*

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

### *Salient Terms of Agreements with Suppliers*

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

- *Product Specifications*. We specify the product name, specification, price, quantity and other detailed items.

- *Payment and Delivery*. We are responsible for timely payment to suppliers according to the agreement, who are responsible for the delivery of products to our designated location.

- *Quality Control*. We inspect the products upon receipt and have the right to reject and return any products that do not meet our requirements, or to request free product replacement or maintenance at the expense of the suppliers. The suppliers generally offer a warranty period ranging from 12 to 36 months.

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

***Launch Service***

We engage launch service providers to launch the satellites into space. We design and manufacture satellites for our customers and, as part of the overall project delivery, are responsible for organizing and managing launch services through a competitive bidding or commercial selection process. Consistent with industry practice, reliance on third-party launch service providers is inherent and inevitable for satellite industry participants that do not operate proprietary launch vehicles. We primarily deploy our satellites through dedicated launch missions, under which we procure the entire launch vehicle capacity for our exclusive use, supplemented by rideshare launch opportunities in which our satellites are launched alongside satellites of other launch customers.

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

- *Payments*. The payment for the launch cost shall be made in several instalments by milestone.

- *Risks*. The launch service providers are responsible for risks of the satellite associated with the transportation, assembly and other preparations of the rocket before ignition. We shall be liable for any risks of the satellite associated with the ignition, lift-off and launch of the rocket and the separation of the satellite from the rocket. We may purchase launch insurances to safeguard against any potential launch failures considering the value of the satellites to be launched and the insurance premium costs, among other factors. See "— Insurance."

- *Liability*. The launch service providers are generally responsible for any delays in providing launch services, subject to certain conditions. We are generally responsible for delays in payments for the launch cost.

- *Confidentiality*. All confidential information provided by either party shall be used solely for cooperation purposes pursuant to the agreements and shall not be disclosed to any third party without prior written consent.

In 2026, we entered into a strategic framework agreement with a launch service provider to secure launch resources for our satellite launch plan through 2028. Below sets forth the salient terms of the framework agreement:

- ***Duration and termination***. The agreement has a term of two years. Either party may terminate the framework agreement if the intellectual achievements provided or developed by the other party infringe third-party intellectual property rights.

- ***Cooperation scope***. The launch service provider will provide launch services for our satellites. Subject to comparable key commercial and technical terms, including pricing, delivery schedule and technical specifications, we will consider the launch service provider as our preferred provider for relevant launch missions. If the launch service provider is unable to meet our launch requirements, we may engage other qualified launch service providers.

- ***Strategic placing arrangement***. Subject to applicable regulatory requirements and equal terms, the launch service provider will give priority to selecting us as a strategic satellite placing party, with the detailed arrangements to be agreed separately.

- ***Launch fee***. For specific launch missions ordered by us, the per-kilogram launch service fee shall not exceed the lowest effective quotation offered by the launch service provider to other new commercial customers during the same 30-calendar-day period.

- ***Confidentiality***. The agreement, its terms and related discussions and negotiations are confidential and may not be disclosed to any third party without prior written consent.

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

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

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

In January 2026, a rocket carrying two of our experimental satellites experienced a launch failure. The launch failure was attributable to a technical defect in the third-party launch vehicle, and not to any defect in our satellites. Following a technical close-out review completed by the launch service provider, the failure was traced to insufficient design margin in the engine throat liner support structure, which led to liner displacement, thermal damage and nozzle failure. The satellites comprised (i) one experimental 3D-printed satellite to be sold to a customer, with a cost of approximately RMB2.4 million and a contract value of approximately RMB2.5 million, and (ii) one experimental satellite for our internal R&D testing purposes, with a cost of approximately RMB6.0 million. Given the experimental nature of the satellites, the relatively limited contract value and the budget requirements of the project, the launch was conducted using a maiden launch vehicle with a launch fee of approximately RMB0.2 million. According to Frost & Sullivan, in line with industry practice, for maiden launch vehicles, insurance coverage is typically unavailable and the launch service provider generally does not assume compensation liability for launch failure. As a result, the loss of the two satellites was not covered by insurance. We therefore bore the satellite loss. However, we did not record any launch cost because the relevant launch service provider did not satisfy its contractual performance. Following the launch failure, we reached an agreement with our customer to manufacture a replacement satellite and provide the related design and development, launch coordination, in-orbit verification, frequency application and TT&C services, with the relevant products and services to be completed and accepted by the customer by March 2027. The total manufacturing cost of the replacement satellite is estimated to be approximately RMB2.4 million, which is to be fully borne by us. Except for the foregoing, we do not expect any foregoing losses associated with such incident.

As (i) both satellites were experimental in nature and the launch was conducted as a joint experimental verification, and the launch failure was not attributable to any satellite design defect on our part, (ii) the costs and contract value of the satellites involved were relatively limited, and (iii) the incident did not lead to any customer order cancellations or loss of customers, our Directors are of the view that this incident will not have a material adverse impact on our customer relationship, business, financial condition or results of operations. Given the isolated nature of this incident, which represented the only launch failure experienced by us during the Track Record Period and up to the Latest Practicable Date, and taking into account the overall orbital launch success rate in China, which exceeded approximately 95% since 2022 and reached 96% in 2025 and 93% in the six months ended June 30, 2026 as advised by Frost & Sullivan, we do not believe that launch failures of this nature constitute a systemic impediment to the execution of satellite launch programs. Accordingly, such incidents are not expected to materially and adversely affect the

feasibility, timing or commercial viability of our planned satellite deployment between 2026 and 2028. See "— Sustainability — Path to Profitability — Advancing AI Satellite Technology and Full Value Chain Integration to Expand Customer Base and Increase Order Value — Satellite and Related Services."

While the risk of launch delays or failures cannot be entirely eliminated, we have enhanced our internal control measures to mitigate such incidents and potential losses going forward. These measures include structured launch procurement, project execution and customer communication processes, including the following:

- *Launch service provider selection*. During the early stages of customer engagement, we work closely with customers to understand their expectations with respect to launch arrangements, which typically involve multiple considerations such as budget, launch vehicle performance, mission compatibility and schedule requirements. Based on such expectations, we conduct bona fide commercial selection or bidding processes, subject to customer consent, to identify suitable launch service providers. In doing so, we generally prioritize providers with established launch records and relatively mature technologies, taking into account overall mission requirements and risk profiles, including the maturity of the relevant launch vehicle, the provider's launch track record, payload compatibility, launch schedule certainty, pricing and contractual risk allocation. Following the launch failure in January 2026, we have further emphasized the use of qualified launch service providers and launch vehicles with established launch records and relatively mature technologies for customer-delivery and commercial constellation missions, and will exercise greater prudence in considering the use of maiden-flight launch vehicles for such missions. We believe such selection criteria are commercially practicable given the growing depth and maturity of the PRC commercial launch services market. As advised by Frost & Sullivan, as of June 30, 2026, there were approximately 50 registered commercial launch services providers in China. As of June 30, 2026, China conducted a total of 775 orbital launches, with a success rate of approximately 95%, according to Frost & Sullivan.

- *Proactive coordination with regulatory authorities and launch service providers*. We maintain ongoing communication with launch service providers and relevant regulatory authorities regarding potential launch windows, regulatory approvals and ride-share arrangements, which allows us to identify potential scheduling issues at an early stage and adjust project planning where appropriate.

- *Advance project execution arrangements and purchase of launch insurance*. We structure project timelines, milestones and internal execution plans with appropriate lead times and buffer periods to accommodate potential launch-related uncertainties. Such arrangements are designed to reduce the likelihood that minor schedule changes will materially disrupt overall project delivery. In addition, we will maintain close communication with customers to assess the potential risks relating to launch activities and purchase launch insurance according to customers' requirements.

- *Transparent customer communication and contingency arrangements*. We maintain open and transparent communication with customers regarding launch-related risks and potential impacts on delivery schedules. Where launch delays or failures occur, we work with customers to implement agreed contingency solutions in accordance with contractual arrangements, including revised delivery timelines or replacement production where applicable.

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

## OVERLAPPING OF CUSTOMERS AND SUPPLIERS

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

During the Track Record Period, we provided satellites and related services and satellite-based solutions to Company E, satellites and related services to Company J and satellite and related services to Company L. Our aggregate sales to Company E, Company J and Company L amounted to RMB34.7 million, RMB36.3 million, RMB120.9 million and RMB0.2 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 6.8%, 6.6%, 17.2% and 0.1% of our total revenue for the same periods, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2026, the gross profit margin for sales to Company E, J and L was 34.0%, 31.7%, 4.7% and 65.3%, respectively.

We purchased software services from Company E for solution development, purchased satellite-borne laser communication terminals from Company J and leased properties from Company L for exhibition hall and office purposes, during the Track Record Period. Our aggregate purchases from Company E, Company J and Company L amounted to RMB19.3 million, RMB20.1 million, RMB44.0 million and RMB0.1 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, representing 3.9%, 4.7%, 5.4% and 0.01% of our total purchases for the respective year/period, respectively.

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

## SUSTAINABILITY

### Overview

We mainly operate two business lines. Our satellite and related services business focuses on the design, manufacturing, launch coordination with third-party launch service providers and post-launch TT&C services of satellites. Our satellite-based solutions business focuses on transforming satellite data into practical solutions for customers across a wide range of application scenarios. Benefiting from supportive national policies, continued advancements in aerospace technologies, our sustained investment in the development of AI satellite technologies, customers' increasing recognition of our products and technologies, as well as growing market demand for satellite-enabled applications, our revenue increased steadily from RMB507.5 million in 2023 to RMB553.5 million in 2024 and further to RMB702.7 million in 2025. Our revenue amounted to RMB241.3 million in the six months ended June 30, 2025 and RMB226.1 million in the six months ended June 30, 2026, primarily because our satellite launches and deliveries are scheduled in the fourth quarter of 2026.

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

### Analysis on Historical Losses

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

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands, except for percentages)* | | | *(Unaudited)* | |
| **Revenue** | | | | | |
| Satellite-based solutions | 460,328 | 440,947 | 443,778 | 118,086 | 94,183 |
| Satellite and related services | 3,221 | 90,971 | 256,674 | 122,144 | 130,622 |
| Other services | 43,992 | 21,555 | 2,251 | 1,092 | 1,305 |
| **Gross Profit/(Loss)** | | | | | |
| Satellite-based solutions | 56,896 | 197,343 | 107,282 | 31,912 | 18,293 |
| Satellite and related services | (3,450) | 11,321 | 35,159 | (8,042) | 69,569 |
| Other services | 17,619 | 1,510 | 732 | 411 | 1,011 |
| **Gross Profit/(Loss) Margin (%)** | | | | | |
| Satellite-based solutions (%) | 12.4 | 44.8 | 24.2 | 27.0 | 19.4 |
| Satellite and related services (%) | (107.1) | 12.4 | 13.7 | (6.6) | 53.3 |
| Other services (%) | 40.1 | 7.0 | 32.5 | 37.6 | 77.5 |
| **Loss for the periods** | (139,300) | (177,173) | (255,945) | (192,028) | (150,756) |
| **Adjusted net loss (non-IFRS measure)** | (90,690) | (69,047) | (156,597) | (144,154) | (65,297) |

Our loss-making position is primarily as a result of (i) our relatively high research and development expenses associated with our early-stage technological advancements, (ii) the gross profit margin fluctuations primarily related to satellite-based solutions, and (iii) the relatively high general and administrative expenses mainly including share-based payments aimed at incentivizing key employees, the details of which are discussed below.

- ***Investment in R&D***. We recognize that technological capabilities are fundamental to the development and sustainability of our business. As such, we have consistently prioritized R&D to enhance our core technological capabilities and deliver advanced solutions that meet customer needs and align with evolving market trends. In the initial phase of our development, we successfully launched conventional remote sensing satellites and AI application satellites, providing us with space-based data source to train and develop relevant algorithms that underpinned the foundation for our satellite-based solutions. In the subsequent phase, we successfully developed AI computing satellites. Our commitment to R&D has resulted in a steady increase in research and development expenses during the Track Record Period, which are critical to maintaining our technological competitiveness and ensuring long-term growth. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses amounted to RMB53.5 million, RMB142.0 million, RMB151.7 million, RMB97.7 million and RMB108.6 million, respectively, representing 10.5%, 25.7%, 21.6%, 40.5% and 48.0% of total revenue in the same respective periods.

- ***General and Administrative Expenses***. We have incurred considerable general and administrative expenses during the Track Record Period, primarily attributable to (i) the share-based payments aimed at driving performance and aligning the interests of key personnel with the long-term growth of the business, (ii) the depreciation of charges of property, plant and equipment related our headquarters acquired in 2024 and (iii) the listing expenses incurred in 2024 and 2025, all of which were necessary to support the continued growth of our business and enhance our satellite AIT capabilities. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our general and administrative expenses amounted to RMB131.2 million, RMB174.4 million, RMB172.2 million, RMB74.8 million and RMB136.4 million, respectively, representing 25.9%, 31.5%, 24.5%, 31.0% and 60.3% of our total revenue in the same respective periods.

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

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

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

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

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

**Path to Profitability**

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

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

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

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

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

*Satellite and Related Services*

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

During the Track Record Period, we laid a solid foundation in satellite manufacturing and delivery. Number of customers increased from two in 2023 to eight in 2024 and further to 14 in 2025 and 16 in the six months ended June 30, 2026. We secured three, five, nine and five new contracts for four, 21, 17 and 39 satellites in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively, with corresponding contract values of RMB44.4 million, RMB390.7 million, RMB709.3 million and RMB1,223.3 million. Subsequent to the Track Record Period and up to the Latest Practicable Date, we secured additional customer orders for 51 AI satellites, with a total contract value of RMB1,596.0 million. As of the Latest Practicable Date, we had secured customer orders for 114 AI satellites pending delivery, with a total contract value of RMB3,475.0 million.

Based on the launch schedule, we delivered nil, six, 12 and nil satellites in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. In 2023, the launches of satellites XSD-18, XSD-19 and XSD-20, which were scheduled under the agreement with the launch service provider to take place between November 2023 and January 2024, were postponed to February 2024 due to launch site schedule and adverse weather conditions, including high-altitude winds which rendered the launch site unsuitable for safe launch. As a result, we only launched one satellite, XSD-16, in 2023 for R&D purposes. See "Financial Information — Major Factors Affecting Our Results of Operations — Company-specific Factors — Our Ability to Manage Sales, Delivery and Acceptance Cycle for Our Satellites." In 2024, we delivered six satellites, all of which were AI satellites. In addition, our AI computing satellite had been technically validated to support the in-orbit operation of large-scale AI models in the same year. On May 14, 2025, we successfully launched the world's first AI computing satellite constellation comprising 12 AI computing satellites, according to Frost & Sullivan, marking our first step in developing AI computing satellite constellations to build an integrated space-ground AI infrastructure. On October 14, 2026, we successfully launched our second AI computing constellation comprising eight AI computing satellites which are expected to validate key technologies in orbit, including high-power liquid cooling systems, large deployable radiative cooling wing, a global laser communication network and the in-orbit training of foundational AI models.

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

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026[4] |
| **Number of satellites delivered** | **–** | **6** | **12** | **10** | **–** |
| Number of AI application satellites delivered | – | 2 | – | – | – |
| Number of AI computing satellites delivered | – | 4 | 12 | 10 | – |
| Average selling prices of satellites delivered[1][3] *(RMB in thousand)* | – | 15,466.7 | 18,733.5 | 12,004.5 | – |
| Average costs of satellites delivered[2][3] *(RMB in thousand)* | – | 14,155.0 | 17,305.9 | 11,542.3 | – |

*Notes:*

(1) The average selling prices of satellites delivered increased from RMB15.5 million in 2024 to RMB18.7 million in 2025, primarily due to a change of satellite mix, as all 12 satellites delivered in 2025 were AI computing satellites, which generally command higher unit prices due to their enhanced onboard computing capabilities.

(2) Average costs of satellites delivered primarily include the launch costs and raw material costs. The average costs of satellites delivered increased from RMB14.2 million in 2024 to RMB17.3 million in 2025, primarily due to the higher manufacturing cost of AI computing satellites as compared to AI application satellites, as well as the enhanced computing capacity of the AI computing satellites delivered in 2025 relative to those delivered in 2024.

(3) The average selling price and manufacturing cost of satellites are calculated based on the number of satellites successfully delivered during the relevant period, together with the corresponding revenue and costs attributable to those satellites. However, as the recognition of such revenue and costs is milestone-based, involving satellite completion, launch and delivery, which may span across years/periods, the relevant revenue and costs may not be fully reflected in our profit or loss for a single year/period.

(4) All satellite launches in 2026 are scheduled in the second half of the year.

We plan to launch the first batch of 100 satellites under the Star-Compute Project by 2028. Specifically, we have launched 12 satellites in May 2025 and eight satellites in October 2026. Subject to NDRC's approval, customer orders and launch schedule, we expect to develop an additional 16 satellites in the remainder of 2026 and 36 and 60 satellites in 2027 and 2028, respectively. As the computing capacity of our AI computing satellites continues to improve, the average selling price per satellite is estimated at approximately RMB30.4 million, based on (i) the average satellite pricing of the current orders on hand as of the Latest Practicable Date, (ii) the industry average quote for launching price and (iii) the industry average production cost, according to Frost & Sullivan. We set out below a summary of the execution plan for the first batch of 100 AI satellites:

- ***Global satellite frequency spectrum and orbit resources***. As of the Latest Practicable Date, the orbits and spectrum of the 3,157 satellites, including 2,800 AI computing satellites to support the Star-Compute Project, had been officially approved and announced by the ITU. See "Industry Overview — The Satellite Industry in China — Entry Barriers of the Satellite Industry in China."

- ***NDRC approval***. All satellite developments are required to obtain approval from the NDRC. The NDRC typically takes into account several factors, including (i) the technical feasibility and maturity of the proposed satellite project; (ii) the applicant's technical capability and resources; and (iii) the applicant's track record, particularly the number of the satellites approved under a prior application have been successfully manufactured and launched, when considering subsequent applications. See "Regulatory Overview — Regulations Related to the Commercial Space Industry" for the application process of the production of civil satellites.

  All satellites developed by us are subject to our NDRC approval quota, irrespective of whether they are launched through dedicated launches or rideshare launches. In addition, where a customer independently arranges launch for satellites developed by us, if the customer has separately obtained the requisite NDRC approval on their own, the relevant satellite will not consume our NDRC approval quotas, otherwise the relevant satellite will still consume our NDRC approval quotas. We obtained NDRC approval for 60 satellites in February 2025, among which 20 were launched as of the Latest Practicable

Date. In January 2026, two experienced launch failure. We have reached an agreement with the relevant customer to arrange a replacement satellite, which is currently scheduled for launch by March 2027. The other 15 satellites are scheduled to be launched by batches in November and December 2026. In addition, as of the Latest Practicable Date, we had one satellite scheduled for ground delivery to a customer in 2026, which is expected to be launched by the customer using the customer's own NDRC approval quota and therefore will not utilize any of our NDRC approval quotas. Following the completion of these planned launches, our remaining NDRC approval quotas are expected to be 22. We will continue to actively communicate with the NDRC and implement our launch schedule in strict accordance with relevant approvals.

Based on our current production and satellite launch plans, we plan to submit an application for NDRC approval covering no fewer than 14 additional satellites upon completion of our 2026 launch plan, and expect to obtain the relevant approval prior to the launch of such satellites before the fourth quarter of 2027. We further plan to submit an application covering no fewer than 60 additional satellites in the fourth quarter of 2027 and expect to obtain the relevant approval prior to the launch of such satellites before the fourth quarter of 2028. As advised by our PRC Legal Advisor, we do not expect any material legal or regulatory impediments to obtaining NDRC approval for the additional satellites, taking into account (i) we had prepared major application materials required for the NDRC approval process; (ii) our successful experience in obtaining NDRC approval for similar application; (iii) the applicable PRC laws and regulations governing NDRC approval, assuming no material changes thereto; (iv) our ongoing proactive communication with the relevant authorities, including our consultation with the relevant development and reform authority, which indicated that we could submit the relevant application materials in accordance with our timetable following completion of our planned launch schedule in 2026; and (v) the PRC government's continued support for the development of the commercial aerospace industry under its broader aerospace development policies.

- ***Radio frequency use permits and radio station licenses***. Prior to the launch of each satellite, satellite developers are required to obtain the relevant radio frequency use permit and radio station license. Accordingly, for satellites to be launched under our launch plans, whether through dedicated or rideshare launches, we are required to obtain the relevant permits and licenses before launch. For satellites scheduled for ground delivery to customer, the relevant permits and licenses are to be obtained by the customers, as applicable. Pursuant to applicable PRC laws and regulations, the radio regulatory authority is generally required to complete its examination of a radio frequency use permit application within 20 working days from acceptance, and renewal applications must be filed at least 30 working days before expiry and review renewal within 30 days. See "Regulatory Overview — Regulations Related to the Commercial Space Industry — Regulations on Radio Frequency Allocation." In connection with our 2026 launch plan, we had obtained relevant radio frequency use permits and radio station licenses for 15 satellites as of the Latest Practicable Date. For one satellite to be delivered to a customer on the ground, the relevant permits and licenses had been obtained by the customer. Applications for the relevant permits and licenses for the remaining eight satellites were in progress as of the Latest Practicable Date, and we expect to obtain such permits and licenses in November 2026, prior to their respective launches. For satellites under our 2027 and 2028 launch plans, we intend to apply for and obtain the relevant radio frequency use permits and radio station licenses in a timely manner prior to their respective launches in accordance with applicable regulatory requirements. We had obtained the requisite radio frequency use permits and radio station licenses from applicable authorities during the Track Record Period and up to the Latest Practicable Date. Based on our historical experience in applying for and obtaining radio frequency use permits and radio station licenses for our satellite launches, including the typical time required for the regulatory review and issuance process pursuant to applicable PRC laws and regulations, we expect to obtain the relevant permits and licenses in time prior to the respective satellite launches.

- ***Order backlog***. As of the Latest Practicable Date, we had secured customer orders for 114 AI satellites pending delivery, with a total contract value of RMB3,475.0 million, including two AI computing satellites.

- ***Production facilities***. We had four facilities in support of our satellite R&D and production activities and one Shenzhen Center under construction as of the Latest Practicable Date. See "— Integrated Satellite R&D and Production Model — Satellite R&D and Production Facilities" and "Future Plans and Use of Proceeds." Through structured coordination among multiple facilities, we have built the satellite production capabilities to support growing customer orders. Set out below is the allocation of satellite production by respective bases to support our launch schedule:

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

- ***Launch service arrangements***. We engage third-party launch service providers to launch satellites into space and, consistent with industry practice, organize and manage launch services through competitive bidding or commercial selection processes. In assessing the feasibility of our launch schedule, we take into account the availability of launch windows, mission compatibility, payload capacity, launch service providers' track records and the potential impact of launch delays or failures. We generally prioritize providers with established launch records and relatively mature technologies, taking into account mission requirements and risk profiles. See "— Our Suppliers — Procurement — Launch Service."

  We primarily deploy our satellites through dedicated launch missions, under which we procure the entire launch vehicle capacity for our exclusive use, supplemented by rideshare launch opportunities in which our satellites are launched alongside satellites of other launch customers. Based on our previous launch experience, each dedicated launch mission is generally expected to accommodate approximately eight to 12 of our satellites, while each rideshare launch mission is generally expected to accommodate approximately one to six of our satellites. This launch model provides us with both deployment efficiency and flexibility in implementing our satellite deployment roadmap.

  For the remainder of our 2026 launch plan, we had entered into agreements with two qualified third-party launch service providers, which secured launch services for a total of 14 AI computing satellites as of the Latest Practicable Date. In addition, one other satellite is expected to be launched in December 2026 through rideshare arrangements. One remaining satellite will be delivered to a customer via ground delivery instead of in-orbit delivery, with the customer managing the launch independently.

  We currently expect to deploy our planned 36 satellites in 2027 and 60 satellites in 2028 primarily through dedicated launch missions, supplemented by rideshare launch opportunities where commercially appropriate, which are expected to require approximately three to five dedicated-equivalent launch vehicles for 2027 launch plan and five to eight for 2028 launch plan based on our current payload assumptions. We expect to secure the required launch resources through a combination of existing strategic cooperation arrangement and market-based procurement of additional launch opportunities. In particular, we have entered into long-term strategic cooperation arrangements with two reputable launch service providers, securing access to eight tons of launch capacity through 2028 and 18 tons of launch capacity from 2027 to 2029, respectively. Both launch service providers are established commercial launch service providers in China with proven launch track records, proprietary launch vehicle portfolios and extensive launch capabilities supporting satellite deployment missions. Based on an assumed average satellite weight of 250 kg, a common weight category for LEO satellites according to Frost & Sullivan, the secured launch capacity would be sufficient to support the launch of approximately 104 satellites. Accordingly, these arrangements are expected to provide sufficient launch capacity to support our planned satellite deployment through 2028.

  In addition to our secured long-term strategic launch resources, the PRC launch services market provides sufficient capacity to support our planned satellite deployment. As advised by Frost & Sullivan, as of June 30, 2026, there were approximately 50 registered

commercial launch service providers in China. China recorded 92 orbital launches in 2025 and has maintained an average of over 60 orbital launches annually since 2023. The continued development of commercial launch service providers and expansion of launch infrastructure are expected to further enhance launch capacity available to commercial satellite operators. In particular, the commissioning of the Hainan Commercial Spacecraft Launch Site and the ongoing expansion of launch facilities in Jiuquan and Taiyuan are expected to further increase the availability of launch opportunities and launch slots. China's launch industry has an established track record of successful orbital launches, with a substantial proportion of launches conducted using launch vehicle models with prior launch experience; according to Frost & Sullivan, in 2025, 89 of the 92 orbital launch missions in China were conducted using launch vehicle models with prior successful launch records, representing 96.7% of all orbital launch missions; in addition, 24 of the 27 launch vehicle models used for orbital launch missions in China in 2025 had prior successful launch records, representing 88.9% of the models used, demonstrating the availability of launch vehicle models with established operational experience in the market. Based on the foregoing, notwithstanding our prudent approach to selecting launch service providers, we believe the PRC launch services market provides sufficient experienced launch resources to support our planned satellite deployment.

Moreover, we believe that we are well positioned to secure sufficient launch resources to support our planned satellite deployment through 2028, given our demonstrated ability to secure launch resources. In particular, (i) throughout the Track Record Period, we never experienced a situation in which launch resources remained unsecured by the time of the factory acceptance of our satellites; and (ii) since 2025, each procurement of launch services conducted through a tender process by us attracted approximately five to eight launch service providers, which proactively participated in the tendering process to compete for the opportunity to provide launch services for our satellites, demonstrating the availability of multiple potential launch service providers and the competitive nature of the market in which we procure launch services.

- ***Launch window availability***. While satellite launches are conducted within designated launch windows and the timing of individual launch missions may be affected by factors such as orbital requirements, weather conditions, range safety requirements and launch site scheduling, we do not expect such factors to materially affect the implementation of our planned satellite deployment. As advised by Frost & Sullivan, while launch delays and launch timetable adjustments are not uncommon in the ordinary course of satellite launch activities given the technical and operational complexity of rocket launches, temporary weather-related delays typically affect launch timing by only several days, and launch site scheduling or national launch coordination may result in postponement of a launch by approximately one to two months. Such delays generally result in the rescheduling, rather than cancellation, of launch missions and are consistent with industry practice.

  In particular, satellite launches in the PRC are not limited to a particular season, and launch activities may be conducted throughout the year subject to ordinary launch site safety and scheduling procedures. The overall launch environment in China has continued to improve in recent years. As advised by Frost & Sullivan, China recorded an average of approximately 69 orbital launches per year from 2021 to 2025, with the number of commercial orbital launch increasing from 10 in 2021 to 50 in 2025, and the number of satellites placed into orbit increasing from 112 to 385 over the same period. The increasing launch cadence and growing commercialization of launch services have enhanced the availability and flexibility of launch opportunities.

  While launch postponements and scheduling disruptions may arise from factors beyond our control, we incorporate launch planning into our overall satellite deployment schedule to mitigate their potential impact. In particular, we begin coordinating with launch service providers at an early stage, as early as the completion of satellite design and commencement of satellite production, typically around six months before the satellite factory acceptance, and seek to secure earlier available launch windows where practicable, building additional time buffers into our deployment schedule to accommodate potential launch delays. Taking into account the nature of our constellation deployment strategy and advance launch window scheduling, prevailing industry practice and the continued development of the PRC launch services market, we believe that launch window-related operational and environmental factors are not

expected to constitute a material constraint on the implementation of our planned satellite deployment from 2026 to 2028. As of the Latest Practicable Date, we had secured launch windows for the remaining two batches of satellites scheduled for launch in November and December 2026. For the remaining launches planned through 2028, we are in discussions with relevant launch service providers and expect to secure launch windows through launch agreements approximately one month before the factory acceptance of the relevant satellites.

Overall, our launch plan reflects a measured scale-up strategy that takes into account operational readiness, order visibility, launch environment and capacity expansion. The 12 and eight AI computing satellites launched on May 14, 2025 and October 14, 2026, respectively, enhanced our technical track record and market credibility, and also laid the foundation for our future deployment and utilization of more orbital frequency and spectrum resources. Our NDRC approvals, order backlog, coordination with launch service providers and production facilities together provide a solid basis for the rest of the planned launch in 2026 and a continued ramp-up into 2027 and 2028.

*Satellite-based Solutions*

During the Track Record Period, we continued to develop our satellite-based solutions across diverse application scenarios. In 2023, 2024, 2025 and the six months ended June 30, 2026, we entered into 60, 19, 20 and four new contracts and had 48, 17, 19 and four customers for satellite-based solutions, respectively, with the corresponding total contract value of RMB428.0 million, RMB600.4 million, RMB444.7 million and RMB122.9 million, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2026, the average contract value per new contract was RMB7.1 million, RMB31.6 million, RMB22.2 million and RMB30.7 million, respectively. The growth of average contract value from 2023 to 2024 was primarily driven by our technological advancements and greater customer recognition, enabling us to secure higher-value contracts. Since 2024, with the continuous iteration and optimization of our technology, our overall technical strength has been significantly enhanced, our influence within the industry has continued to expand, and the market's recognition of our products and solutions has steadily increased. Against this backdrop, high-quality customers are increasingly willing to engage in in-depth cooperation with us, as reflected in the continuous growth of contract values and the expanding scale of collaborative projects. At the same time, in the face of growing market demand, we have begun to adopt stricter screening and evaluation processes for potential projects. We prioritize engaging in projects with high contract values and significant technical challenges. This enables us to concentrate our human and technical resources on the implementation of high-value and high-quality projects, further enhancing the quality and innovation of our deliverables. In addition, we are committed to developing diverse satellite-based solutions for a broader range of use cases for customers. For example, during the Track Record Period, we upgraded existing applications and developed new initiatives that leveraged our Lingjing Engine to provide diversified services and entertainment for customers. These product and service innovations will engage users in new ways, further expanding the applications of satellite-based technology in entertainment, education and marketing.

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

| | Year ended December 31, | | | | | | Six months ended June 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | No. of contracts | Contract value | No. of contracts | Contract value | No. of contracts | Contract value | No. of contracts | Contract value |
| | | *RMB in millions* | | *RMB in millions* | | *RMB in millions* | | *RMB in millions* |
| At the beginning of the year/period | 18 | 76.2 | 13 | 43.8 | 6 | 203.3 | 4 | 63.8 |
| Add: New contracts engaged | 60 | 428.0 | 19 | 600.4 | 20 | 444.7 | 4 | 122.9 |

| | Year ended December 31, | | | | | | Six months ended June 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | No. of contracts | Contract value | No. of contracts | Contract value | No. of contracts | Contract value | No. of contracts | Contract value |
| | | *RMB in millions* | | *RMB in millions* | | *RMB in millions* | | *RMB in millions* |
| Less: Revenue recognized for the year/period | 65 | 460.3 | 26 | 440.9 | 21 | 443.8 | 5 | 94.2 |
| – Contract terminated for the year/period | – | – | – | – | 1 | 140.4 | – | – |
| **At the end of the year/period** | **13** | **43.8** | **6** | **203.3** | **4** | **63.8** | **3** | **92.5** |

As of the Latest Practicable Date, we had a project backlog of RMB186.6 million for satellite-based solutions.

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

For our satellite and related services business, we place emphasis on demonstrating the technical feasibility, reliability and operational performance of satellites with AI computing capabilities, including on-orbit computing, in-orbit AI model deployment and satellite communication capabilities. Accordingly, we primarily participate in industrial lighthouse projects, which provide real deployment environments to validate satellite system performance and operational reliability. These pilot projects enable us to accumulate practical operational experience, demonstrate end-to-end satellite capabilities and establish technical credibility and industry recognition, which are critical to customer decision-making in satellite procurement and services. Such activities follow the natural development logic of designing, producing and iteratively optimizing AI computing satellites, and form a foundation for subsequent commercial adoption. In addition, we engage in high-level industry exchanges, summits and inspection activities, and maintain close interaction with industry associations, research institutions and upstream and downstream participants within the satellite industry chain, which facilitates technology communication, project collaboration and industry coordination, and supports the gradual formation of a technology-driven reputation for our AI computing satellites.

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

***Advancing Mass Production to Achieve Economies of Scale***

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

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

We believe that the transition from project-based delivery to standardized and scalable production is a key driver of unit cost reduction and margin expansion, supporting the sustainability of our long-term profitability. As mass production expands, we expect to enhance our bargaining power in the procurement of raw materials and components. Based on our historical procurement contracts and the procurement orders and arrangements we have entered into with suppliers based on our current demand forecast, we have observed that higher procurement volumes can reduce unit procurement costs for mission-critical satellite components. For example, star sensors are essential attitude determination components that enable a satellite to identify its orientation in orbit. In a comparable set of procurements from the same supplier, our expected procurement volume of star sensors for 2026 represents approximately five times the procurement volume supported by our 2024 procurement contract, and the unit purchase price under our 2026 procurement order decreased by approximately 37.5% compared with the corresponding 2024 unit purchase price. Reaction wheels are key attitude control actuators that enable a satellite to adjust and maintain its orientation through angular momentum exchange. In a comparable set of procurements from the same supplier, our expected procurement volume of reaction wheels for 2026 represents approximately four times the procurement volume supported by our 2024 procurement contract, and the unit purchase price under our 2026 procurement order decreased by approximately 41.2% compared with the corresponding 2024 unit purchase price. These examples demonstrate our ability to achieve bulk procurement benefits for critical components as we scale up satellite production. Moreover, mass production can enhance production line efficiency, thereby further diluting fixed costs. The integration of centralized production facilities with automated technology not only boosts production efficiency but also shortens production cycles, accelerating launch time to market. Quality control processes can become more standardized and systematic, improving product consistency and reliability. Mass production also optimizes supply chain management, including more efficient inventory management and logistics arrangements, thereby reducing the risk of supply chain shortage.

***Enhancing Production Processes to Achieve Cost Efficiencies***

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

*Cost Optimization through Additive Manufacturing*

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

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

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

*Optimization of Satellite Development Processes*

Our development and production process follows the AIT protocols for each modular satellite platform, which ensures that every satellite is developed with controlled timelines and quality standards. As we scale up satellite production, we expect to improve cost efficiency by streamlining assembly processes, reducing operational bottlenecks and increasing throughput. We are also exploring automation technologies to reduce manual labor requirements, improve assembly precision and minimize human error, thereby enhancing production efficiency and optimizing resource utilization. For example, in testing satellite thermal control subsystems, our automated testing system can interpret a typical set of data in approximately 20 minutes, compared with approximately 90 minutes using conventional manual methods, representing a processing speed of approximately four times that of manual methods. For satellite development management, the AI agent we developed can respond to approximately 90% of project-related queries within 30 seconds, compared with approximately 15 minutes using conventional manual methods, representing an information retrieval speed of approximately 30 times that of manual methods and enhancing the efficiency of satellite development.

*Replacing Aerospace-Grade Components with Industrial-Grade Components*

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

As our system R&D capabilities improve, we are increasingly able to replace traditionally expensive aerospace-grade components with more cost-effective industrial-grade components without compromising performance or reliability. For example, we have identified specific satellite subsystems where industrial-grade components can be used without affecting the overall integrity of the satellite, such as our integrated electronic subsystem which is able to ensure high reliability in aerospace computer systems through cost-effective hardware and a redundant network system architecture. In addition, as manufacturing technologies across the satellite industry supply chain continue to evolve and mature, suppliers have increasingly been able to manufacture certain components more approximate to industrial-grade standards while meeting the functional requirements of satellite applications. These developments have enabled us to benefit from lower procurement prices for selected components while continuing to meet the relevant performance requirements of our satellites. For example, magnetic torquer rods are attitude control components that generate magnetic torque to support satellite attitude adjustment and stabilization. The framework contract price negotiated with our supplier for a specific type of magnetic torquer rod for 2026 decreased by approximately 57.1% compared with the corresponding unit purchase price under our 2024 procurement contract. Similarly, electric propulsion systems are used to support

satellite orbit adjustment and station-keeping functions. The framework contract price negotiated with the supplier for a specific type of electric propulsion system for 2026 decreased by approximately 54.2% compared with the corresponding unit purchase price under our 2024 procurement contract.

***Reducing Satellite Launch Cost Due to Competition and Technological Advancements***

The satellite launch market is undergoing a transformation, with increasing competition among rocket providers and significant advancements in launch technology expected to drive down launch costs. Key contributing factors include scaled rocket manufacturing, which supports higher launch cadence and improves production efficiency; the development of higher-capacity launch vehicles, which enables launch costs to be spread across larger payloads; and progress in reusable rocket technologies, which may reduce the need to manufacture a new first stage for each mission. In July 2026, China successfully completed its first controlled recovery of the first stage of an orbital launch vehicle, marking a significant step toward the commercial application of reusable launch technologies. According to Frost & Sullivan, the satellite launch cost in China has been decreasing in recent years, from approximately RMB105 thousand per kilogram in 2021 to RMB50 thousand per kilogram in 2025, with a CAGR of -16.9%. The satellite launching cost in China is expected to further decrease, reaching approximately RMB10 thousand per kilogram by 2030, with a CAGR of -27.5% from 2025 to 2030. See "Industry Overview — The Satellite Industry in China — Average Satellite Launch Cost in China."

In 2023, 2024, 2025 and the six months ended June 30, 2026, our average satellite launch cost per kilogram launched were nil, RMB81.8 thousand, RMB66.3 thousand and nil, respectively. As launch technology continues to evolve, we expect both the frequency and reliability of launches to improve, further lowering costs and streamlining our operations. This will not only make our satellite solutions more affordable for customers but also increase our profit margins.

***Enhancing Operating Leverage***

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

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | | *(%)* | | |
| **As a percentage of revenue:** | | | | | |
| Research and development expenses | 10.5 | 25.7 | 21.6 | 40.5 | 48.0 |
| General and administrative expenses | 25.9 | 31.5 | 24.5 | 31.0 | 60.3 |
| Selling and marketing expenses | 8.3 | 4.4 | 2.1 | 2.9 | 3.8 |
| **Total operating expenses** | **44.7** | **61.5** | **48.2** | **74.4** | **112.1** |

As we are in the ramp-up stage, we incurred significant research and development expenses for fostering innovation and securing a competitive advantage in the market. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses were RMB53.5 million, RMB142.0 million, RMB151.7 million, RMB97.7 million and RMB108.6 million, respectively, representing 10.5%, 25.7%, 21.6%, 40.5% and 48.0% of our total revenue in the same respective periods.

By investing in R&D, we have developed proprietary technologies that strengthen our competitiveness in securing orders and executing projects. Our AI-enabled satellite design and onboard computing capabilities enhance satellites' mission performance and technical differentiation in customer acquisition processes, while our modular satellite platforms support rapid customization and shorter development cycles that improve responsiveness to customer procurement timelines. Our Lingjing Engine technology enables us to offer value-added satellite-based solutions beyond hardware delivery, strengthening customer engagement, and our additive manufacturing technology improves production efficiency while reducing weight and costs. Together, these capabilities allow us to deliver reliable solutions tailored to mission requirements, supporting our ability to compete effectively with industry peers and sustain business growth. See

"— Our Technologies." We have also invested in R&D collaborations with partners to enhance our technological capabilities and facilitate our long-term goal in advancing the Star-Compute Project. See "— Integrated Satellite R&D and Production Model — R&D Collaborations." As a result of our efforts, we have built a robust intellectual property portfolio in China, comprising 107 granted patents, including 99 invention patents, covering critical areas including satellite platforms (including communication units, energy systems, de-orbiting mechanisms, solar wings and imaging sensors) and remote data application as of the Latest Practicable Date, forming a comprehensive protection system across whole satellites, subsystems and standalone components. This in-house intellectual property foundation supports our continued innovation and ensures industry-leading performance.

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

Satellite customization primarily relates to customer-specific requirements for computing power and storage capacity. Beyond these customized elements, we improve R&D efficiency by promoting design reuse through modular subsystem design and reusable platform electronics, as well as a software library of flight-validated software and algorithms. Core software such as satellite housekeeping software, attitude control software and power distribution software generally shares the same architecture, communication protocols and key configuration items, with adjustments made only where specific mission functions need to be adapted. This has enabled us to shorten our satellite platform design cycle, with reuse rates of 80% for core driver software and 68% for application-layer software. In addition to these R&D design initiatives, we have also implemented other measures to continuously improve our R&D efficiency, including (i) enhancing automation and the use of AI tools in design, simulation, testing and development, with our internally developed automation tools improving efficiency in individual tasks by approximately four to six times compared to conventional manual method; and (ii) strengthening knowledge management and cross-team collaboration through technical documentation, project reviews and systematic retention of engineering data and solutions, facilitating knowledge reuse and reducing duplicated R&D efforts. These measures are expected to improve the productivity of our R&D resources and enhance the cost efficiency of our R&D activities as we scale up our operations.

Our general and administrative expenses were RMB131.2 million, RMB174.4 million, RMB172.2 million, RMB74.8 million and RMB136.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 25.9%, 31.5%, 24.5%, 31.0% and 60.3% of the total revenue in the same periods. Our initial investments in management, compliance and infrastructure were made to establish a stable organizational and operational foundation to support the further development and scaling of our business. We expect that future expansion of our business, supported by increasingly standardized and mature operating procedures and larger-scale satellite production, can be carried out without a corresponding expansion of general and administrative resources. Such cost management strategy has begun to yield initial achievement as reflected in the reduction of general and administrative expenses as a proportion of total revenue from 31.5% in 2024 to 24.5% in 2025. The increase in our general and administrative expenses from the six months ended June 30, 2025 to the same period in 2026 was primarily attributable to the increases in share-based payment, depreciation and amortization expenses as well as listing expenses. See "Financial Information — Period-to-Period Comparison of Results of Operations." Accordingly, we believe that as our business continues to develop, revenue growth is expected to outpace increases in general and administrative expenses over time. We plan to continually evaluate and monitor the effectiveness and efficiency of our general and administrative expenses for purposes of reducing such expenses as a percentage of our total revenue.

Our selling and marketing expenses were RMB42.0 million, RMB24.1 million, RMB15.0 million, RMB6.9 million and RMB8.7 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 8.3%, 4.4%, 2.1%, 2.9% and 3.8% of the total revenue in the same periods. Our selling and marketing expenses as percentages of our total revenues during the Track Record Period also generally show a downward trend. We expect our selling and marketing expenses to decrease as a percentage of our total revenue, leveraging our large and growing customer base to strengthen our sales and marketing network.

Our operating expenses as a percentage of total revenue increased from 44.7% in 2023 to 61.5% in 2024 and further decreased to 48.2% in 2025. Our operating expenses as a percentage of total revenue increased from 74.4% in the six months ended June 30, 2025 to 112.1% in the six months ended June 30, 2026 primarily due to the increase in general and administrative expenses arising from share-based payment expenses in connection with the repurchase of equity interests from certain employees by our management. As such, a significant portion of our operating expenses was related to our employee benefit expenses and share-based payment expenses, which are less likely to increase proportionally along with our revenue growth as we scale up. See "Financial Information — Description of Major Components of Our Results of Operations — Non-IFRS Measure." According to Frost & Sullivan, it is common for technology-driven companies in the satellite industry to experience higher and fluctuated expense-to-revenue ratios during the early stages of commercialization, with these ratios declining as the business achieves scale and operational maturity. As we continue to commercialize our proprietary technologies and expand into new markets and customer segments, revenue is expected to grow at a faster rate than operating expenses. This expansion will allow us to better absorb fixed and semi-fixed costs, thereby improving operating leverage. Furthermore, with increased scale, we are able to negotiate better terms with suppliers and achieve volume discounts, which helps to control cost growth and improve gross and operating margins. We expect our operating expenses as a percentage of revenue to further decrease as we continue to ramp up our production and achieve revenue growth, and improve the efficiency of general and administrative, R&D and selling and marketing activities and our spending on such activities.

***Enhancing the Management of Working Capital***

We strive to ensure efficient working capital management. As of December 31, 2023, 2024, 2025 and June 30, 2026, our trade and notes receivables, net of provision for loss allowance, amounted to RMB500.9 million, RMB628.3 million, RMB630.5 million and RMB597.8 million, respectively. During the Track Record Period, we experienced relatively long trade and notes receivables turnover days primarily due to the extended payment cycles of our SOE customers and projects led by SOEs, which were affected by their internal fiscal arrangements and payment approval processes.

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

- we follow up on customer payments with monthly targets. Depending on the amount and overdue days, we coordinate multiple departments, including the sales team, finance department and our senior management, to devise trade receivable collection plans analyzing issues involved and efforts needed, as well as specifying time frames and responsible employees. We have also assigned designated personnel to be in charge of trade receivables management and to monitor the implementation of such collection plans.

- our senior management, including our chief executive officer and chief financial officer, regularly reviews overdue payments and leads the aforementioned trade receivables collection plans to ensure timely measures are taken to address collection issues. For customers from which we have a relatively large amount of trade receivables, our senior management actively engages in the communication with senior management of such customers to facilitate the collection of trade receivables.

- we assess the condition of the trade receivables by examining factors including the payment history of the respective customers and our business relationships with them. We seek to maintain strict control over our outstanding receivables, and our finance department is responsible for minimizing credit risks. We take into consideration the collection of receivables in assessing the performance of our sales personnel and management team to encourage them to actively follow up with customers regarding receivables collection. For customers that have good track record of credit, robust business relations with us and ongoing communication with us about their trade receivable payments, our sales team continues to pursue payment collection through active communication. If we identify indications of payment collection difficulties or if the outstanding trade receivables from certain customers remain unpaid for a prolonged period of time, we issue demand letters or lawyer's letters and negotiate payment plans with them when necessary.

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

As of the Latest Practicable Date, our collection efforts had covered 66.4% of trade and notes receivables balances aged over one year as of June 30, 2026. The following tables set forth the details of our follow-up actions in our trade and notes receivables collection as of the dates indicated:

| | As of the Latest Practicable Date | Percentage to trade and notes receivables aged over one year as of June 30, 2026 |
|---|---|---|
| | *(RMB in thousands)* | *(%)* |
| Amount of trade and notes receivables covered by demand letters, lawyer's letters, or litigation | 202,711 | 66.4 |

As of the Latest Practicable Date, RMB554.5 thousand, or 0.3% of the trade and notes receivables in respect of which we had adopted the aforementioned collection measures had been collected, pledged by the relevant customers to settle or become collectible pursuant to court judgments. We continued to pursue such collection measures in respect of the relevant receivables. Meanwhile, our trade and notes receivables aged over one year decreased from RMB339.5 million as of December 31, 2025 to RMB305.3 million as of June 30, 2026.

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

*Enhancing Trade Receivables Management*

We are committed to strengthening the collection of our trade receivables and enhancing our liquidity position. As of the Latest Practicable Date, RMB156.6 million, or 21.0% of our trade and notes receivables as of June 30, 2026 had been subsequently settled. We have adopted comprehensive measures to improve the settlement of the balance of our trade receivables.

For outstanding trade receivables, we have been actively negotiating with major customers to agree on payment schedules to facilitate settlement. For example, we have entered into installment settlement arrangements with certain customers in respect of their outstanding trade receivables, and have successfully collected the relevant receivables in accordance with the agreed payment schedules. With robust payment schedules in place, we expect to enhance our cash flow and collection efficiency.

Furthermore, we have initiated and continued to enhance the development of a credit rating system for small and medium-sized customers. We comprehensively consider the credit profile of our customers when granting or extending credit period, including the nature of the customer, whether the project involves an SOE customer or an SOE-led project, project value, delivery complexity, delivery content, duration of maintenance services and the strategic importance of the customer.

Since 2025, for new customers and projects, including new SOE customers or projects led by SOEs, we have required that the maximum acceptable credit period be reduced from up to 12 months to six to nine months. In 2025 and the six months ended June 30, 2026, all of our newly entered contracts had credit periods of nine months or less. Among customers under such newly entered contracts with payment obligations due on or before the Latest Practicable Date, 83.9% of such customers had made payments in accordance with the relevant contracts as of the same date. As of October 28, 2025, RMB20.4 million, or 7.5% of our trade and notes receivables aged within one year as of June 30, 2025 had been subsequently settled, while as of the Latest Practicable Date, RMB122.7 million, or 27.8% of our trade and notes receivables aged within one year as of June 30, 2026 had been subsequently settled. We also have required prepayment for satellite constellation orders since 2026, and all such customers in the six months ended June 30, 2026 had accepted these arrangements, as reflected by the increase in our contract liabilities from RMB75.0 million as of December 31, 2025 to RMB222.6 million as of June 30, 2026.

In addition, since 2025, we have actively sought to incorporate installment payment arrangements at key contract milestones for new customers and projects to improve our collection efficiency. Such key contract milestones may vary depending on the nature and terms of each project, and may include contract signing, delivery confirmation, factory inspection and acceptance, in-orbit delivery or customer acceptance, and payment of the remaining balance within a specified period after customer acceptance. Such arrangements were accepted by 88.5% of all customers under new contracts entered into in 2025 and the six months ended June 30, 2026. See "— Our Customers."

Given the relatively high proportion of trade and notes receivables from SOE customers and projects led by SOEs, we have further enhanced our receivables management for such customers and projects. These measures include maintaining more frequent communication with the relevant customers, conducting more frequent on-site follow-ups, closely following up on the status of their funding allocation and payment approval process, and following up on settlement based on agreed payment milestones and expected payment timetables. For receivables with larger outstanding balances or longer aging profiles, we have further strengthened our follow-up and escalation measures, including communicating and negotiating with the management of the relevant customers and, where appropriate, the relevant SOE group companies, increasing the frequency of issuing demand letters and lawyer's letters, and initiating legal proceedings where necessary.

*Optimizing Supply Chain Collaboration*

To improve our working capital management, we have been negotiating with our suppliers to settle payments through bank acceptance bills, which generally have a maturity period of up to six months. This arrangement allows us to defer the corresponding cash outflows until the bills mature, easing our short-term cash flow pressure while enabling our suppliers to receive payment through the banking system. As of June 30, 2026, we had entered into arrangements with 46 suppliers to settle payments through bank acceptance bills. In the six months ended June 30, 2026, the aggregate amount of such arrangements amounted to RMB50.3 million, representing approximately 10.7% of our total purchases during the same period. In addition, since 2026, we have expanded our installment payment arrangements from selected suppliers to all suppliers of satellite components and further extended such arrangements to three installments. These arrangements allow us to spread payments for satellite components over multiple payment stages, reducing upfront cash outlays and easing near-term working capital pressures while providing us with greater flexibility in managing cash flows as our satellite production scales up.

*Improving Cash Flow Management*

Our net cash outflow from operating activities decreased from RMB313.5 million in 2023 to RMB212.5 million in 2024, and then shifted to a net cash inflow from operating activities of RMB8.2 million in 2025, while experiencing business growth with our revenue increasing by RMB46.0 million, or 9.1%, from RMB507.5 million in 2023 to RMB553.5 million in 2024 and further to RMB702.7 million in 2025. Our net cash flows from operating activities shifted from an outflow of RMB78.1 million in the six months ended June 30, 2025 to an inflow of RMB61.2 million in the six months ended June 30, 2026.

In the future, we expect to further improve our net operating cash flow. In addition to the trade receivables management measures described above, we have also implemented measures from an internal management perspective to improve our overall cash flow management and liquidity position. These measures include: (i) setting an annual overall cash flow budget target at the beginning of each fiscal year; (ii) preparing annual cash flow budgets and rolling cash flow

forecasts, and regularly reviewing expected cash inflows and outflows to identify and address potential funding shortfalls; (iii) coordinating procurement and supplier payment schedules with expected customer collections and using notes settlement where appropriate to manage the timing of cash outflows; and (iv) maintaining financial resources through a combination of cash and cash equivalents, financial assets at FVPL, committed unutilized banking facilities and equity and debt financing.

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

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

## AWARDS AND RECOGNITIONS

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

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

## COMPETITION

We compete with a number of domestic companies focusing on the R&D, production and application of satellites. According to Frost & Sullivan, we ranked seventh among China's private commercial aerospace companies with satellite-related businesses by revenue in 2025, with a market share of 2.1%. As competition intensifies with continued R&D investment and market expansion by existing and new entrants, we believe our robust AI satellite technologies and sophisticated talent pool allow us an advantageous position among existing and incoming industry players.

## EMPLOYEES

As of June 30, 2026, we had 353 full-time employees located in China. The following table sets forth the number of our employees by function as of June 30, 2026:

| Employee function | Number of employees | Percentage of employees |
|---|---|---|
| | | *(%)* |
| R&D and production | 223 | 63.2 |
| Sales and marketing | 35 | 10.0 |
| Administration, human resource, financial and procurement | 95 | 26.9 |
| **Total** | **353** | **100.0** |

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

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

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

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

### Social Insurance and Housing Provident Funds

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

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late

payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Our shortfall amount of social insurance contributions was approximately RMB12.3 million, RMB10.8 million, RMB8.4 million and RMB3.6 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Therefore, based on the unpaid social insurance contribution of RMB35.1 million, if we fail to make required payments within the prescribed period as required by the competent authorities, the potential maximum penalty would be RMB105.3 million. 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. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement. Our shortfall amount of housing provident fund contributions was approximately RMB2.3 million, RMB2.0 million, RMB1.2 million and RMB0.9 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. In respect of the unpaid amount of our housing provident fund contribution of RMB6.4 million for the Track Record Period, if we fail to make required payments within the prescribed period as required by the competent authorities, the potential maximum adverse consequence would be an order from the PRC court to make full payment on the outstanding amount of RMB6.4 million.

As advised by our PRC Legal Advisor, on the grounds that (i) during the Track Record Period and up to the Latest Practicable Date, no material administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to the above incidents, contributions, nor had we received any order or been informed to settle the under-contributions; (ii) the relevant notices issued by the STA require that no centralized collection and liquidation of enterprises' historical overdue social insurance premiums be carried out independently; and (iii) if required by the relevant authorities in the future, we undertake to make full payment within the stipulated deadline, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance from us and/or impose administrative penalties on us due to our failure to make full payment of the social insurance is remote, and the likelihood that the competent authorities would impose any other administrative penalties on us due to our failure to make full payment of the housing provident funds is remote.

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

- We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds on a monthly basis;

- We are in the process of communicating, and will continue to communicate, with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds, which also requires additional contributions from our employees;

- We will proactively communicate with the relevant local authorities to keep up to date with the applicable laws and regulations concerning social insurance and housing provident funds; and

- We will consult our PRC Legal Advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including, but not limited to, PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance training relating to the same.

Considering that (i) such shortfalls primarily arose primarily due to our respect for employees' personal preferences and our lack of understanding of the relevant PRC laws and regulations, rather than as a result of any intentional evasion or systemic failure; (ii) we have strengthened our internal policies and compliance procedures and enhance communication with employees to ensure accurate and timely contributions in accordance with relevant laws and regulations going forward; (iii) as advised by our PRC Legal Advisor, the likelihood that the relevant competent authorities would collectively seek to recover the historically unpaid social insurance from us and/or impose

administrative penalties on us due to our failure to make full payment of the social insurance is remote, and the likelihood that the competent authorities would impose any other administrative penalties on us due to our failure to make full payment of the housing provident funds is remote; (iv) the aggregate shortfall amounts during the Track Record Period represented a small proportion of our total staff cost and did not have any material financial impact on our results of operations; and (v) as of the Latest Practicable Date, we had not been subject to any administrative penalty, enforcement action or rectification order by any competent authority in relation to the above shortfalls, our Directors believe that the abovementioned incident does not constitute material nor systemic non-compliance of our Group, and will not, individually or in the aggregate, materially affect our business and results of operation. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period. For relevant risks, see "Risk Factors — Risks Relating to our Business and Industry — Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties." Going forward, we will continue to implement the above measures to ensure we are in compliance with the social insurance and housing provident fund contributions requirements under the relevant laws and regulations. If the relevant authorities order us to make timely payments for the outstanding amount and overdue charges or take any rectification measures in accordance with applicable laws and regulations, we undertake that we will rectify as requested as soon as practicable.

## INSURANCE

We consider our insurance coverage to be adequate as we maintain all the mandatory insurance policies required by PRC laws and regulations and, according to Frost & Sullivan, in accordance with the commercial practices in our industry. Our employee-related insurance consists of housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

We purchased satellite launch insurance for 21 out of 29 of our satellites launched during the Track Record Period and up to the Latest Practicable Date, including XSD-16 launched in July 2023, the 12 AI computing satellites launched in May 2025 and the eight AI computing satellites launched in October 2026. The satellite launch insurance we purchased generally covers the total loss of a satellite resulting from launch failure, failure to separate the satellite from the launch vehicle or failure to reach its intended orbit, with the insured amount generally covering the full manufacturing and launch costs of the satellite. We are responsible for procuring and bearing the costs of such insurance, and our insurance arrangements do not differ between self-owned satellites and satellites sold or to be delivered to customers. We typically commence arrangements for launch insurance one to two months prior to the relevant launch and complete the purchase within one month prior to launch, which, according to Frost & Sullivan, is in line with industry practice. We expect to purchase launch insurance for the remaining two batches of satellites scheduled for launch in 2026. For the batch expected to be launched in November 2026, we were in the process of negotiating and arranging the relevant insurance with the insurance provider and expected to complete the purchase prior to launch as of the Latest Practicable Date. For future launches, we will prudently assess whether to purchase satellite launch insurance on a case-by-case basis, taking into account factors such as the value and nature of the satellites, the launch vehicles to be used and their launch success records and the associated insurance premiums. We did not purchase satellite launch insurance for our other eight satellites launched during the Track Record Period up to the Latest Practicable Date, the aggregate contract value of which amounted to RMB104.9 million. Of these eight satellites, six were launched using mature launch vehicle models operated by state-owned launch service providers with strong launch success records, while the remaining two were experimental satellites with relatively low manufacturing costs. In the event of loss of or damage to any uninsured satellite, we would bear the resulting economic loss.

In line with market practice, as advised by Frost & Sullivan, third-party liability insurance for orbital launch is typically purchased by launch service providers, and we typically do not purchase in-orbit insurance for our satellites which are all LEO satellites. See "Industry Overview — The Satellite Industry in China — Insurance in China's Commercial Aerospace and Satellite Industry." During the Track Record Period, we did not make any significant insurance claims related to our business. See "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may be inadequate to cover all losses or potential claims by our customers which would affect our business, financial condition and prospects."

## PROPERTIES

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

Pursuant to Rules 5.01A(1) and 5.01B(1) of the Listing Rules, if the carrying amount (as defined in Rule 5.01(1) of the Listing Rules) of a property interest (as defined in Rule 5.01(3) of the Listing Rules) that forms part of property activities (as defined in Rule 5.01(2) of the Listing Rules) is or is above 1% of its total assets (as defined in Rule 5.01(4) of the Listing Rules), the prospectus must include the full text of a valuation report for such property interest and the total carrying amount of property interests not valued must not exceed 10% of its total assets. As of June 30, 2026, being the date of which the most recent audited consolidated statements of the financial position of our Group, the carrying amount of our property interest that formed part of our property activities exceeded 1% of our total assets.

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

**Owned Properties**

As of the Latest Practicable Date, we owned land use rights of three parcels of land in the PRC with an aggregate GFA of approximately 61,879.7 sq.m., which were primarily used for R&D, production and commercial purposes. As of the Latest Practicable Date, we had obtained the land use right certificates for three parcels of land.

**Leased Properties**

As of the Latest Practicable Date, we leased 14 properties in China with an aggregate GFA of approximately 47,288.2 sq. m. primarily used for offices, R&D, production and testing purposes.

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

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

## DATA SECURITY AND PRIVACY

Our data mainly consists of satellite imagery and personal data, including phone numbers we collected in the course of our product and solution sales. To comply with relevant laws and regulations and safeguard against any incidents that result in data breaches and system shutdowns, we are committed to protecting data and information security in our day-to-day operations. We have

in place policies, processes, network architecture and software to protect and manage data. Our data compliance management policies cover the full lifecycle of data processing including data collection, data encryption and transportation, data storage security, data backup and recovery, data processing, proper use of data, and data destruction and disposition. In addition, we have established a privacy policy, and prior to collecting personal data, we will make the contents of the privacy policy publicly available and obtain the explicit consent of the individual whose information is being collected. Our policies require, among other things, that we categorize data according to the degree of harm that could be caused to national security, public interest, or the legal rights and interests of individuals and organizations in the event of data tampering, destruction, leakage, or illegal acquisition and use.

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

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

During the Track Record Period, we established and implemented the Surveying, Mapping and Geographic Information Confidentiality Management System. This system is designed to standardize our activities in relevant fields and ensure that we do not obtain any surveying and mapping results involving state secrets in its geographic information activities. In accordance with the restricted shooting zones specified in applicable regulations, we maintain a dynamically updated classified geoinformation database, which is integrated into the mission planning system. Prior to the initiation of any shooting mission, the system automatically verifies whether the target area is within the prohibited zones as specified. If the target area is classified, the system automatically verifies whether the target area falls within the restricted shooting zones as stipulated. If the target area is classified, the system will automatically suspend the mission planning process, and the issuance of shooting instructions is strictly prohibited. Such suspension of shooting instructions to restricted zones would not give rise to any breach of our contractual obligations with customers or any liability on our part, as the relevant contracts generally require all parties to comply with applicable laws and regulations. As of the Latest Practicable Date, we had not incurred any material contractual liability, customer claim or dispute arising from such suspension. To ensure compliance with confidentiality regulations, such as Interim Measures for the Management of Remote Sensing Data from China's Civilian Satellites (國家民用衛星遙感數據管理暫行辦法), we will not develop, launch or operate optical or radar satellites with a spatial resolution exceeding 0.5 meters.

Furthermore, we will not produce, distribute or sell any satellite imagery with a resolution better than 0.5 meters or any derivative products thereof. Following the surrender of our Surveying and Mapping Qualification Certificate in February 2026, we have ceased to conduct business activities which require such qualification. See "Business — Permits, Licenses and Approvals."

During the Track Record Period and up to the Latest Practicable Date, we did not purchase surveying and mapping results involving state secrets from third parties. In the event that we obtain surveying and mapping results from third parties, we shall carry out compliance reviews on the relevant results in accordance with our internal system to ensure that no state secrets are involved. During the period in which we held the Surveying and Mapping Qualification Certificate, we strictly complied with the relevant administrative requirements of the competent authorities and duly carried out the filing of surveying and mapping projects and the submission of surveying and mapping results in accordance with applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any inspections by the relevant authorities in relation to any suspected violations of laws or regulations, nor had we been subject to any administrative penalties for violations of surveying and mapping confidentiality regulations. As advised by PRC Legal Advisor, based on the aforesaid factors, we had, in all material respects, complied with the applicable laws and regulations concerning state secrets during the Track Record Period and up to the Latest Practicable Date.

## INTELLECTUAL PROPERTY

Our intellectual property rights are key to our success and competitiveness. As of Latest Practicable Date, we had 212 trademarks, 134 copyrights, 107 granted patents and four filed domain names in China. In addition, as of the Latest Practicable Date, we had four U.S. patents. See "Appendix VII — Statutory and General Information — 2. Further Information about Our Business — B. Intellectual Property Rights."

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

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

## INFORMATION TECHNOLOGY SYSTEM

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

### ESG Governance

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

### Climate-Related Risk

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

- ***Physical Risks.*** The launch and operation of our AI satellites are subject to adverse weather and climate conditions, which may disrupt launch schedules, ground operations, satellite remote sensing data transmission, and satellite's durability in orbit. We mitigate these risks through rigorous meteorological monitoring, developing contingency plans to minimize operational disruption, and enhancing our satellites' resilience to space-specific environmental challenges through our R&D advances.

- ***Transition Risks.*** We face risks from evolving ESG-related regulations, technological advancements, and shifting customer demand toward sustainable satellite solutions, which may require us to increase our investment in the R&D of sustainable technologies and green production facilities. We have implemented mechanisms to monitor regulatory evolution, ensure compliance with evolving regulations and industry standards, and conduct regular market research and collect customer feedback to stay abreast of market trends. We have assessed the potential changes in social trends and political policies relating to ESG matters and concluded that, as of the Latest Practicable Date, such changes were not expected to have any material impact on our business operations.

- ***Opportunities.*** We see meaningful opportunities arising from climate change and the global shift to a low-carbon economy. We plan to proactively offer sustainable solutions and satellite data analytics services to booming markets such as renewable energy and environmental monitoring sectors. We will also pursue regulatory incentives and funding to offset compliance costs and accelerate green technology development.

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

### Environmental Protection

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

#### *Metrics and Targets*

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

| | | Year ended December 31, | | | Six months ended June 30, |
|---|---|---|---|---|---|
| **Indicator** | **Unit** | **2023** | **2024** | **2025** | **2026** |
| **Scope 1 emission** | ton of $CO_2$ | 3.2 | 2.8 | 2.4 | 1.5 |
| **Scope 2 emission** | ton of $CO_2$ | 408.2 | 459.6 | 909.9 | 699.8 |
| **Scope 3 emission** | ton of $CO_2$ | 272.5 | 299.8 | 215.9 | 303.9 |
| Business travel | ton of $CO_2$ | 262.3 | 289.3 | 201.7 | 303.7 |
| Waste treatment | ton of $CO_2$ | 10.2 | 10.5 | 14.2 | 0.2 |
| **Total GHG emissions** | ton of $CO_2$ | 683.9 | 762.2 | 1,128.2 | 1,005.2 |
| **GHG emissions intensity** | ton of $CO_2$/revenue (RMB in thousands) | 0.0013 | 0.0014 | 0.0016 | 0.0044 |

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

***Water Resource Management***

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

| | | Year ended December 31, | | | Six months ended June 30, |
|---|---|---|---|---|---|
| **Indicator** | **Unit** | **2023** | **2024** | **2025** | **2026** |
| Municipal water use | $m^3$ | 3,573.0 | 4,805.0 | 4,110.3 | 1,839.5 |
| Bottled water use | $m^3$ | 66.9 | 71.1 | 122.3 | 73.1 |

***Solid Waste Management***

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

| | | Year ended December 31, | | | Six months ended June 30, |
|---|---|---|---|---|---|
| **Indicator** | **Unit** | **2023** | **2024** | **2025** | **2026** |
| **Non-hazardous Waste** | | | | | |
| Paper consumption[(1)] | ton | 2.0 | 2.0 | 2.8 | 0.2 |
| **Hazardous Waste** | | | | | |
| Batteries | Kg[(2)] | 12.3 | 20.1 | 2.5 | 12.6 |
| Toner cartridges | piece | 39.0 | 34.0 | 0.0 | 0.0 |
| Inkjet cartridges | piece | 4.0 | 4.0 | 0.0 | 12.0 |

*Notes:*

(1) The paper consumption is calculated based on monthly average data.

(2) The weight of each battery is set to be 15g.

***Energy Management***

We mainly use purchased electricity in our operation. We continuously optimize our energy structure and improve our energy use efficiency. In 2023, 2024, 2025 and the six months ended June 30, 2026, our electricity consumption was 756,217.4 kw/h, 850,922.2 kw/h, 1,708,316.4 kw/h and 1,308,071.7 kw/h, respectively.

***Satellite Management***

The ESG challenges in the commercial aerospace industry primarily arise from the de-orbiting and disintegration processes at the end of satellite lifecycles, which, if mishandled, may lead to increased space debris and long-term pollution of Earth's orbital environment. Our satellites generally have a designed lifecycle of three to five years, designed for complete atmospheric disintegration to minimize debris risks. The real-time monitoring systems track satellite health, including battery degradation and orbital deviations. Satellites that have reached the end of their lifespan or are de-orbited will, under the control of ground monitoring personnel, gradually leave their original orbit due to gravitational forces. As their orbital altitude decreases, they will slowly descend and disintegrate completely upon re-entering the atmosphere. In case of anomalies, we

have backup redundant systems to prevent failures. As of the date of this prospectus, we had 22 AI computing satellites in orbit, all LEO satellites, and had recorded no satellite management incidents or debris collision-related incidents.

**Corporate Social Responsibility**

***Human Resources Management.*** We strictly comply with laws and regulations regarding recruitment and dismissal, compensation and promotion, employee working hours, equal opportunities, anti-discrimination, diversity, working hours, holidays and other benefits. We are committed to building a diverse, equal and inclusive work environment for our employees free of discrimination. As of June 30, 2026, we had 116 female employees, representing 33.1% of our total employees. Our Recruitment and Hiring Management Policy (招聘與錄用管理制度) covers the entire process of recruiting new employees and selecting internal candidates, ensuring the scientific rigor, fairness, and transparency of talent selection. Our labor management system clearly addresses key areas including attendance management, performance evaluation, and employee code of conduct. During the Track Record Period and up to the Latest Practicable Date, there were no incidents in violation of our policies or relevant laws and regulations pertaining to child labor, forced labor, labor trafficking or employee discrimination.

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

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

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

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

**RISK MANAGEMENT AND INTERNAL CONTROL**

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

In addition to the above, we have established internal measures to oversee and manage other risks related to our operation, compliance, and investment. We manage our operational risks through comprehensive procedures, as well as actively identifying, measuring, monitoring and containing operational risks to keep them within a reasonable range and reduce potential losses. Our information technology, human resource, finance, and operations departments enforce internal controls and escalate major adverse events to our CEO and Board for timely action. For compliance

risks, we have implemented comprehensive procedures and proactively identify and prevent such risks. Our legal department reviews all contracts and verifies counterparties' licenses and permits before we enter any engagement, and continually tracks regulatory changes to ensure that we remain compliant. Our investment risks primarily arise from investments and acquisitions in complementary businesses aligned with our growth strategy. We typically hold long-term positions through preferred or ordinary shares with preference rights and secure minority protection rights to mitigate downside. Our investment department sources, screens, executes, and monitors projects with the finance and legal departments. It also conducts thorough due diligence to assess risks and potential before we commit capital.

## SANCTIONS EXPOSURE

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

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

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

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

- conduct the Know-Your-Customer procedures to review the background information, such as identity, ownership structure, business scope and compliance record, relating to our counterparties in business transactions along with the draft business transaction documentation;

- utilize the international sanction databases to screen whether the counterpart is listed on OFAC, SDN, BIS list or other sanctions lists, with the regularly updated screening results to ensure the counterpart has not been newly added to any sanctions list;

- conduct further background checks on the counterpart to understand the transaction's background and purpose, confirming its legality and compliance, and whether there is any intent to evade sanctions. We verify the source of transaction funds to ensure the counterpart does not involve sanctioned entity or individual. In addition, we confirm the final use of transaction items, particularly whether they involve military use or civil-military integration issues;

- ensure the contracts with third parties will include protective clauses, such as: (i) any export, re-export, sale or transfer of our products and solutions to third parties will comply with applicable laws and regulations related to sanctions and export controls; (ii) products and solutions will not be directly or indirectly exported, re-exported, sold or transferred to any embargoed or sanctioned countries or regions; (iii) products and solutions will be used for civilian end-users and purposes, and will not involve any activities prohibited by applicable laws and regulations related to sanctions and export controls; and (iv) agreed remedies and compensation measures that can be taken if the counterpart violates sanctions compliance terms;

- regularly review the counterpart's sanctions risk level, promptly update due diligence files and timely identify and address potential violations; and

- enhance management system and compliance training to ensure awareness of sanctions risks and timely and effective identification and reporting of actual and potential violations.

## PERMITS, LICENSES AND APPROVALS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by Frost & Sullivan, we need to submit filings to the ITU through the MIIT to obtain satellite frequency spectrum and orbit resources before satellite launches. As of the Latest Practicable Date, we had obtained the ITU approval of 3,157 satellites progressively from 2018 to 2025, including 2,800 obtained in 2024. For the corresponding timeframe to maintain these approvals, see "Business — Our Strengths — Commercial Aerospace Company Specializing in AI Satellites Supported by Strong Frequency Spectrum and Orbital Resources." In addition, as advised by our PRC Legal Advisor, in compliance with PRC laws and regulations governing satellite production, launch and operation, we are primarily required to obtain (i) project approval from the NDRC; and (ii) radio frequency use permit and radio station license issued by the MIIT for each satellite before their respective launches. As advised by our PRC Legal Advisor, save for the disclosure under "— Legal Proceedings and Compliance — Compliance — Approval of the Relevant National Ministry for Satellites," we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations during the Track Record Period and up to the Latest Practicable Date. For the approval requirements, corresponding timeframe to obtain the radio frequency use permit and radio station license and renewal of these permits or licenses, see "Regulatory Overview — Regulations Related to the Commercial Space Industry — Regulations on Radio Frequency Allocation."

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

| No. | Name of Satellite | Radio Frequency Use Permit | | Radio Station License | | Space Object Registration |
|---|---|---|---|---|---|---|
| | | Permit No. | Expiration Date | License No. | Expiration Date | |
| 1. . . | XSD-18 | Radio Frequency Use Permit [2023]00078 | November 1, 2026 | 2023GFJY0000000279 | November 1, 2026 | Yes |
| | | Radio Frequency Use Permit [2025]00086 | February 2, 2028 | 2025GFJY0000000067 | February 2, 2028 | Yes |
| 2. . . | XSD-21 | Radio Frequency Use Permit [2024]00040 | March 19, 2027 | 2024GFJY0000000122<br>2024GFJY0000000123 | March 19, 2027 | Yes |
| 3. . . | XSD-22 | Radio Frequency Use Permit [2024]00040 | March 19, 2027 | 2024GFJY0000000122<br>2024GFJY0000000123 | March 19, 2027 | Yes |

| No. | Name of Satellite | Radio Frequency Use Permit | | Radio Station License | | Space Object Registration |
|---|---|---|---|---|---|---|
| | | Permit No. | Expiration Date | License No. | Expiration Date | |
| 4. . . | XSD-27 to XSD-28 | Radio Frequency Use Permit [2025]00034 | March 31, 2030 | 2025GFJY0000000028 | March 31, 2030 | Yes |
| 5. . . | XSD-29 to XSD-36 | Radio Frequency Use Permit [2025]00034 | March 31, 2030 | 2025GFJY0000000029 | March 31, 2030 | Yes |
| 6. . . | XSD-37 to XSD-38 | Radio Frequency Use Permit [2025]00034 | March 31, 2030 | 2025GFJY0000000028 | March 31, 2030 | Yes |
| 7. . . | XSD-23 | Radio Frequency Use Permit [2025]00033 | May 31, 2028 | 2025GFJY0000000026 | May 31, 2028 | Yes |
| 8. . . | XSD-24 | Radio Frequency Use Permit [2025]00033 | May 31, 2028 | 2025GFJY0000000027 | May 31, 2028 | Yes |
| 9. . . | XSD-25, XSD-26, XSD-39 to XSD-43 | Radio Frequency Use Permit [2026]00044 | December 31, 2030 | 2026GFJY0000000040 | December 31, 2030 | Yes |
| 10. . | XSD-44 to XSD-50 | Radio Frequency Use Permit [2026]00043 | May 31, 2029 | 2026GFJY0000000039 | May 31, 2029 | Yes |

Our subsidiary, Chengdu Xingshidai, previously held a Grade B Surveying and Mapping Qualification Certificate (乙級測繪資質證書) covering several categories of surveying and mapping activities, including those required for our 3D reality mapping business. In connection with the Listing and the Global Offering, we removed from the scope of the certificate the categories covering activities prohibited for foreign investment under the Negative List. See "Business — Arrangement for Business Activities on the Negative List."

In February 2026, having considered our strategic focus on our principal business and the management time and resources required to maintain the remaining qualification, we voluntarily surrendered the certificate in its entirety. As a result of the surrender, we have ceased to conduct business activities which required such qualification, primarily including satellite remote sensing image acquisition, satellite-to-ground transmission and decoding. As the relevant services formed only a minor part of our satellite TT&C services and the remainder of our TT&C services continues unaffected, we believe that the cessation of these services does not constitute a change in our business model and will not have a material impact on our customer relationships, profitability or revenue from our satellite and related services, including TT&C services.

Following the surrender, we no longer receive, transmit or process raw satellite remote sensing data as part of our TT&C services, which was previously used for the provision of our satellite-based solutions. Instead, we purchase satellite remote sensing data from third-party data providers at fair prices reached through arm's length negotiation in good faith. As advised by Frost & Sullivan, the market price of such data generally ranges from RMB10 to RMB200 per square kilometer of raw imagery data. Based on our current order backlog of satellite-based solutions as of the Latest Practicable Date and our reasonable estimation of future business demand, we expect that our total cost per year of procuring satellite remote sensing data would be less than RMB5.0 million. Our Directors believe that the impact of such cost increases can be effectively mitigated through pricing adjustments and ongoing improvements in cost efficiency, including standardized delivery formats and strengthened lean management of our research and development activities, and that such cost increases would not have a material adverse effect on our profitability, business, financial condition or results of operations.

## ARRANGEMENT FOR BUSINESS ACTIVITIES ON THE NEGATIVE LIST

During the Track Record Period, certain application scenarios of our satellite-based solutions fell within the "prohibited category" in the Special Administrative Measure (Negative List) for the Access of Foreign Investment (2024 Version) issued by the NDRC and MOFCOM (the "**Negative List**"), namely, (i) 3D reality mapping; and (ii) geology-related services. See "Regulatory Overview

— Regulations in Relation to Foreign Investment." As advised by our PRC Legal Advisor, foreign investors are prohibited from holding any equity interest in any entity engaged in such prohibited businesses. During the Track Record Period, we lawfully conducted our business activities related to the 3D reality mapping and geology-related services, as advised by our PRC Legal Advisor.

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

**3D Reality Mapping**

During the Track Record Period, we provided satellite-based solutions to customers across a range of application scenarios. Certain of such solutions were delivered in the form of 3D solutions generated from satellite data processed using our proprietary technologies and equipment. This delivery form involved the preparation of true 3D reality maps, which constitutes "3D reality mapping," a category of activities supported by our Surveying and Mapping Qualification Certificate and prohibited for foreign investment under the Negative List. In light of the Listing and the Global Offering, we removed from the scope of our Surveying and Mapping Qualification Certificate the categories of surveying and mapping activities prohibited for foreign investment under the Negative List. During the transitional period, we outsourced 3D reality mapping compilation activities to independent third parties holding the requisite qualifications. We have ceased this specific delivery form in its entirety since February 2026. During the Track Record Period, having considered our strategic focus on our principal business, we gradually scaled down our satellite-based solutions involving 3D reality mapping compilation, with the contract value of such business amounting to RMB147.1 million, RMB41.5 million, RMB6.6 million and nil, respectively. The extent to which the Lingjing Engine was employed in our satellite-based solutions varied from year to year depending on customer demand, project specifications and solution configurations. Given that the contract value of satellite-based solutions involving 3D reality mapping compilation was nil in the six months ended June 30, 2026, we do not consider the cessation of this specific delivery form to have a material impact on our business operations. Based on the above, we do not expect such business arrangement to impose any material adverse effect on our business, financial condition and results of operations.

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

**Geology-Related Services**

During the Track Record Period, we provided certain geology-related services to municipal management departments through integrated solutions that support both disaster response and resource management, including (i) an urban comprehensive emergency rescue system for emergency monitoring, reporting, scientific decision-making, rescue and assessment following geological disasters; and (ii) a geological disasters identification system for identifying potential geological hazards at an early stage through satellite remote sensing data to enhance the city's geological disaster prevention and control. Having considered our strategic focus on our principal business, we gradually scaled down our geology-related services during the Track Record Period. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, the contract value of geology-related services amounted to RMB20.3 million, RMB3.4 million, nil, nil and nil, respectively, which we do not consider to have any material adverse effect on our business, financial condition and results of operations. We have ceased all business concerning the geology-related services in April 2024. Considering (i) the financial contribution of geology-related services was not significant in terms of the contract value during the Track Record Period; and (ii) we had fulfilled all outstanding contract liabilities with respect to geology-related services as of the Latest Practicable Date and do not intend to enter into new contracts in this regard going forward, our Directors are of the view that the cessation of geology-related services will not impact our relationships with existing customers and would not have any material adverse impact on our business, financial condition and results of operations.

As advised by our PRC Legal Advisor, the cessation of providing satellite-based solutions involving 3D reality mapping compilation and geology-related services constitute a lawful business arrangement to comply with the Negative List, which are legally valid and enforceable and does not constitute a circumvention of the relevant laws and regulations. As advised by our PRC Legal Advisor, based on the above cessation and our commitment to complying with applicable laws and

regulations in relation to foreign investments, and no longer to engaging in all business prohibited under the Negative List and other applicable laws and regulations relating to foreign investment, we do not and will not violate any applicable laws and regulations relating to foreign investment.

Based on the above, the advice of the PRC Legal Advisor and, in particular (i) the fact that we have ceased to provide satellite-based solutions involving 3D reality mapping compilation, with the related contract value of nil in the six months ended June 30, 2026; and (ii) the contract value of geology-related services was nil in the six months ended June 30, 2026, the Sole Sponsor is not aware of the above business arrangement would have material adverse effect on the business, financial condition and results of operations of our Group.

## LEGAL PROCEEDINGS AND COMPLIANCE

### Legal Proceedings

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

### Compliance

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

#### *Approval of the Relevant National Ministry for Satellites*

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

Over the past decade, China's commercial aerospace industry has experienced a period of rapid early-stage development, marked by significant technological advancements largely driven by the dedicated efforts of technical experts. We have established a team primarily composed of our R&D and production experts who have been pivotal in advancing our technological capabilities. The technical experts have concentrated their efforts on enhancing the commercial aerospace industry and improving the R&D and production capacities for satellites, and could be relatively slow in their adaptation to the regulatory development. Our Company was established during this nascent development phase of China's commercial aerospace industry with relatively short history. Therefore, we had limited past experience or established industry practices for reference and did not fully understand the requirements of the relevant PRC laws and regulations, resulting in the failure to timely obtain the approval from the NDRC for the Relevant Satellites. We have reported the above incidents to the NDRC (the "**Relevant Authority**") in our subsequent application submission for the approval of additional 60 satellites made in September 2024 and undertook to strictly comply with and implement subsequent approval procedures in accordance with national policies and regulations.

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

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

We commit to enhancing our understanding and implementation of relevant laws and regulations, and will strictly complete all subsequent filing work in accordance with the relevant laws and regulations. Taking into account that we reported the above incidents to the NDRC and then we obtained NDRC approval for the additional satellites applied in the above-mentioned subsequent application, our PRC Legal Advisor is of the view that the failure to obtain the NDRC approval for the Relevant Satellites will not affect our Group's subsequent submission of the applications with respect to the new satellites in compliance with the Measures and the Notice and the production of the new satellites after obtaining the approvals from the NDRC.

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

We are committed to continuously strengthening compliance management throughout the entire satellite sales, R&D, production, launch coordination with third-party launch service providers and management process. We have implemented enhanced internal control measures to ensure future compliance with regulatory requirements, including:

(i) we have established a dedicated regulatory compliance team tasked with monitoring and ensuring adherence to all relevant laws and regulations. This team will navigate the ever-evolving regulatory landscape, ensuring our operations remain lawful and aligned with current standards. In addition, we have developed integrated compliance reporting systems that provide insights into compliance incidents;

(ii) we have implemented a rigorous mandatory approval checklist and workflow system, which requires obtaining the approval from the NDRC as a fundamental prerequisite before commencing any satellite project. This system acts as a comprehensive safeguard, ensuring all necessary regulatory approvals are secured prior to the initiation of production;

(iii) we have conducted and will continue to conduct regular training sessions for staff members to support our compliance efforts. These sessions are designed to enhance awareness of regulatory requirements and approval procedures. By equipping our personnel with the necessary knowledge and skills, we aim to prevent future incidents of non-compliance. Furthermore, these regular training sessions are intended to foster a strong corporate culture of compliance;

(iv) we have required our key staff member to put the emphasis on the importance of maintaining communication with relevant regulatory authorities. By strengthening the communication channels, we ensure that we receive timely updates on any changes in laws or regulations that could impact our approval processes. In addition, if there are any policy changes during the satellite production process, we are prepared to quickly conduct policy and legal assessments. This allows us to make informed decisions on satellite production, ensuring that our operations remain compliant and strategically aligned with the current regulatory environment; and

(v) we have introduced the compliance policy review mechanism to conduct regular reviews of internal policies and procedures to ensure they remain aligned with current regulatory requirements. This proactive approach can help identify and rectify potential compliance gaps before they become issues.

Taking into account (i) the relevant non-compliance arose during the early development stage of China's commercial aerospace industry and was due to limited historical experience, and thus was isolated in nature and not reflective of any material deficiencies in our current internal control system; (ii) we have proactively disclosed the incident to the NDRC and subsequently obtained approval for 60 additional satellites; (iii) based on the written confirmation from the CDDRC obtained in 2024, the updated special-purpose credit reports we obtained from Credit China, the national credit information publicity system, and the searches conducted by our PRC Legal Advisor on relevant compliance and credit information databases and the official websites of the NDRC, the Sichuan Provincial Development and Reform Commission and the CDDRC, we had not been subject to any administrative penalties in connection with the incident as of the Latest Practicable Date; (iv) we have further enhanced our internal control measures to prevent any further reoccurrence of similar incident in the future; (v) our PRC Legal Advisor has confirmed that the incident does not affect our ability to comply with applicable regulations going forward; and (vi) based on an interview with the Relevant Authority in April 2025, it is understood that no legal actions or proceedings will be initiated concerning the aforementioned historical non-compliance with the relevant laws and regulations, our Directors are of the view that our remedial measures and relevant internal control measures are adequate and effective in all material respects, and nothing has come to the Sole Sponsor's attention that would cause them to cast doubt on the above-mentioned view of the Directors.

## OVERVIEW

Our Board consists of 15 Directors, including five executive Directors, five non-executive Directors and five independent non-executive Directors. All our Directors and senior management meet the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

## BOARD OF DIRECTORS

Brief information of our Directors is set out below:

| Name | Age | Position | Date of joining our Group | Date of appointment as Director | Principal roles and responsibilities | Relationship with other Directors and senior management |
|---|---|---|---|---|---|---|
| Dr. Lu Chuan (陆川). . . . | 42 | Executive Director and chairman of the Board | May 3, 2018 | June 25, 2018 | Responsible for the overall strategic planning and major business decisions of our Group, supervising the operational efficiency of the management system and product research and development | None |
| Dr. Wang Lei (王磊). . . . | 46 | Executive Director and chief executive officer | June 1, 2018 | June 25, 2018 | Responsible for the daily operation and general management of the business of our Group and assisting in strategic planning and major decisions of our Group | None |
| Dr. Zhao Hongjie (趙宏傑) . . | 42 | Executive Director and executive vice president | May 3, 2018 | May 3, 2018 | Responsible for the international business and brand communications affairs of our Group and assisting in strategic planning and major decisions of our Group | None |
| Mr. Huang Ruoliang (黄若亮) . . | 43 | Executive Director and chief administrative officer | May 9, 2018 | August 12, 2019 | Responsible for the human resources, supply chain and asset management and sales affairs of our Group | None |
| Mr. Guo Yong (郭勇). . . . | 40 | Executive Director, and senior vice president | August 20, 2018 | January 25, 2022 | Responsible for administrative and engineering construction affairs of our Group | None |
| Mr. Wu Tao (吳韜). . . . | 53 | Non-executive Director | September 24, 2024 | September 24, 2024 | Responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board | None |

| Name | Age | Position | Date of joining our Group | Date of appointment as Director | Principal roles and responsibilities | Relationship with other Directors and senior management |
|---|---|---|---|---|---|---|
| Mr. Liu Shixiong (劉實雄) . . | 42 | Non-executive Director | October 31, 2025 | October 31, 2025 | Responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board | None |
| Ms. Qiu Hui (邱慧). . . . | 51 | Non-executive Director | May 21, 2021 | May 21, 2021 | Responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board | None |
| Mr. Zhu Zhenhua (朱振華) . . | 43 | Non-executive Director | January 19, 2025 | January 19, 2025 | Responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board | None |
| Dr. Sheng Xitai (盛希泰) . . | 58 | Non-executive Director | October 27, 2024 | October 27, 2024 | Responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board | None |
| Mr. Huang Mingjian (黃明建) . . | 48 | Independent non-executive Director | January 19, 2025 | January 19, 2025[(1)] | Responsible for supervising and offering independent judgment to the Board | None |
| Prof. Zhang Tianyu (張田余) . . | 52 | Independent non-executive Director | January 19, 2025 | January 19, 2025[(1)] | Responsible for supervising and offering independent judgment to the Board | None |
| Prof. Huang Jianwei (黃建偉) . . | 48 | Independent non-executive Director | January 19, 2025 | January 19, 2025[(1)] | Responsible for supervising and offering independent judgment to the Board | None |
| Dr. Yang Feng (楊峰). . . . | 48 | Independent non-executive Director | April 22, 2026 | April 22, 2026[(1)] | Responsible for supervising and offering independent judgment to the Board | None |
| Prof. Gao Zhipeng (高志鵬) . . | 46 | Independent non-executive Director | January 19, 2025 | January 19, 2025[(1)] | Responsible for supervising and offering independent judgment to the Board | None |

*Note:*

(1) With effect from the Listing Date.

## Executive Directors

**Dr. Lu Chuan (陸川)**, aged 42, is senior engineer, a distinguished recipient of the National High-Level Talent Special Support Program (國家高層次人才特殊支持計劃入選者), a Standing Committee Member of the All-China Youth Federation (中華全國青年聯合會常委), and the chairman of the Board and our executive Director. Dr. Lu was appointed as a Director in June 2018. He is responsible for the overall strategic planning and major business decisions of our Group, supervising the operational efficiency of the management system and product research and development. He also holds directorship in various subsidiaries of our Group.

Dr. Lu has nearly 20 years of research experience in AI technology and communications engineering. Dr. Lu consecutively took various positions in University of Electronic Science and Technology of China (電子科技大學) from July 2006 to February 2021. Dr. Lu obtained a bachelor of engineering degree in Communications Engineering at the School of Communication and Information Engineering from University of Electronic Science and Technology of China in July 2006, a master of engineering degree in software engineering field from the same university in June 2011, a master of science degree in managerial economics from Nanyang Technological University in the Republic of Singapore in March 2016 and a doctoral of engineering degree in control science and engineering from Guangdong University of Technology (廣東工業大學) in the PRC in June 2018.

Based on relevant research results, Dr. Lu was awarded the first prize of the Science and Technology Progress Award (科學技術進步獎一等獎) by the Ministry of Education of the PRC in February 2018, the first prize of Sichuan Province Science and Technology Progress Award (First Completer) (四川省科學技術進步獎一等獎(第一完成人)) by the People's Government of Sichuan Province in May 2018, and the special prize of Science and Technology Progress Award of the Chinese Association of Automation 2023 by the Chinese Association of Automation in November 2023. Dr. Lu was selected for the ninth batch of the National High-Level Talent Special Support Program in September 2024. In May 2025, he was honoured with the Excellence Award (優秀獎) at the 25th China Patent Awards (中國專利獎) by the State Intellectual Property Office (國家知識產權局).

**Dr. Wang Lei (王磊)**, aged 46, is our executive Director and chief executive officer. Dr. Wang was appointed as a Director in June 2018. He is responsible for the daily operation and general management of the business of our Group and assisting in strategic planning and major decisions of our Group. He also holds directorship in various subsidiaries of our Group.

Dr. Wang has over 15 years of experience in the application of space technology, investment and management. Prior to joining our Group, Dr. Wang consecutively served as an associate researcher and an associate director of National Disaster Reduction Center of Ministry of Civil Affairs of the PRC (中華人民共和國民政部國家減災中心) from July 2007 to October 2014. From December 2014 to May 2016, he served as the general manager of business department of Beijing Culture and Technology Financial Leasing Co., Ltd (北京市文化科技融資租賃股份有限公司).

Dr. Wang obtained a bachelor of engineering degree in electrical information engineering from University of Science and Technology of China (中國科學技術大學) in the PRC in July 2002 and a doctoral of science degree in cartography and geographic information systems from Institute of Remote Sensing Applications of Chinese Academy of Sciences (中國科學院遙感應用研究所) in the PRC in July 2007. He obtained from the Ministry of Civil Affairs of the PRC (中華人民共和國民政部) the qualifications as an assistant researcher and a deputy researcher with effect from October 2007 and July 2011, respectively.

**Dr. Zhao Hongjie (趙宏傑)**, aged 42, is our executive Director and executive vice president. Dr. Zhao was appointed as a Director in May 2018. He is responsible for international business and brand communications affairs of our Group and assisting in strategic planning and major decisions of our Group.

Dr. Zhao has over 10 years of experience in communication technologies in aerospace. Prior to joining our Group, Dr. Zhao consecutively worked on R&D and design in Aerospace Long March Rocket Technology Co., Ltd. (航天長征火箭技術有限公司) from April 2014 to February 2018.

Dr. Zhao obtained a bachelor of engineering degree in information engineering from Beijing Institute of Technology (北京理工大學) in the PRC in July 2006 and a doctoral of engineering degree in communication and information systems from the same university in the PRC in March 2014. He was qualified as a senior engineer specializing in electronic information technology by Chengdu Human Resources and Social Security Bureau (成都市人力資源和社會保障局) in May 2021.

Dr. Zhao was granted the title "Specially Appointed Expert in Chengdu" in November 2019 by Organization Department of Chengdu Committee of the Communist Party of China (中共成都市委組織部) and Chengdu Human Resources and Social Security Bureau (成都市人力資源和社會保障局), and "Specially Appointed Expert in Sichuan" in March 2020 by Organization Department of Sichuan Provincial Committee of the Communist Party of China and Sichuan Provincial Department of Human Resources and Social Security.

**Mr. Huang Ruoliang (黃若亮)**, aged 43, is our executive Director and chief administrative officer. Mr. Huang was appointed as a Director in August 2019. He is responsible for human resources, supply chain and asset management and sales affairs of our Group. He also holds directorship in various subsidiaries of our Group.

Mr. Huang has over 15 years of experience in human resources management. Prior to joining our Group, Mr. Huang consecutively served various positions in the human resources department in China Resources Snow Breweries (China) Investment Co., Ltd. (華潤雪花啤酒(中國)投資有限公司) and its subsidiaries from August 2006 to January 2014 and then as the deputy general manager at the subsidiary from January 2014 to May 2016.

Mr. Huang obtained a bachelor of economics degree in international economics and trade from University of Electronic Science and Technology of China (電子科技大學) in the PRC in July 2006 and a master degree in business administration from the same university in the PRC in December 2014.

**Mr. Guo Yong (郭勇)**, aged 40, is our executive Director and senior vice president. He was appointed as a Director in January 2022. He is responsible for administrative and engineering construction affairs of our Group.

Mr. Guo has nearly 10 years of experience in project investment and financing. Prior to joining our Group, from June 2015 to August 2018, he consecutively served as a mergers and acquisitions specialist and an assistant to the executive vice president of China Security Co., Ltd. (中安科股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600654).

Mr. Guo obtained a bachelor of management degree in engineering management from Urban Construction College (城市建設學院) of Anhui Jianzhu Industrial Institute (安徽建築工業學院, now known as Anhui Jianzhu University (安徽建築大學)) in the PRC in July 2010 and a master of management degree in management science and engineering management from Hunan University (湖南大學) in the PRC in June 2013. Mr. Guo obtained the securities practising qualification by Securities Association of China (中國證券業協會) in April 2017, the fund practicing qualification from the Asset Management Association of China (中國證券投資基金業協會) in July 2017 and Board Secretary Qualification Certificate from Shanghai Stock Exchange and Shenzhen Stock Exchange in April 2017 and September 2020, respectively.

**Non-executive Directors**

**Mr. Wu Tao (吳韜),** aged 53, is our non-executive Director. Mr. Wu was appointed as a Director in September 2024. He is responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board.

Mr. Wu has years of experience in accounting, banking and finance. Mr. Wu worked in Bank of China Shenzhen Branch after graduation until October 2015, with his last position as the general manager of the international finance department of the branch. From November 2015 to January 2017, he served as the managing director of Shenzhen Guijin Financial Leasing Company (深圳市貴金融資租賃公司). He joined Shenzhen Century Galaxy Capital Management Co., Ltd (深圳市世紀星河資本管理有限公司) in March 2017, and currently serves as the partner of Galaxy Capital (星河資本) and the general manager of the fund management center of the holding group.

Mr. Wu obtained a bachelor of economics degree in money banking from Southwestern University of Finance and Economics (西南財經大學) in the PRC in July 1995 and a master of economics degree in money banking from Southwestern University of Finance and Economics (西南財經大學) in the PRC in July 1998.

**Mr. Liu Shixiong (劉實雄)**, aged 42, is our non-executive Director. Mr. Liu was appointed as a Director in October 2025. He is responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board.

Mr. Liu has served in various roles in China Vanke Co., Ltd. (萬科企業股份有限公司), its A shares of which are listed on the Shenzhen Stock Exchange (stock code: 2) and its H shares of which are listed on the Stock Exchange (stock code: 2202), since July 2008, with his last position being a deputy general manager of financial consulting division of China Vanke Co., Ltd..

Mr. Liu obtained a bachelor's degree in accounting from Tianjin University of Finance and Economics (天津財經大學) in the PRC in June 2008.

**Ms. Qiu Hui (邱慧)**, aged 51, is our non-executive Director. She was appointed as a Director in May 2021. She is responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board.

Ms. Qiu has years of experience in enterprise operation and management. During July 2008 to August 2020, she worked at Shanghai Pudong Development Bank Co., Ltd (上海浦東發展銀行股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600000), with her last position as the branch manager. During September 2020 to April 2021, she worked in Guangdong Yueao Co-operation and Development Fund Management Co., Ltd (廣東粵澳合作發展基金管理有限公司) as the general manager and chairwoman of the board of directors. Since September 2021, she has been the chairwoman of the board of directors of Guangdong Hengxin Private Equity Fund Management Co., Ltd (廣東恒信私募基金管理有限公司) (formerly known as Guangdong Hengxin Fund Management Co., Ltd (廣東恒信基金管理有限公司)). She has also been the chairwoman of the board of directors of Guangdong Innovation Investment Development Co., Ltd. (廣東創新投資發展有限公司) since July 2025.

Ms. Qiu obtained a bachelor of science degree in statistics and probability in the Department of Mathematics from Sun Yat-sen University (中山大學) in the PRC in June 1998.

**Mr. Zhu Zhenhua (朱振華)**, aged 43, is our non-executive Director. Mr. Zhu was appointed as a Director in January 2025. He is responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board.

Mr. Zhu has years of experience in risk control and compliance management. He served as an associate at Haiwen & Partners (北京市海問律師事務所) from August 2009 to December 2013. He then served as the project manager of CITIC Trust Co., Ltd. (中信信託有限責任公司) from December 2013 to October 2015. He served as the senior business vice president of CITIC Jinxiu Capital Management Co., Ltd. (中信錦繡資本管理有限責任公司) from October 2015 to October 2016. After that, he took a legal and compliance role (法律合規崗) in CITIC Juxin (Beijing) Capital Management Co., Ltd. (中信聚信(北京)資本管理有限公司) from November 2016 to August 2017. Since August 2017, he has been the managing partner and chief operating officer (首席運營官) of Beijing HongTai TongChuang.

Mr. Zhu obtained his bachelor's degree in law from China University of Political Science and Law (中國政法大學) in June 2006. He further obtained his master's degree in law from the same university in June 2009. Mr. Zhu obtained Legal Professional Qualification Certificate in February 2007, which was issued by Ministry of Justice of the People's Republic of China.

**Dr. Sheng Xitai (盛希泰)**, aged 58, is our non-executive Director. Dr. Sheng was appointed as a Director in October 2024. He is responsible for participating in the formulation of the general corporate business plans, strategies and major decisions of our Group through the Board.

Dr. Sheng has years of experience in capital markets and financial investment. He served as an executive vice president of Shandong Securities Company (山東證券公司) from March 1994 to May 1996. During June 1998 to July 2012, he served various positions at Huatai United Securities Co., Ltd. (華泰聯合證券有限責任公司), including president and chairman of the board of directors. During his tenure as the president in the period from February 2004 to October 2011, he was in charge of the company's overall business, including investment banking, asset management, brokerage, etc. He co-founded Beijing HongTai TongChuang in November 2014 and has served as the chairman of the board of director ever since.

Dr. Sheng obtained a bachelor's degree in accounting from Shandong Institute of Economics (山東經濟學院, currently known as Shandong University of Finance and Economics (山東財經大學)) in the PRC in 1989. He obtained a master's degree in accounting from Nankai University (南開大學) in the PRC in 1992 and an Executive Master of Business Administration from Peking University (北京大學) in the PRC in July 2006. He then graduated with a doctorate in management science and engineering from Beijing Jiaotong University (北京交通大學) in the PRC in June 2020.

**Independent non-executive Directors**

**Mr. Huang Mingjian (黃明建)**, aged 48, was appointed as our independent non-executive Director on January 19, 2025. He is responsible for supervising and offering independent judgment to the Board.

Mr. Huang has years of experience in capital markets and corporate compliance. He has worked at Sichuan Junhe Law Firm since 2009 and currently serves as the managing director, senior partner and director of the company's legal affairs department. He also serves as an arbitrator at Deyang Arbitration Commission, Suining Arbitration Commission, Yibin Arbitration Commission, Dezhou Arbitration Commission and Zhongwei Arbitration Commission.

Mr. Huang graduated from Sichuan University (四川大學) with a bachelor's degree in law in December 2004.

Mr. Huang obtained his lawyer's practice certificate in April 2010, which was issued by Sichuan Provincial Department of Justice.

**Prof. Zhang Tianyu (張田余)**, aged 52, was appointed as our independent non-executive Director on January 19, 2025. He is responsible for supervising and offering independent judgment to the Board.

Prof. Zhang has an extensive professional accounting experience. He was a postdoctoral fellow at the School of Accountancy of the Chinese University of Hong Kong from December 2004 to July 2005. He worked at the Department of Accountancy of the City University of Hong Kong from August 2005 to December 2010, with his last position as an associate professor. After that, Prof. Zhang took various positions at the School of Accountancy of the Chinese University of Hong Kong from January 2011 to August 2021, with his last position as a professor. He has served as the presidential chair professor at the Chinese University of Hong Kong, Shenzhen (香港中文大學(深圳)) and the associate dean at the Shenzhen Institute of Data Economy (深圳數據經濟研究院) since September 2021.

Prof. Zhang held and has been holding directorship at various companies, including as an independent director of Shenzhen Netac Technology Co., Ltd. (深圳市朗科科技股份有限公司), a company listed on the Shenzhen Stock Exchange ChiNext market (stock code: 300042), during January 2011 to February 2017, as an independent non-executive director of Bay Area Gold Group Limited (灣區黃金集團有限公司) ("**BAG**", together with its subsidiaries, the "**BAG Group**"), a company formerly listed on the Stock Exchange (stock code: 1194) and delisted on March 14, 2024, during August 2017 to March 2024, and as an independent director of Shenzhen Langkun Environmental Group Co., Ltd. (深圳市朗坤環境集團股份有限公司, currently known as Shenzhen Langkun Technology Co., Ltd. (深圳市朗坤科技股份有限公司)), a company listed on the Shenzhen Stock Exchange ChiNext market (stock code: 301305), since May 2022.

Prof. Zhang graduated from Nankai University (南開大學) in the PRC in June 1997, majoring in accounting, from Shanghai University of Finance and Economics (上海財經大學) in the PRC in January 2000, majoring in accounting, and obtained a doctor of philosophy in accounting from The Hong Kong University of Science and Technology in Hong Kong in April 2005.

BAG, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, was put into liquidation or winding-up during Prof. Zhang's tenure as an independent non-executive director during August 2017 to March 2024. Its principal business was gold mining. Petitions dated August 16, 2021 and September 10, 2021 were filed against BAG for a court order of winding up in relation to the aggregated outstanding sum of HK$16.2 million under the bonds issued by BAG on June 3, 2015 and December 2, 2014. On August 31, 2022, BAG was ordered to be wound up by the High Court of Hong Kong and its directors (including Prof. Zhang) have ceased to exercise directors' powers since then.

Prof. Zhang confirmed that there was no wrongful act on his part which led to the liquidation or winding up of BAG, and he is not aware of any actual or potential claim that has been or will be made against him as a result of the liquidation or winding-up of BAG.

On 29 November 2024, Prof. Zhang received a private warning letter (the "**Letter**") from the Stock Exchange regarding BAG's non-compliance with announcement, circular, and shareholders' approval requirements under Chapter 14 of the Listing Rules. This was in relation to certain entrusted operation agreements entered into due to BAG Group's failure to repay loans, leading to a loss of control over a number of principal subsidiaries. The transactions contemplated under the entrusted operation agreements constitute very substantial disposals for BAG, but were not disclosed as required because the BAG Group believed they were merely for the enhancement of security of loans and would not affect BAG's legal title in such principal subsidiaries.

The Stock Exchange found that the agreements were executed under a mistaken belief by local management, without the knowledge or involvement of BAG's directors, and were not submitted for BAG's board approval. Consequently, the Stock Exchange considered then directors of BAG, including Prof. Zhang breached director's duties under Rule 3.08 of the Listing Rules and issued the Letter to remind the directors their obligations to use their best endeavours to procure the listed company's compliance with the Listing Rules.

BAG has since taken steps to ensure compliance, including internal training and appointing a compliance officer. The Letter did not indicate any fraud, deceit or dishonesty by Prof. Zhang, nor did it affect his qualification as a director. Prof. Zhang confirmed he (i) as a former independent non-executive director, was not aware of, nor was he involved in, the execution of entrusted operation agreements; (ii) was not subject to any disciplinary action from the Stock Exchange nor any enforcement action from SFC other than the Letter, and has no personal record of criminal or administrative penalty; and (iii) has already received trainings to reinforce and strengthen his understanding and knowledge of the Listing Rules to prevent reoccurrence of similar incidents. In light of the above, the Company believes this incident does not impact Prof. Zhang's suitability as an independent non-executive Director.

Based on the due diligence works conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would reasonably cause it to cast doubt on the Director's suitability under Rule 3.08 of the Listing Rules.

**Prof. Huang Jianwei (黃建偉)**, aged 48, was appointed as our independent non-executive Director on January 19, 2025. He is responsible for supervising and offering independent judgment to the Board.

Prof. Huang has an extensive academic background. He took various positions at the Department of Information Engineering of the Chinese University of Hong Kong (香港中文大學) during 2007 to 2018, with his last position as a full professor. He has been the presidential chair professor and professor at the School of Science and Engineering of the Chinese University of Hong Kong, Shenzhen (香港中文大學(深圳)) since January 2019, and associate vice president (institutional development) since October 2022. He worked as an associate dean of the School of Science and Engineering from January 2019 to December 2022, and has been the dean of the School of Science and Engineering since April 1, 2026. Besides, Prof. Huang was the independent non-executive director of Yijiahe Technology Co., Ltd. (億嘉和科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603666) during November 2018 to November 2021.

Prof. Huang obtained a bachelor of engineering degree in electronic information engineering from Southeast University (東南大學) in the PRC in June 2000, a master of science degree from Northwestern University in the United States in June 2003, and a doctor of philosophy degree from the same university in December 2005.

Prof. Huang's academic achievement is recognized by the honors and awards he received. Prof. Huang was executively awarded Stanford top 2% Scientists in the World by Stanford University from 2019 to 2021 and Elsevier Most Cited Chinese Researcher by Elsevier from 2021 to 2023. He was elected as a fellow of Asia-Pacific Artificial Intelligence Association in December 2022. He was awarded TCCN Publication Award by IEEE Communications Society in October 2022. He was awarded Distinguished Research Award by the Chinese University of Hong Kong, Shenzhen and recognized as one of the Best Computer Scientists by Research.com in November and August 2023, respectively.

**Dr. Yang Feng (楊峰)**, aged 48, was appointed as our independent non-executive Director on April 22, 2026. He is responsible for supervising and offering independent judgment to the Board.

Dr. Yang has been holding a teaching position at Shanghai Jiao Tong University (上海交通大學) since June 2008.

Dr. Yang obtained his bachelor degree from the Department of Measurement and Control Engineering and Instrument (測控工程與儀器系) of Xidian University (西安電子科技大學) in the PRC in July 2000, his master of engineering degree in pattern recognition and intelligent systems from the same university in March 2003, and his doctor of engineering degree in communication and information systems from Shanghai Jiao Tong University (上海交通大學) in the PRC in December 2008.

Dr. Yang was recognized by a number of honors and awards he received. He became a Chang Jiang Scholars (長江學者) in August 2023, and a distinguished professor (特聘教授) of Shanghai Jiao Tong University (上海交通大學) in July 2024.

**Prof. Gao Zhipeng (高志鵬)**, aged 46, was appointed as our independent non-executive Director on January 19, 2025. He is responsible for supervising and offering independent judgment to the Board.

Prof. Gao has been teaching at the School of Computer Science (National Pilot Software Engineering School) of Beijing University of Posts and Telecommunications (北京郵電大學) since June 2007 and as a professor since December 2016.

Prof. Gao obtained a doctor of engineering degree in computer science and technology from Beijing University of Posts and Telecommunications (北京郵電大學) in July 2007.

Prof. Gao was recognized by a number of honors and awards he received. He was awarded the second prize of Invention and Entrepreneurship Award • Innovation Award (發明創業獎•創新獎) by China Invention Association (中國發明協會) in October 2020, and the third prize of China Institute of Communications Science and Technology Award (中國通信學會科學技術獎) by China Institute of Communications in December 2023. He was awarded the second prize of the Science and Technology Progress Award of the Wu Wenjun Artificial Intelligence Science and Technology Award (吳文俊人工智能科學技術獎科技進步獎) by Chinese Association for Artificial Intelligence (中國人工智能學會) in March 2024. Besides, he has been a committee member of China Computer Federation (中國計算機學會) since January 2024.

## SENIOR MANAGEMENT

Brief information of our senior management (other than our executive Directors) is set out below:

| Name | Age | Position | Date of joining our Group | Date of appointment as senior management | Principal roles and responsibilities | Relationship with other Directors and senior management |
|---|---|---|---|---|---|---|
| Mr. Tan Xinglin (譚興林) . . . | 42 | Senior vice president | June 20, 2022 | June 20, 2022 | Responsible for strategic expansion and industrial cooperation | None |
| Mr. Wang Yabo (王亞波) . . . | 43 | Executive vice president | August 5, 2022 | August 5, 2022 | Responsible for satellite resource management and business development | None |
| Mr. Geng Ting (耿霆). . . . . | 41 | Chief financial officer | July 29, 2024 | July 29, 2024 | Responsible for the financial and capital management | None |
| Mr. Guo Tao (郭濤) . . . . | 43 | Chief technical officer | October 9, 2020 | April 11, 2026 | Responsible for top-level planning and construction | None |

**Mr. Tan Xinglin (譚興林)**, aged 42, joined our Group in June 2022 and is the senior vice president of our Company. He also holds directorship in various subsidiaries of our Group. Mr. Tan has over 10 years of experience in project management. Prior to joining our Group, from December 2013 to August 2016, he worked at Shenzhen Municipal Government Office (深圳市政府辦公廳). From September 2016 to May 2018, he served as the deputy general manager of Kaisa Group Company Limited (佳兆業集團有限公司). From May 2018 to February 2021, he served as the general manager of investment development of Foshan Midea Real Estate Development Co., Ltd. (佛山市美的房地產發展有限公司). He joined Shenzhen Xiayouxing Culture Communication Co., Ltd. (深圳市夏優星文化傳播有限公司, formerly known as Shenzhen Xiayouxing Technology Co., Ltd. (深圳市夏優星科技有限公司)) since December 2020, and has served as the director and general manager ever since.

Mr. Tan obtained a bachelor of engineering degree in environmental engineering from Beijing Technology and Business University (北京工商大學) in the PRC in June 2006 and a master of engineering degree in chemical engineering and technology from Tsinghua University (清華大學) in the PRC in June 2009.

**Mr. Wang Yabo (王亞波)**, aged 43, joined our Group in August 2022 and is currently the executive vice president of our Company. He also holds directorship in various subsidiaries of our Group. Mr. Wang has over 16 years of experience in satellite project design and management. Prior to joining our Group, Mr. Wang worked at Shanghai Aerospace System Engineering Research Institute in China Aerospace Science and Technology Corporation (中國航天科技集團有限公司上海宇航系統工程研究所) from July 2009 to September 2011. From September 2016 to July 2022, he was served as the vice president of Beijing Commsat Technology Development Co., Ltd. (北京九天微星科技發展有限公司).

Mr. Wang obtained a bachelor of engineering degree in engineering mechanics from Nanjing University of Science & Technology (南京理工大學) in the PRC in July 2006 and a master of engineering degree in general mechanics and fundamentals of mechanics from Fudan University (復旦大學) in the PRC in July 2009.

**Mr. Geng Ting (耿霆)**, aged 41, joined our Group in July 2024 and is the chief financial officer of our Company.

Mr. Geng has years of experience in accounting and financial management. Prior to joining our Group, Mr. Geng served as the project manager of Zhongshen Zhonghuan Certified Public Accountants (Special General Partner) Guangzhou Branch (中審眾環會計師事務所(特殊普通合夥人)廣州分所) from December 2018 to October 2021. He then served as the deputy director of finance of Sino-Synergy Hydrogen Energy Technology (Jiaxing) Co., Ltd. (國鴻氫能科技(嘉興)股份有限公司), a company listed on the Stock Exchange (stock code: 09663), from October 2021 to December 2023. After that, he served as the financial director at Puzhou Technology Co., Ltd. (普宙科技有限公司) from December 2023 to June 2024.

Mr. Geng obtained a bachelor of engineering degree in aircraft systems and engineering from Naval Aviation Engineering School (海軍航空工程學院, currently known as Naval Aeronautical University (中國人民解放軍海軍航空大學)) in June 2008. He then obtained a master of science degree in system analysis and integration from the same university in December 2010.

He obtained the tax agent professional qualification certificate in November 2018. He was admitted as the certified public accountant in November 2020. Besides, he obtained his legal professional qualification certificate in June 2023.

**Mr. Guo Tao (郭濤)**, aged 43, a senior engineer (高級工程師), joined our Group in October 2020 and is the chief technical officer of our Company. Mr. Guo has around 15 years of experience in satellite systems R&D and technical management. Prior to joining our Group, from August 2010 to April 2017, Mr. Guo worked at Shanghai Satellite Engineering Institute of Shanghai Academy of Spaceflight Technology (航天八院上海衛星工程研究所), where he held various positions and was primarily responsible for satellite technology and technical management. Mr. Guo also worked as the Assistant to the President at Shanghai Ok Space Co Ltd (上海歐科微航天科技有限公司) from April 2017 to May 2018, and the Project Director at Zhejiang Geespace Technology Co., Ltd. of the Geely Group (吉利集團浙江時空道宇科技有限公司) from May 2018 to September 2020.

Mr. Guo obtained a bachelor of science degree in electronic information science and technology from Fudan University (復旦大學) in the PRC in July 2007, and a master of science degree in circuits and systems from the same university in June 2010. He was awarded the First Prize of the Guangdong Provincial Science and Technology Progress Award (廣東省科技進步獎) by the Guangdong Provincial People's Government in September 2025.

## JOINT COMPANY SECRETARIES

**Ms. Wang Fang (王芳)** was appointed as the joint company secretary of our Company on January 4, 2025 with effect from October 28, 2026. Ms. Wang, aged 34, joined our Group in November 2020. Prior to joining our Group, Ms. Wang worked in Shenzhen Dingyi Culture and Tourism Group Co., Ltd. (深圳市鼎彝文化旅遊集團有限公司) from December 2014 to January 2017. From February 2017 to October 2021, she worked in Chengdu Sikmir Culture Communication Co., Ltd. (成都思克米爾文化傳播有限公司). Ms. Wang obtained a bachelor of history degree in ethnology from Southwest Minzu University (西南民族大學) in the PRC in June 2015.

**Ms. Tong Ka Kei (湯家錡)** was appointed as the joint company secretary on August 3, 2026 with effect from October 28, 2026. Ms. Tong is an assistant manager of TMF Hong Kong Limited with more than 8 years of experience in the corporate secretarial field.

Ms. Tong is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Tong obtained a bachelor's degree in business administration from Hong Kong Shue Yan University in Hong Kong in July 2018.

## BOARD COMMITTEES

Our Company has established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles and the corporate governance practice under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

### Audit Committee

The Audit Committee of our Company consists of three members, namely, Mr. Huang Mingjian, Prof. Zhang Tianyu and Mr. Zhu Zhenhua. Mr. Huang Mingjian is the chairman of the Audit Committee. The primary responsibilities of the Audit Committee are to review and supervise our financial reporting process, including:

(a) to make recommendations to the Board on the appointment, replacement and removal of the external auditor, to consider and approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;

(c) to develop and implement policy on engaging an external auditor to provide non-audit services;

(d) to monitor internal audit system of our Company and ensure the implementation of such systems;

(e) to facilitate communications between the internal audit department and external auditors;

(f) to review the financial information and relevant disclosures of our Company; and

(g) to monitor our Company in respect of financial reporting system, risk management and internal controls system.

### Remuneration Committee

The Remuneration Committee of our Company consists of three Directors, including Dr. Yang Feng, Dr. Wang Lei and Mr. Huang Mingjian. Dr. Yang Feng is the chairman of the Remuneration Committee. The primary responsibilities of the Remuneration Committee include:

(a) to make recommendations to the Board on our Company's remuneration policy and structure for all Directors and senior management, and on the establishment of a formal and transparent procedure for developing the remuneration policy;

(b) to review and approve the remuneration proposals of senior management with reference to the Board's corporate goals and objectives;

(c) to make recommendations to the Board on the remuneration packages of the executive Directors and senior management or to determine, with delegated responsibility, the remuneration packages of the executive Directors and senior management. The remuneration packages shall include benefits in kind, pension rights and compensation payments (including compensation for loss or termination of their office or appointment);

(d) to make recommendations to the Board on the remuneration of non-executive Directors;

(e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in our Group;

(f) to review and approve the compensation payable to the executive Directors and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;

(g) to review and approve the compensation arrangements relating to dismissal or removal of the Directors for misconduct to ensure that such compensation is consistent with the contractual terms and is otherwise fair and not excessive;

(h) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and

(i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

**Nomination Committee**

The Nomination Committee of our Company consists of three members, Dr. Lu, Prof. Huang Jianwei and Prof. Gao Zhipeng. Dr. Lu is the chairman of the Nomination Committee. The primary responsibilities of the Nomination Committee include:

(a) to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement our Company's corporate strategy;

(b) to identify individuals suitably qualified to become board members and select and make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of the independent non-executive Directors; and

(d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairman of the Board and the Chief Executive Officer).

## CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 4, 2025 and April 20, 2026 (as the case may be), and (ii) understands his or her obligations as a director of a listed issuer on the Stock Exchange under the Listing Rules and further confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Each of the independent non-executive Directors confirms (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

## REMUNERATION OF DIRECTORS

The aggregate amount of remuneration paid to our Directors (including directors' fees, salaries and bonus, social security costs, housing benefits and employee welfare, and share-based payment) for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 were approximately RMB13.3 million, RMB15.7 million, RMB5.9 million and RMB42.2 million, respectively. Further information on the remuneration of each Director during the Track Record Period is set out in Appendix I to this prospectus.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 included 1, 1, 0 and 1 Directors, respectively, whose remuneration is included in the aggregated amount of remuneration set out above. The aggregate amount of wages, salaries and bonus, pension costs, housing funds, medical insurances and other social insurances, and share-based payments for employees of the remaining 4, 4, 5 and 4 highest-paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026 was approximately RMB40.3 million, RMB80.5 million, RMB86.3 million and RMB41.9 million, respectively.

During the Track Record Period, no remuneration was paid or payable by our Company to our Directors or the five highest-paid individuals as an inducement to join or upon joining our Company. During the Track Record Period, no compensation was paid or payable by our Company to our Directors, former Directors or the five highest-paid individuals for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

During the Track Record Period, none of our Directors has waived or agreed to waive any remuneration or benefits in kind. Save as disclosed above, no other payments were paid or payable by our Company or any of our subsidiaries to our Directors or the five highest-paid individuals during the Track Record Period.

Under the arrangement currently in force, the aggregate amounts of remuneration payable by our Company to our Directors for the year ending December 31, 2026 to be approximately RMB7.7 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

## DIRECTORS' INTEREST

Save as disclosed in this prospectus, none of our Directors (i) held any other positions in our Company or any other members of our Group as of the Latest Practicable Date; (ii) had any other relationship with any Directors, senior management or substantial shareholders of our Company as of the Latest Practicable Date; and (iii) held any directorship in any other listed companies in the three years immediately prior to the date of this prospectus.

## MANAGEMENT PRESENCE

We have applied for, and the Stock Exchange has granted, a waiver from compliance with Rule 8.12 of the Listing Rules. See "Waivers from Strict Compliance with the Listing Rules."

## BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain high standard of corporate governance, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Our Board currently consists of 14 male members and one female member, with five executive Directors, five non-executive Directors and five independent non-executive Directors at diverse age ranges. The members of our Board obtained degrees in various majors including engineering, accounting, law, economics, and science. We consider that our Board has a balanced mix of skillset including R&D, AI technology, application of space technology, management, accounting, among others experience, expertise, and diversity which enhances decision-making capability and the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. We consider that our Broad satisfies our Broad Diversity Policy.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the Listing, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We are committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the corporate governance requirements under the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules after the Listing.

## COMPLIANCE ADVISOR

We have appointed Guotai Junan Capital Limited as our compliance advisor pursuant to Rules 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, we must consult with and, if necessary, seek advice from our compliance advisor on a timely basis 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 but not limited to share issues and share repurchases;

(iii) where our Company proposes to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus, or where the business activities, developments or results of our Group deviate from any forecast, estimate or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters under Rule 13.10 of the Listing Rules.

Our compliance advisor will, in a timely manner, inform us of any amendments or supplements to the Listing Rules and any new or amended law, regulation or code in Hong Kong applicable to our Group. The term of the appointment of our compliance advisor shall commence on the Listing Date and end on the date when we distribute our annual report in respect of our financial results for the first full financial year commencing after the Listing Date, and such appointment may be subject to extension by mutual agreement.

## OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date, Dr. Lu was entitled to exercise the voting rights attaching to an aggregate of 30.77% of the total issued Shares through controlling the voting rights attaching to (i) 22.83% of the total issued Shares by virtue of his role as the sole general partner of each of (A) Beijing Xingrong Yuhang, (B) Beijing New Era Space, and (C) Haikou Xingsuan, and (ii) 7.95% of the total issued Shares controlled by Beijing Xingrong Yuhang pursuant to the Voting Arrangements. As disclosed in "History, Development and Corporate Structure — Voting Arrangements", the voting arrangements between Beijing Xingrong Yuhang and each of the Relevant Shareholders will continue to be effective up until the time immediately prior to the Listing. For more details of the partners of Beijing Xingrong Yuhang and Beijing New Era Space, please see "History, Development and Corporate Structure — Share Ownership Platforms". For more details of the partners of Haikou Xingsuan, please see "History, Development and Corporate Structure — Pre-IPO Investments."

Immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), Dr. Lu, through Beijing New Era Space, Beijing Xingrong Yuhang and Haikou Xingsuan, shall be entitled to exercise the voting rights attaching to 21.68% of the total issued Shares. Accordingly, Dr. Lu, Beijing New Era Space, Beijing Xingrong Yuhang and Haikou Xingsuan will not be regarded as a group of controlling shareholders, but will remain as our Single Largest Group of Shareholders upon Listing for the purpose of the Listing Rules.

## INTERESTS OF OUR SINGLE LARGEST GROUP OF SHAREHOLDERS IN OTHER BUSINESSES

Our Single Largest Group of Shareholders confirmed that as of the Latest Practicable Date, they did not have any interest in other business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

## INDEPENDENCE FROM OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Single Largest Group of Shareholders and their close associates after the Listing, taking into consideration the factors below.

### Management Independence

Our business is managed and conducted by our Board and senior management. Upon Listing, our Board consists of 15 Directors, comprising five executive Directors, five non-executive Directors and five independent non-executive Directors. Dr. Lu, one of our Single Largest Group of Shareholders, is our founder, chairman of the Board and executive Director.

Our Directors consider that we are able to carry on our business independently from our Single Largest Group of Shareholders from a management perspective for the following reasons:

(a) 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. See "Directors and Senior Management";

(b) 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;

(c) we have five independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review; and

(d) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Group of Shareholders which would support our independent management. See "— Corporate Governance."

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 Single Largest Group of Shareholders and their close associates after the Listing.

**Operational Independence**

We do not rely on our Single Largest Group of Shareholders and their close associates for our daily operations. While our business operations and growth prospects might be affected by the experience and abilities of our founder, Dr. Lu, and our senior management and key personnel, we have our own departments specializing in business development, sales and marketing, financing, logistics, human resources, administration, internal audit, information technology, legal and compliance, or company secretarial functions which have been in operation and are expected to continue to operate separately and independently from our Single Largest Group of Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

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 are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Group of Shareholders and their close associates.

**Financial Independence**

We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department in charge of our treasury function. Our Company maintains bank accounts independently and does not share any bank account with our Single Largest Group of 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 Single Largest Group of Shareholders and their close associates. We do not expect to rely on our Single Largest Group of Shareholders and their close associates for financing after the Listing as we expect that our working capital will be funded by the cash, cash equivalent on hand as well as the proceeds from the Global Offering.

In addition, we are capable of obtaining financing from Independent Third Parties, if necessary, without relying on any guarantee or security provided by our Single Largest Group of Shareholders or their respective close associates. As of the Latest Practicable Date, there were no outstanding loans or guarantee provided by or granted to our Single Largest Group of Shareholders or their respective close associates.

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 Single Largest Group of Shareholders or their respective close associates after the Listing.

## CORPORATE GOVERNANCE

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.

Our Directors recognize the importance of implementing good corporate governance and effective internal control measures in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders and their respective close associates:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders or any of their respective associates has a material interest, our Single Largest Group of Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) as part of our preparation for Listing, we have amended our Articles of Association to comply with the Listing Rules which will become effective upon Listing. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her 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 Listing, if our Group enters into connected transactions with our Single Largest Group of Shareholders or any of their respective 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 five independent non-executive Directors, and 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 "Directors and Senior Management";

(e) where our Directors reasonably request the advice of independent professionals or advisors, such as financial advisors, valuers or legal advisors, the appointment of such independent professionals or advisors will be made at our Company's expenses; and

(f) we have appointed Guotai Junan Capital Limited as our Compliance Advisor to provide us with advice and guidance in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

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 Single Largest Group of Shareholders, and to protect minority Shareholders' interests after the Listing.

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the following persons are expected to have an interest and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

| | | | As of the Latest Practicable Date | | Immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised)[1] | | |
|---|---|---|---|---|---|---|---|
| **Name of Shareholder** | **Type of Shares** | **Nature of Interest** | **Number of Shares** | **Approximate percentage in the total share capital of the Company** | **Number of Shares** | **Approximate percentage of shareholding in the relevant type of Shares[2]** | **Approximate percentage in the total share capital of the Company** |
| **Dr. Lu[3][4][5]** | Unlisted Shares | Interest in controlled corporation | 130,628,680 | 22.83% | 128,647,280 | 73.77% | 21.36% |
| | H Shares | Interest in controlled corporation | – | – | 1,981,400 | 0.46% | 0.33% |
| **Beijing Xingrong Yuhang[3]** | Unlisted Shares | Beneficial owner | 90,053,120 | 15.74% | 90,053,120 | 51.64% | 14.95% |
| **Beijing New Era Space[4]** | Unlisted Shares | Beneficial owner | 38,594,160 | 6.74% | 38,594,160 | 22.13% | 6.41% |
| **Haikou Xingsuan[5]** | Unlisted Shares | Beneficial owner | 1,981,400 | 0.35% | – | – | – |
| | H Shares | Beneficial owner | – | – | 1,981,400 | 0.46% | 0.33% |
| **Dr. Sheng Xitai[6]** | Unlisted Shares | Interest in controlled corporation | 50,327,420 | 8.79% | – | – | – |
| | H Shares | Interest in controlled corporation | – | – | 50,327,420 | 11.76% | 8.35% |
| **Wuxi Guoxing Fund[6]** | Unlisted Shares | Beneficial owner | 17,579,860 | 3.07% | – | – | – |
| | H Shares | Beneficial owner | – | – | 17,579,860 | 4.11% | 2.92% |
| **Hongtai Industrialization[6]** | Unlisted Shares | Beneficial owner | 17,059,750 | 2.98% | – | – | – |
| | H Shares | Beneficial owner | – | – | 17,059,750 | 3.99% | 2.83% |
| **Hongtai Kuyu[6]** | Unlisted Shares | Beneficial owner | 10,734,320 | 1.88% | – | – | – |
| | H Shares | Beneficial owner | – | – | 10,734,320 | 2.51% | 1.78% |
| **Wuxi Xinzhi** | Unlisted Shares | Beneficial owner | 4,953,490 | 0.87% | – | – | – |
| | H Shares | Beneficial owner | – | – | 4,953,490 | 1.16% | 0.82% |
| **Galaxy Industry Group** | Unlisted Shares | Beneficial owner | 30,937,670 | 5.41% | – | – | – |
| | H Shares | Beneficial owner | – | – | 30,937,670 | 7.23% | 5.14% |
| **Huizhou Yilin Investment** | Unlisted Shares | Beneficial owner | 10,734,190 | 1.88% | 10,734,190 | 6.16% | 1.78% |
| **Guangdong Wanquan Investment** | Unlisted Shares | Beneficial owner | 9,108,970 | 1.59% | 9,108,970 | 5.22% | 1.51% |

*Notes:*

(1) All interests stated are long position.

(2) The calculation is based on the assumption that immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering, there will be (i) a total number of 174,394,570 Unlisted Shares in issue; (ii) a total number of 397,904,170 H Shares to be converted from Unlisted Shares; and (iii) a total number of 30,121,000 H Shares to be issued pursuant to the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

(3) The general partner of Beijing Xingrong Yuhang is Dr. Lu. As such, Dr. Lu is deemed to be interested in the Shares held by Beijing Xingrong Yuhang for the purpose of Part XV of the SFO.

(4) The general partner of Beijing New Era Space is Dr. Lu. As such, Dr. Lu is deemed to be interested in the Shares held by Beijing New Era Space for the purpose of Part XV of the SFO.

(5) The general partner of Haikou Xingsuan is Dr. Lu. As such, Dr. Lu is deemed to be interested in the Shares held by Haikou Xingsuan for the purpose of Part XV of the SFO.

(6) The general partner(s) of (a) Hongtai Industrialization is Beijing Hongtai Tongchuang, (b) Hongtai Kuyu are Beijing Hongtai Tongchuang and Hongtai Lecheng, (c) Wuxi Guoxing Fund is Wuxi Xingxin Co-Creation Investment, and (d) Wuxi Xinzhi is Wuxi Xingxin Co-Creation Investment. Beijing Hongtai Tongchuang, Hongtai Lecheng and Wuxi Xingxin Co-Creation Investment are ultimately owned by Dr. Sheng Xitai, our non-executive Director. As such, Dr. Sheng Xitai is deemed to be interested in the Shares held by Hongtai Industrialization, Hongtai Kuyu, Wuxi Guoxing Fund and Wuxi Xinzhi for the purpose of Part XV of the SFO.

Save as disclosed above and the section headed "Statutory and General Information — 4. Disclosure of Interests — A. Substantial Shareholders" of Appendix VII in this prospectus, our Directors are not aware of any other person who will, immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), have any interest and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

## OUR SHARE CAPITAL

### Immediately before the Global Offering

As of the Latest Practicable Date, the registered share capital of our Company was RMB57,229,874, consisting of 572,298,740 Unlisted Shares, with a nominal value of RMB0.10 each.

### Upon completion of the Global Offering

Immediately after the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), the share capital of our Company will be as follows:

| Description of Shares | Number of Shares | Approximate % of the enlarged issued share capital |
|---|---|---|
| Unlisted Shares in issue | 174,394,570 | 28.95% |
| H Shares to be converted from Unlisted Shares | 397,904,170 | 66.05% |
| H Shares to be issued pursuant to the Global Offering | 30,121,000 | 5.00% |
| **Total** | **602,419,740** | **100%** |

Assuming the Offer Size Adjustment Option is exercised in full and the Over-allotment Option is not exercised, the share capital of our Company immediately following the Conversion of Unlisted Shares into H Shares and the Global Offering will be as follows:

| Description of Shares | Number of Shares | Approximate % of the enlarged issued share capital after the Global Offering |
|---|---|---|
| Unlisted Shares | 174,394,570 | 28.73% |
| H Shares to be converted from Unlisted Shares | 397,904,170 | 65.56% |
| H Shares to be issued pursuant to the Global Offering | 34,639,100 | 5.71% |
| **Total** | **606,937,840** | **100%** |

Assuming the Offer Size Adjustment Option is not exercised and the Over-allotment Option is exercised in full, the share capital of our Company immediately following the Conversion of Unlisted Shares into H Shares and the Global Offering will be as follows:

| Description of Shares | Number of Shares | Approximate % of the enlarged issued share capital after the Global Offering |
|---|---|---|
| Unlisted Shares | 174,394,570 | 28.73% |
| H Shares to be converted from Unlisted Shares | 397,904,170 | 65.56% |
| H Shares to be issued pursuant to the Global Offering | 34,639,100 | 5.71% |
| **Total** | **606,937,840** | **100%** |

Assuming the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the share capital of our Company immediately following the Conversion of Unlisted Shares into H Shares and the Global Offering will be as follows:

| Description of Shares | Number of Shares | Approximate % of the enlarged issued share capital after the Global Offering |
|---|---|---|
| Unlisted Shares | 174,394,570 | 28.49% |
| H Shares to be converted from Unlisted Shares | 397,904,170 | 65.00% |
| H Shares to be issued pursuant to the Global Offering | 39,834,900 | 6.51% |
| **Total** | **612,133,640** | **100%** |

The Conversion of Unlisted Shares into H Shares will involve an aggregate of 397,904,170 Unlisted Shares held by 99 existing Shareholders, representing approximately 66.05% of total issued Shares upon completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised). Set out below are such Shares held by our existing Shareholders and their respective shareholding upon completion of the Conversion of Domestic Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised).

| | | Number of Shares immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) | |
|---|---|---|---|
| Shareholder | Number of Unlisted Shares as of the Latest Practicable Date | Unlisted Shares | H Shares converted from Unlisted Shares |
| Beijing Xingrong Yuhang | 90,053,120 | 90,053,120 | – |
| Beijing New Era Space | 38,594,160 | 38,594,160 | – |
| **Pre-IPO Investors** | | | |
| Galaxy Industry Group | 30,937,670 | – | 30,937,670 |
| Mr. Jiang Zhenlin | 19,813,970 | – | 19,813,970 |
| *Hongtai* | | | |
| – Wuxi Guoxing Fund | 17,579,860 | – | 17,579,860 |
| – Hongtai Industrialization | 17,059,750 | – | 17,059,750 |
| – Hongtai Kuyu | 10,734,320 | – | 10,734,320 |
| – Wuxi Xinzhi | 4,953,490 | – | 4,953,490 |
| Shenzhen Capital Group | 14,955,560 | – | 14,955,560 |
| Hengkun Development Fund | 14,895,690 | – | 14,895,690 |
| *Entities controlled by Mr. Xu Wei* | | | |
| – Ningbo Kunrui | 14,860,480 | – | 14,860,480 |
| – Zhiyan Xinhe | 3,643,610 | – | 3,643,610 |
| *Jinko* | | | |
| – Jiaxing Jinmu | 12,780,010 | – | 12,780,010 |
| – Jinko Technology | 3,219,770 | – | 3,219,770 |
| *Entities controlled by Mr. Zhou Kui* | | | |
| – Xiamen Yaheng | 12,383,730 | – | 12,383,730 |
| – Beijing Anshan | 2,476,750 | – | 2,476,750 |
| Huizhou Yilin Investment | 10,734,190 | 10,734,190 | – |
| Guangdong Wanquan Investment | 9,108,970 | 9,108,970 | – |
| *Entities controlled by Mr. Yang Guosheng* | | | |
| – Hexing No. II Investment | 8,822,780 | – | 8,822,780 |
| – Shenzhen Baiying | 1,486,050 | – | 1,486,050 |
| Qingda Honghe | 8,529,870 | – | 8,529,870 |
| *Haijin* | | | |
| – Haijin Xingyu | 8,525,610 | – | 8,525,610 |
| – Haijin Juying | 170,600 | – | 170,600 |

| Shareholder | Number of Unlisted Shares as of the Latest Practicable Date | Number of Shares immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) | |
|---|---|---|---|
| | | Unlisted Shares | H Shares converted from Unlisted Shares |
| *Entities controlled by Huaxia Hengtian* | | | |
| – Hangzhou Chuangli | 7,944,650 | – | 7,944,650 |
| – Hangzhou Quanzhi | 2,929,980 | – | 2,929,980 |
| Mr. Ye Guofu | 7,925,580 | – | 7,925,580 |
| *Qingchuang* | | | |
| – Qingchuang Bole Gongyu | 7,782,970 | – | 7,782,970 |
| – Qingchuang Bole Fengqing | 556,700 | – | 556,700 |
| – Qingchuang Bole Songyun | 2,972,090 | – | 2,972,090 |
| *Beijiao* | | | |
| – Beijiao No. VI | 5,300,240 | – | 5,300,240 |
| – Beijiao No. II | 4,606,750 | – | 4,606,750 |
| *Taizhou Capital and its wholly owned subsidiaries* | | | |
| – Taizhou Capital | 5,273,960 | 5,273,960 | – |
| – Taizhou Jintou | 4,101,970 | 4,101,970 | – |
| – Zhejiang Zhongjing | 586,000 | 586,000 | – |
| Qingdao Heda | 5,201,170 | – | 5,201,170 |
| *SME Development Fund entities* | | | |
| – SME Development Fund | 5,034,320 | – | 5,034,320 |
| – SME Development Fund (Chengdu) | 3,425,330 | – | 3,425,330 |
| – Fuhai Yuhang | 2,972,090 | – | 2,972,090 |
| – Fuhai Juanyong | 2,972,090 | – | 2,972,090 |
| – Fuhai Qiantang | 990,700 | – | 990,700 |
| Mr. Wei Wei | 4,953,490 | – | 4,953,490 |
| Xiuhu Fund | 4,264,940 | – | 4,264,940 |
| Guang Xin Development | 4,025,390 | 4,025,390 | – |
| Mr. Wang Xin | 3,962,790 | – | 3,962,790 |
| Jiaoying Yazhi | 3,467,440 | – | 3,467,440 |
| Shenzhen Fengfan | 3,453,290 | – | 3,453,290 |
| Tongkun Langtai | 3,356,210 | – | 3,356,210 |
| Huacang Yixing Investment | 3,356,210 | 1,006,860 | 2,349,350 |
| Jiaxing Tianhai Desheng | 2,979,140 | – | 2,979,140 |
| Juyuan Qixin | 2,972,090 | – | 2,972,090 |
| Chengdu Dongjin | 2,929,980 | – | 2,929,980 |
| Mr. Sun Jianhui | 2,830,560 | – | 2,830,560 |
| Guangdong Jiahao Investment | 2,830,190 | 1,132,080 | 1,698,110 |
| Dongguan Investment | 2,830,130 | – | 2,830,130 |
| Wuxi Tianyanxing | 2,830,130 | 2,600,130 | 230,000 |
| Kangjian Agricultural | 2,683,550 | – | 2,683,550 |
| Wuhu Investment | 2,558,960 | – | 2,558,960 |
| Torch Gas | 2,476,750 | – | 2,476,750 |
| Huanyu Chenyao | 2,476,750 | – | 2,476,750 |
| Shenzhen Fanglin | 2,476,750 | – | 2,476,750 |
| Shenzhen Hanqingda | 2,476,750 | – | 2,476,750 |
| Shenzhen Yueke | 2,476,750 | 1,238,370 | 1,238,380 |
| Trina Solar | 2,476,750 | – | 2,476,750 |
| Bester Group | 2,476,750 | – | 2,476,750 |
| Gongqingcheng Laike | 2,476,750 | – | 2,476,750 |
| Shenzhen Gongtong Jiayuan | 2,476,750 | – | 2,476,750 |
| Yangzhou Echeng | 2,476,750 | – | 2,476,750 |
| Gongqingcheng Qianniu | 2,476,750 | – | 2,476,750 |
| Zhuodai Shengtu | 2,476,750 | – | 2,476,750 |
| Jiaxing Liucheng | 2,476,750 | – | 2,476,750 |
| Qingdao Xinghe | 2,476,750 | – | 2,476,750 |
| Qingdao Baizhong | 2,476,750 | – | 2,476,750 |
| Shengren Investment | 2,234,250 | 424,500 | 1,809,750 |
| Longgang Guiding | 2,229,070 | 1,114,540 | 1,114,530 |
| Xinjiang Communications Construction | 2,146,860 | 2,146,860 | – |
| Yinfeng Rongjin | 2,122,700 | – | 2,122,700 |
| Ms. Liu Tao | 1,981,400 | – | 1,981,400 |

| Shareholder | Number of Unlisted Shares as of the Latest Practicable Date | Number of Shares immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) | |
|---|---|---|---|
| | | Unlisted Shares | H Shares converted from Unlisted Shares |
| Haikou Xingsuan | 1,981,400 | – | 1,981,400 |
| Ouzhuo Enterprise | 1,849,310 | – | 1,849,310 |
| CTG | 1,821,740 | – | 1,821,740 |
| Ms. Feng Meiqian | 1,771,110 | – | 1,771,110 |
| Shenzhen Yunfan | 1,768,400 | – | 1,768,400 |
| Dongtou Chantou | 1,757,990 | 1,757,990 | – |
| West Lake Industrial Fund | 1,757,990 | – | 1,757,990 |
| Yunjin Tianqu | 1,733,720 | – | 1,733,720 |
| Qingdao Juderong Financial | 1,678,110 | – | 1,678,110 |
| Xiamen Shengtian | 1,666,890 | – | 1,666,890 |
| Shenzhen Zhisheng | 1,486,050 | – | 1,486,050 |
| Guangdong Lingyi | 1,486,050 | – | 1,486,050 |
| Suzhou Panxing | 1,486,050 | – | 1,486,050 |
| Zhenye Aerospace | 1,415,130 | – | 1,415,130 |
| Linzhi Zhengyuan | 1,341,840 | – | 1,341,840 |
| Changzhou Shenghe | 1,210,390 | – | 1,210,390 |
| *Entities controlled by Sichuan Neijiang High-tech Industrial Development Zone Management Committee* | | | |
| – Neijiang High-Tech Investment | 1,171,990 | – | 1,171,990 |
| – Neijiang Investment | 1,171,990 | – | 1,171,990 |
| Haikou Citong | 1,162,410 | – | 1,162,410 |
| Anhui Xinsuan | 1,100,780 | – | 1,100,780 |
| Mr. Xiao Shan | 1,089,760 | – | 1,089,760 |
| Haikou Zongbao Fund | 1,054,790 | – | 1,054,790 |
| Shanghai Guoce | 990,700 | – | 990,700 |
| *Entities controlled by Mr. Ma Weiguo* | | | |
| – Dongtai Chenhang | 990,700 | – | 990,700 |
| – Tianjin Qingchen | 495,350 | – | 495,350 |
| Beijing Shuimu | 990,700 | – | 990,700 |
| Xinhuanet Venture Capital | 878,990 | – | 878,990 |
| Shenzhen Zhixuan | 856,020 | – | 856,020 |
| Shenzhen Kezhen | 842,090 | – | 842,090 |
| Shanghai Jianjia | 686,750 | – | 686,750 |
| Fujian Lingshui | 566,110 | – | 566,110 |
| Beijing Xinghua Zhilian Investment | 495,480 | 495,480 | – |
| Mr. Jin Jun | 495,340 | – | 495,340 |
| **Total** | **572,298,740** | **174,394,570** | **397,904,170** |

## OUR SHARES

Upon completion of the Global Offering and Conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are both ordinary Shares under the same class in the share capital of our Company.

Our H Shares may only be subscribed for and traded in Hong Kong dollars. Our Unlisted Shares, on the other hand, may only be subscribed for and traded in RMB. Apart from certain qualified domestic institutional investors in the PRC, through Shanghai-Hong Kong Stock Connect, or through Shenzhen-Hong Kong Stock Connect or other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, our H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC. Our Unlisted Shares, on the other hand, can be purchased or transferred between legal or natural persons of the PRC, qualified foreign institutional investors and qualified foreign strategic investors.

We shall pay all dividends in respect of H Shares in Hong Kong dollars and all dividends in respect of Unlisted Shares in RMB. In addition to cash, dividends may be distributed in the form of Shares. For holders of H Shares, dividends in the form of Shares will be distributed in the form of additional H Shares. For holders of Unlisted Shares, dividends in the form of Shares will be distributed in the form of additional Unlisted Shares.

The Offer Shares will rank *pari passu* in all respects with all Shares currently in issue or to be issued as mentioned in this prospectus and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this prospectus.

## CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

If any of the Unlisted Shares are to be converted, listed and traded as H Shares on the Hong Kong Stock Exchange, such conversion, listing and trading will need to be filed with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange.

### Filing with the CSRC for Full Circulation

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share listed companies which apply for the conversion of unlisted shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall file with the CSRC by filing materials on key compliance issues. An unlisted domestic joint stock company may apply for "full circulation" when applying for an overseas initial public offering.

We have filed with the CSRC for, and the CSRC has registered the conversion of 397,904,170 Unlisted Shares into H Shares on a one-for-one basis immediately prior to the completion of the Global Offering and the CSRC issued the filing notice in respect of the Global Offering dated September 29, 2026.

### Listing Approval by the Hong Kong Stock Exchange

We have applied to the Listing Committee for the granting of listing of, and permission to deal in, (i) our H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option), and (ii) the H Shares to be converted from the Unlisted Shares, on the Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our H Share Registrar regarding relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS.

## LOCK-UP PERIODS

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by the Company prior to the Global Offering will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

Our Directors and members of senior management shall declare their shareholdings in the Company and any changes in their shareholdings. Shares transferred by our 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 held in the Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management.

## REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請"全流通"業務指引) announced by the CSRC, the domestic shareholders of unlisted shares shall handle share transfer registration in accordance with the relevant business rules of CSDC. And H-share companies should submit relevant status reports to the CSRC within 15 days after the shares involved in the application completing the transfer registration in CSDC.

## CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

For details of circumstances under which our Shareholders' general meetings are required, see "Appendix VI — Summary of the Articles of Association — Notice and Agenda of General Shareholders' Meeting."

*You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountant's Report in Appendix I to this prospectus. Our consolidated 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 prospectus, including but not limited to the sections headed "Risk Factors" and "Business."*

*Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.*

## OVERVIEW

We are a commercial aerospace company in China, with a strategic focus on satellite and related services and satellite-based solutions. Leveraging our core strengths in commercial aerospace and artificial intelligence ("**AI**"), we design and produce commercial satellites, ensuring stable operations and management, and deliver customized satellite-based solutions to meet the diverse needs of our customers.

During the Track Record Period, we primarily generated revenue from satellites and related services and satellite-based solutions. Our revenue increased from RMB507.5 million in 2023 to RMB553.5 million in 2024 and further increased to RMB702.7 million in 2025. Our revenue amounted to RMB241.3 million in the six months ended June 30, 2025 and RMB226.1 million in the six months ended June 30, 2026. Meanwhile, our gross profit increased from RMB71.1 million in 2023 to RMB210.2 million in 2024 and decreased to RMB143.2 million in 2025 representing a gross profit margin of 14.0%, 38.0% and 20.4%, respectively, for the same years. Our gross profit increased from RMB24.3 million in the six months ended June 30, 2025 to RMB88.9 million in the six months ended June 30, 2026, representing a gross profit margin of 10.1% and 39.3%, respectively.

We had a net loss of RMB139.3 million, RMB177.2 million, RMB255.9 million, RMB192.0 million and RMB150.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. The net losses during the Track Record Period were primarily attributable to the following factors: (i) fluctuations in the gross profit margins of our satellite-based solutions and satellites and related services, mainly due to changes in our offering mix, relatively high production costs and limited pricing flexibility during the early stage of customer acquisition; (ii) relatively high research and development expenses incurred as we continued to invest in satellite technologies and AI computing satellites to build our core technological capabilities and support long-term growth; and (iii) relatively high share-based payments incurred to incentivise key employees. Our adjusted net loss (non-IFRS measure) after adding back share-based payments and listing expenses was RMB90.7 million, RMB69.0 million, RMB156.6 million, RMB144.2 million and RMB65.3 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

## BASIS OF PREPARATION

The Historical Financial Information (as defined in Appendix I to this prospectus) has been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 of Appendix I to this prospectus.

The Historical Financial Information has been prepared on a historical cost conversion, as modified by revaluation of certain financial assets measured at fair value. In preparing the Historical Financial Information, the Group has consistently adopted all applicable new and amended IFRS Accounting Standards presented during the Track Record Period except for any new standard, amendment and interpretation to existing standards that are not yet effective. See Note 2 of Appendix I to this prospectus.

## MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our 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 the following:

### General Factors

Our business and operating results are impacted by general factors affecting the development of our industry, which include: (i) overall economic growth and per capita disposable income; (ii) demand for our products and services in downstream markets; (iii) prices of raw materials; (iv) growth and competition environment of our industry; (v) relevant laws and regulations, governmental policies and initiatives; (vi) occurrence of force majeure events, outbreak of pandemics or epidemics, acts of war, social and economic chaos and natural disasters.

Unfavorable changes in any of these general industry conditions could materially and adversely affect demand for our products and services and/or the manner in which we offer our products and services, and materially and adversely affect our results of operations.

### Company-specific Factors

Our business and results of operations are also affected by a number of key factors specific to our Group, which mainly include:

#### *Our Ability to Manage Sales, Delivery and Acceptance Cycle for Our Satellites*

Managing the sales and delivery cycle for our satellites is essential for maintaining a stable business and ensuring a consistent revenue stream. This comprehensive process involves multiple key stages, including entering into sales agreements, payload, platform and satellite R&D, assembly, testing, launch coordination with third-party launch service providers, on-orbit delivery and post-launch TT&C services. Given the complexity and duration of this cycle, it is vital for us to effectively manage the schedule for each stage and manage timelines to ensure a stable business pipeline.

Our revenue from sales of satellites is recognized upon the transfer of control, typically at the completion of production and/or upon on-orbit delivery. Accordingly, effective execution is critical in each phase including satellite R&D, production, launch coordination with third-party launch service providers and on-orbit delivery. Delays and failures in any phase may impact revenue recognition and thereby, affecting our financial performance. Consequently, optimizing project scheduling and timeline management and mitigating potential delays are vital to ensure each stage of the process is smoothly executed, maintaining operational stability and meeting customer expectations.

In addition to internal process management, external factors unique to our industry significantly affect our sales and delivery cycle. Regulatory approvals in the PRC and the available launch windows of carrier rockets represent a major external dependency of launch schedules. These stringent and time-intensive requirements may delay the timeline for satellite launches and, consequently, revenue recognition may be delayed. By addressing internal process efficiencies and external challenges, we aim to enhance our capability to navigate the complexities of the satellite sales and delivery cycle. This comprehensive approach enables us to align with regulatory requirements, uphold customer satisfaction, and achieve long-term business success.

During the Track Record Period, we generally recognized more revenue in the fourth quarter of a year, primarily due to the timing of inspection and acceptance of our products and solutions by certain customers resulting from their fiscal arrangement subject to their internal policies and protocols. As we believe that this pattern is likely to continue in the foreseeable future, quarterly comparisons of our operating results may not be useful and our results of operations in any particular period will not necessarily be indicative of the results of operations to be expected for any future period.

In addition, our gross profit margin is affected by our product and solution mix, which includes satellites and related services, satellite-based solutions, and other services. Each business line contributes differently to our overall profitability due to varying cost structures and pricing strategies. To optimize our gross profit margin, we continuously assess and adjust our product and solution mix in response to market demand and profitability analysis. This dynamic approach allows us to adapt to changing market conditions and maintain a healthy overall gross profit margin.

***Our Ability to Enhance Technology and Develop Our Products and Solutions***

Our ability to enhance our technological capabilities and develop products and solutions is crucial to our business success. Our financial performance hinges on our capability to maintain technological competitiveness, which is underpinned by our strategic investments in R&D. Benefitting from our increasing R&D efforts, in terms of the cumulative number of AI satellites successfully launched as of the Latest Practicable Date, we ranked first among all private commercial aerospace companies in China, according to Frost & Sullivan. We consistently invest in technology advancement to innovate and introduce new products and solutions to meet our customers' evolving needs. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses were RMB53.5 million, RMB142.0 million, RMB151.7 million, RMB97.7 million and RMB108.6 million, respectively.

Our core technologies essential for satellite development and satellite-based solutions include AI application satellite R&D and production technology adapted to the space environment, rapid satellite customization based on modular satellite platforms, automated spatial dimension enhancement for remote sensing data based on the Lingjing Engine, and AI computing satellite R&D and production technology based on the high-power flat-panel satellite platform. See "Business — Our Technologies." We are committed to furthering our investment in R&D to enhance these technologies and expand our product and solution portfolio. This strategic focus will enable us to maintain our competitive edge and continue to meet the dynamic demands of our industry.

***Our Ability to Deepen Relationships with Existing Customers and Expand Our Customer Base***

Our future growth is dependent on our ability to maintain and deepen relationships with our existing customers. We primarily engage in business with customers across sectors such as aerospace, AI, electronic products and software development and digital cultural creativity content production, among others. We aim to further deepen our collaboration with customers. Leveraging our technologies, we are well-equipped to deliver satellites and satellite-based solutions to our customers catering to various needs of our target markets, further enhancing customer loyalty and establishing long-term customer relationships.

In addition to nurturing existing relationships, we are dedicated to identifying and attracting new customers to expand our customer base. We believe that our technological capabilities, accumulated experience and well-established market recognition will continuously help us attract new customers. Since our inception and up to the Latest Practicable Date, we had jointly developed one AI application satellite with our partners, and independently developed six AI payloads, four AI application satellites and 26 AI computing satellites. Since our inception and up to the Latest Practicable Date, we had secured NDRC approval for 60 additional satellites. As our products and solutions become more established and recognized in the satellite industry, we expect to further expand our customer base to expand our business.

***Our Ability to Effectively Manage Our Costs and Expenses and Enhance Operating Efficiency***

Our ability to achieve and maintain profitability is intrinsically linked to our capacity to control costs and expenses by enhancing our operating efficiency. In 2023, 2024 and 2025, our operating expenses, including research and development expenses, general and administrative expenses, and selling and marketing expenses, amounted to RMB226.7 million, RMB340.5 million and RMB338.8 million, respectively, accounting for 44.7%, 61.5% and 48.2% of our revenue in the respective periods. Our ability to effectively manage our operating expenses will continue to have a significant impact on our financial results. Our operating expenses amounted to RMB179.4 million and RMB253.8 million in the six months ended June 30, 2025 and 2026, respectively, representing 74.4% and 112.2% of our revenue for the corresponding periods. These interim ratios of operating expenses to revenue are not necessarily indicative of our full-year ratios, primarily because (i) we generally recognize more revenue in the fourth quarter of each year, and (ii) the six months ended June 30, 2026 was mainly attributable to (a) higher share-based payment expenses arising from transfers of equity interests under our employee ownership platforms, and the increase in our valuation, and (b) an increase in outsourced R&D expenses arising from the delayed

completion of certain remaining deliverables under an outsourced R&D project commissioned in 2024. See "— Period-To-Period Comparison of Results of Operations." We expect our operating expenses as a percentage of revenue to decrease as we continue to ramp up our production, achieve revenue growth, and improve the efficiency of general and administrative, R&D and selling and marketing activities and our spending on such activities. In addition, a significant portion of such expenses was related to our employee benefit expenses and share-based payment expenses, which may fluctuate from period to period due to incentive arrangements, and are less likely to increase proportionally along with our revenue growth as we scale up.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related 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 operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. There has not been any material deviation from 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.

### Impairment for Non-Financial Assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each period during the Track Record Period.

#### *Impairment testing for non-financial assets*

Our management prepared impairment assessment for those non-financial assets with indicators. We operate a single operating segment and our management considers our Group as one cash-generating unit ("**CGU**") for the impairment purpose. The recoverable amounts of those non-financial assets are determined on the fair value less costs of disposal of the CGU. The recent round of financing indicated an implied fair value of our Group is significantly higher than the carrying amount of the CGU. Based on the results of the above-mentioned assessments as conducted by our management, there was no impairment loss of property, plant and equipment, right-of-use assets and intangible asset recognized as of December 31, 2023, 2024, 2025 and June 30, 2026.

Our material accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in Notes 2 and 4 of Appendix I to this prospectus.

## DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

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

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands)* | | | | |
| | | | | *(Unaudited)* | |
| **Revenue** | **507,541** | **553,473** | **702,703** | **241,322** | **226,110** |
| Cost of sales | (436,476) | (343,299) | (559,530) | (217,041) | (137,237) |
| **Gross profit** | **71,065** | **210,174** | **143,173** | **24,281** | **88,873** |
| Selling and marketing expenses | (41,984) | (24,080) | (14,950) | (6,884) | (8,692) |
| General and administrative expenses | (131,226) | (174,379) | (172,186) | (74,824) | (136,443) |

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands)* | | | | |
| | | | | *(Unaudited)* | |
| Research and development expenses | (53,478) | (142,030) | (151,656) | (97,726) | (108,630) |
| Net impairment (loss)/reversal on financial assets and contract assets | (20,758) | (43,434) | (94,975) | (38,802) | 8,752 |
| Other income | 27,025 | 18,172 | 34,132 | 3,697 | 1,833 |
| Net other gains/(loss) | 12,400 | (16,341) | 11,100 | 4,869 | 13,813 |
| **Operating loss** | **(136,956)** | **(171,918)** | **(245,362)** | **(185,389)** | **(140,494)** |
| Finance income | 733 | 1,038 | 1,220 | 453 | 366 |
| Finance costs | (2,241) | (3,647) | (10,764) | (5,220) | (6,774) |
| Net finance costs | (1,508) | (2,609) | (9,544) | (4,767) | (6,408) |
| Share of loss of investments accounted for using the equity method | (710) | (2,645) | (1,039) | (1,673) | (3,853) |
| **Loss before income tax** | **(139,174)** | **(177,172)** | **(255,945)** | **(191,829)** | **(150,755)** |
| Income tax expenses | (126) | (1) | – | (199) | (1) |
| **Loss for the periods** | **(139,300)** | **(177,173)** | **(255,945)** | **(192,028)** | **(150,756)** |

## Non-IFRS Measure

We use adjusted net loss (non-IFRS measure) in evaluating our operating results during the Track Record Period, which is not required by or presented in accordance with IFRS as an additional financial measure to supplement our consolidated financial statements, which are presented in accordance with IFRS. We believe that the non-IFRS measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such 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.

We define adjusted net loss (non-IFRS measure) as net loss for the periods adjusted by adding back share-based payments and listing expenses. The following table reconciles our adjusted net loss (non-IFRS measure) for the periods presented in accordance with IFRS, which is net loss for the periods:

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands)* | | | | |
| | | | | *(Unaudited)* | |
| **Loss for the periods** | **(139,300)** | **(177,173)** | **(255,945)** | **(192,028)** | **(150,756)** |
| **Add:** | | | | | |
| Share-based payments[(1)] | 48,610 | 91,528 | 93,156 | 46,094 | 71,227 |
| Listing expenses[(2)] | – | 16,598 | 6,192 | 1,780 | 14,232 |
| **Adjusted net loss (non-IFRS measure)** | **(90,690)** | **(69,047)** | **(156,597)** | **(144,154)** | **(65,297)** |

*Notes:*

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

(2) Listing expenses represented expenses relating to this Global Offering. See "— Listing Expenses."

## Revenue

During the Track Record Period, we generated revenue from (i) satellites and related services, (ii) satellite-based solutions, and (iii) other services.

Our revenue increased from RMB507.5 million in 2023 to RMB553.5 million in 2024 and further increased to RMB702.7 million in 2025. Our revenue decreased from RMB241.3 million in the six months ended June 30, 2025 to RMB226.1 million in the six months ended June 30, 2026. The following table sets forth a breakdown of our revenue by business line for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentage)* | | | | | | *(Unaudited)* | | | |
| Satellites and related services | 3,221 | 0.6 | 90,971 | 16.4 | 256,674 | 36.5 | 122,144 | 50.6 | 130,622 | 57.7 |
| – AI application satellites | 2,655 | 0.5 | 12,490 | 2.3 | – | – | – | – | – | – |
| – AI computing satellites | – | – | 77,656 | 14.0 | 224,801 | 32.0 | 120,045 | 49.7 | 124,690 | 55.1 |
| – Others[(1)] | 566 | 0.1 | 825 | 0.1 | 31,873 | 4.5 | 2,099 | 0.9 | 5,932 | 2.6 |
| Satellite-based solutions | 460,328 | 90.7 | 440,947 | 79.7 | 443,778 | 63.2 | 118,086 | 48.9 | 94,183 | 41.7 |
| Other services[(2)] | 43,992 | 8.7 | 21,555 | 3.9 | 2,251 | 0.3 | 1,092 | 0.5 | 1,305 | 0.6 |
| **Total** | **507,541** | **100.0** | **553,473** | **100.0** | **702,703** | **100.0** | **241,322** | **100.0** | **226,110** | **100.0** |

*Notes:*

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

(2) Other services primarily included intelligent parking solutions and software and hardware agency services. See "Business — Our Products and Solutions — Other Services."

***Satellites and Related Services***

We have extensive experience in satellite R&D and production, offering end-to-end services that encompass payload, platform and satellite R&D, production, assembly and testing, launch coordination with third party launch service providers, on-orbit delivery and operational management. Our revenue derived from satellites and related services was RMB3.2 million, RMB91.0 million, RMB256.7 million, RMB122.1 million and RMB130.6 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 0.6%, 16.4%, 36.5%, 50.6% and 57.7% of our total revenue in the same periods.

Due to the nature of our satellites and related services, our business activities are inherently subject to various factors, including market competition, regulatory approvals and successful launch and operation, many of which are beyond our control. These factors can influence the timing and scale of revenue generation, requiring us to remain adaptable and responsive to changes in the industry. See "— Major Factors Affecting Our Results of Operations — Company-specific Factors — Our Ability to Manage Sales, Delivery and Acceptance Cycle for Our Satellites."

AI application satellites and AI computing satellites represent two distinct phases of our research and operational focus on satellite and related services during the Track Record Period. The revenue fluctuations across these two satellite types reflect both the progress of our R&D efforts and the evolution of our operational strategies.

In 2023, our revenue from satellites and related services was derived primarily from AI application satellites. In 2024, benefiting from continued R&D progress and rising demand for computing power, we successfully developed and launched AI computing satellites, which began to generate revenue and evidenced the market acceptance of our AI satellite R&D capabilities. With the evolution of our product offerings toward AI computing satellites, revenue from AI application satellites became less significant in 2024 and ceased from 2025.

***Satellite-based Solutions***

We provide satellite-based solutions by integrating space-based computing capabilities and proprietary software platforms to deliver commercially deployable products and services for a range of application scenarios. Our revenue from satellite-based solutions was RMB460.3 million,

RMB440.9 million, RMB443.8 million, RMB118.1 million and RMB94.2 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 90.7%, 79.7%, 63.2%, 48.9% and 41.7% of our total revenue in the same periods.

***Other Services***

During the Track Record Period, we provided certain other services, primarily including intelligent parking solutions and software and hardware agency services. Our revenue derived from other services was RMB44.0 million, RMB21.6 million, RMB2.3 million, RMB1.1 million and RMB1.3 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 8.7%, 3.9%, 0.3%, 0.5% and 0.6% of our total revenue in the same periods. We will formally cease providing intelligent parking solutions after fulfilling all existing contractual obligations.

## Cost of Sales

Our cost of sales primarily consists of (i) raw materials, purchased goods and other inventories consumed for satellite-based solutions, primarily including software and hardware delivered to customers, (ii) satellite materials used for satellite production, such as metal materials, electronics and optical cameras, (iii) employee benefit expenses related to employees directly participating in production activities, (iv) satellite launch costs paid to launch service providers, and (v) write-down of inventories, primarily in relation to one satellite where the contract value fell below our carrying cost. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Raw materials, purchased goods and other inventories consumed | 415,390 | 95.2 | 250,896 | 73.1 | 316,528 | 56.6 | 83,262 | 38.4 | 72,303 | 52.7 |
| Satellite materials | 2,290 | 0.5 | 27,918 | 8.1 | 107,544 | 19.2 | 49,808 | 22.9 | 50,920 | 37.1 |
| Employee benefit expenses | 11,522 | 2.6 | 19,564 | 5.7 | 10,555 | 1.9 | 1,030 | 0.5 | 6,553 | 4.8 |
| Satellite launch costs | – | – | 32,866 | 9.6 | 107,755 | 19.3 | 59,939 | 27.6 | – | – |
| Write-down of inventories | – | – | 586 | 0.2 | 232 | 0.0 | 14,640 | 6.7 | – | – |
| Others[(1)] | 7,274 | 1.6 | 11,469 | 3.3 | 16,916 | 3.0 | 8,362 | 3.9 | 7,461 | 5.4 |
| **Total** | **436,476** | **100.0** | **343,299** | **100.0** | **559,530** | **100.0** | **217,041** | **100.0** | **137,237** | **100.0** |

*Note:*

(1) Others primarily included depreciation and amortization, taxes and surcharges and launch insurance cost.

Our raw materials, purchased goods and other inventories consumed for satellite-based solutions amounted to RMB415.4 million, RMB250.9 million and RMB316.5 million in 2023, 2024 and 2025, respectively. The relatively lower costs in 2024 were primarily because a higher proportion of the projects delivered during the year involved direct sales of satellite imagery, which required less hardware procurement, system integration and other third-party purchases. Our raw materials, purchased goods and other inventories consumed decreased from RMB83.3 million in the six months ended June 30, 2025 to RMB72.3 million in the six months ended June 30, 2026, primarily due to lower procurement of software and hardware for satellite-based solutions, generally in line with the decrease in revenue from satellite-based solutions.

Our satellite materials increased from RMB2.3 million in 2023 to RMB27.9 million in 2024, and further to RMB107.5 million in 2025, mainly in line with the increase in our satellite deliveries during the Track Record Period. Our satellite materials costs remained relatively stable at RMB49.8 million in the six months ended June 30, 2025 and RMB50.9 million in the six months ended June 30, 2026.

Our satellite launch costs increased from nil in 2023 to RMB32.9 million in 2024 and further to RMB107.8 million in 2025, reflecting the increase in satellite deliveries for which launch costs were recognized as cost of sales, from nil in 2023 to four AI computing satellites and two AI application satellites in 2024 and 12 AI computing satellites in 2025. We did not record satellite launch costs in the six months ended June 30, 2026, primarily because no satellites were successfully launched during the period. We do not record satellite launch costs if a satellite is not successfully launched, as the relevant supplier did not satisfy its contractual obligation.

The following table sets forth a breakdown of our cost of sales by business line for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Satellites and related services | 6,671 | 1.5 | 79,650 | 23.2 | 221,515 | 39.6 | 130,186 | 60.0 | 61,053 | 44.5 |
| Satellite-based solutions | 403,432 | 92.4 | 243,604 | 71.0 | 336,496 | 60.1 | 86,174 | 39.7 | 75,890 | 55.3 |
| Other services[(1)] | 26,373 | 6.1 | 20,045 | 5.8 | 1,519 | 0.3 | 681 | 0.3 | 294 | 0.2 |
| **Total** | **436,476** | **100.0** | **343,299** | **100.0** | **559,530** | **100.0** | **217,041** | **100.0** | **137,237** | **100.0** |

*Note:*

(1) Other services primarily included intelligent parking solutions and software and hardware agency services. See "Business — Our Products and Solutions — Other Services."

## Gross Profit and Gross Profit Margin

Our gross profit was RMB71.1 million, RMB210.2 million, RMB143.2 million, RMB24.3 million and RMB88.9 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, with gross profit margin of 14.0%, 38.0%, 20.4%, 10.1% and 39.3% in the same periods, respectively. The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by business line for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Gross profit/ (loss) | Gross profit/ (loss) margin | Gross profit/ (loss) | Gross profit/ (loss) margin | Gross profit | Gross profit margin | Gross profit/ (loss) | Gross profit/ (loss) margin | Gross profit | Gross profit margin |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Satellites and related services | (3,450) | (107.1) | 11,321 | 12.4 | 35,159 | 13.7 | (8,042) | (6.6) | 69,569 | 53.3 |
| – AI application satellites | (3,450) | (130.0) | (887) | (7.1) | – | – | – | – | – | – |
| – AI computing satellites | – | – | 12,208 | 15.7 | 17,131 | 7.6 | (9,485) | (7.9) | 69,020 | 55.4 |
| – Others[(1)] | – | – | – | – | 18,028 | 56.6 | 1,443 | 68.8 | 549 | 9.3 |
| Satellite-based solutions | 56,896 | 12.4 | 197,343 | 44.8 | 107,282 | 24.2 | 31,912 | 27.0 | 18,293 | 19.4 |
| Other services[(2)] | 17,619 | 40.1 | 1,510 | 7.0 | 732 | 32.5 | 411 | 37.6 | 1,011 | 77.5 |
| **Total** | **71,065** | **14.0** | **210,174** | **38.0** | **143,173** | **20.4** | **24,281** | **10.1** | **88,873** | **39.3** |

*Notes:*

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

(2) Other services primarily included intelligent parking solutions and software and hardware agency services. See "Business — Our Products and Solutions — Other Services."

We recorded gross loss margin of 130.0%, 7.1%, nil, nil and nil for our AI application satellites in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. The gross loss margin was primarily attributable to (i) the relatively low pricing of certain satellites adopted to attract customers and expand our market presence, and (ii) the fact that our AI application satellites represent transitional products deployed during the technology verification phase. As an intermediate stage in our technological development, these satellites were primarily used to verify the in-orbit performance, reliability and scalability of our AI payloads and onboard AI algorithms in preparation for our next-generation satellites, rather than to achieve immediate economic returns. During the Track Record Period, we sold two AI application satellites as part of this strategic technology validation initiative.

We recorded gross profit margin of nil, 15.7%, 7.6%, 55.4% and gross loss margin of 7.9% for our AI computing satellites in 2023, 2024, 2025 and the six months ended June 30, 2026 and 2025, respectively. In particular:

- the relatively higher gross profit margin of our AI computing satellites in 2024 was mainly attributable to the higher margin contribution from XSD-21 and XSD-22, which were our first AI computing satellites to achieve inter-satellite laser communication capability. This validated technological breakthrough, together with their AI large model algorithm and Star Screen capabilities, enhanced the commercial value of these satellites and supported a higher pricing premium;

- the decrease from 2024 to 2025 was primarily attributable to the relatively low margin of one experimental project, the pricing of which reflected its testing nature and did not fully capture the long-term commercial value of the technological capabilities being validated or the upfront investment required for such first-of-its-kind design. The project involved our first AI computing satellite featuring a flat-panel configuration optimized for stacked constellation launch and high computing power, and served as a testing initiative and key milestone for validating enhanced onboard computing power, inter-satellite communication and future constellation networking. Although the project recorded a relatively low margin, it enabled us to accumulate know-how for our high-power flat-panel satellite platform and laid the technical foundation for future batch launches under the Star-Compute Project, which we believe will support standardized and modular satellite design, facilitate multi-satellite launches, improve production efficiency and contribute to lower average launch costs and improved unit economics as our space-based computing network scales; and

- the relatively higher gross profit margin of our AI computing satellites in the six months ended June 30, 2026 was primarily due to (i) higher average selling prices resulting from enhanced satellite performance, including high-density AI computing power, enabled by our technological advancements, and (ii) lower procurement prices for AI computing satellite materials, benefiting from our bulk procurement arrangements and lower market prices resulting from increased supply as the industry matured.

**Selling and Marketing Expenses**

Our selling and marketing expenses primarily consist of (i) employee benefit expenses, mainly representing salary, bonus and share-based payments to our sales and marketing employees, (ii) travelling and entertainment expenses relating to our business development activities, (iii) depreciation charge, and (iv) marketing expenses. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Employee benefit expenses | 30,997 | 73.8 | 14,883 | 61.7 | 12,017 | 80.4 | 5,312 | 77.2 | 5,547 | 63.8 |
| Travelling and entertainment expenses | 6,077 | 14.5 | 2,910 | 12.1 | 1,521 | 10.2 | 857 | 12.4 | 2,099 | 24.1 |
| Depreciation charge | 1,230 | 2.9 | 607 | 2.6 | 163 | 1.1 | 81 | 1.2 | 227 | 2.6 |

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Marketing expenses | 1,300 | 3.1 | 4,352 | 18.1 | 476 | 3.2 | 466 | 6.8 | 70 | 0.8 |
| Others | 2,380 | 5.7 | 1,328 | 5.5 | 774 | 5.2 | 168 | 2.4 | 748 | 8.7 |
| **Total** | **41,984** | **100.0** | **24,080** | **100.0** | **14,950** | **100.0** | **6,884** | **100.0** | **8,692** | **100.0** |

## General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses, mainly represented salary, bonus and share-based payments to our management personnel and administrative employees, (ii) depreciation and amortization related to our office assets, headquarter building and software procured, (iii) listing expenses, (iv) lease, utilities and office expenses, (v) travelling and entertainment expenses, and (vi) professional service fees. See Note 32 of Appendix I to this prospectus for details of share-based payments. The following table sets forth a breakdown of our general and administrative expenses for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Employee benefit expenses | 84,715 | 64.6 | 105,074 | 60.3 | 103,218 | 59.9 | 48,855 | 65.3 | 73,669 | 54.1 |
| Depreciation and amortization | 13,995 | 10.7 | 22,002 | 12.6 | 23,497 | 13.6 | 8,388 | 11.2 | 28,852 | 21.1 |
| Listing expenses | – | – | 16,598 | 9.5 | 6,192 | 3.6 | 1,780 | 2.4 | 14,232 | 10.4 |
| Lease, utilities and office expenses | 11,096 | 8.5 | 7,956 | 4.6 | 11,273 | 6.5 | 8,282 | 11.1 | 5,291 | 3.9 |
| Travelling and entertainment expenses | 11,029 | 8.4 | 8,887 | 5.1 | 9,417 | 5.5 | 3,593 | 4.8 | 5,227 | 3.8 |
| Professional service fees | 4,244 | 3.2 | 3,966 | 2.3 | 6,299 | 3.7 | 2,986 | 4.0 | 3,606 | 2.5 |
| Others | 6,147 | 4.6 | 9,896 | 5.7 | 12,291 | 7.1 | 940 | 1.2 | 5,567 | 4.2 |
| **Total** | **131,226** | **100.0** | **174,379** | **100.0** | **172,186** | **100.0** | **74,824** | **100.0** | **136,443** | **100.0** |

## Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses, mainly representing salary, bonus and share-based payments to our R&D staff, (ii) outsourced research and development expenses, primarily for engaging third parties to undertake R&D projects related to (a) application scenarios of our satellite-based solutions, and (b) AI computing modules for the development of our AI computing satellites, (iii) raw materials and purchased goods consumed, (iv) depreciation and amortization, and (v) launch expenses. The following table sets forth a breakdown of our research and development expenses for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Employee benefit expenses | 31,416 | 58.7 | 73,433 | 51.7 | 101,572 | 67.0 | 55,550 | 56.9 | 44,045 | 40.5 |
| Outsourced research and development expenses | 15,728 | 29.4 | 61,038 | 43.0 | 39 | 0.0 | – | – | 35,187 | 32.4 |

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Raw materials and purchased goods consumed | 5,313 | 9.9 | 2,741 | 1.9 | 25,669 | 16.9 | 25,484 | 26.1 | 14,071 | 13.0 |
| Depreciation and amortization | 179 | 0.3 | 3,454 | 2.4 | 10,776 | 7.1 | 5,385 | 5.5 | 11,068 | 10.2 |
| Launch expenses[(1)] | – | – | – | – | 4,245 | 2.8 | 4,245 | 4.3 | – | – |
| Others | 842 | 1.6 | 1,364 | 1.0 | 9,355 | 6.2 | 7,062 | 7.2 | 4,259 | 3.9 |
| **Total** | **53,478** | **100.0** | **142,030** | **100.0** | **151,656** | **100.0** | **97,726** | **100.0** | **108,630** | **100.0** |

*Note:*

(1) Launch expenses represented expenses incurred from launching satellite payloads to conduct R&D and testing.

### Net Impairment Loss/Reversal on Financial Assets and Contract Assets

Our net impairment loss on financial assets and contract assets primarily represents provision for trade receivables, other receivables and contract assets. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Notes Receivables" and "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Other Receivables." We recorded net impairment loss on financial assets and contract assets of RMB20.8 million, RMB43.4 million, RMB95.0 million, RMB38.8 million and net impairment reversal on financial assets and contract assets of RMB8.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

### Other Income

Our other income represents (i) government grants awarded by the local government in recognition of our contribution to local economy through technology innovation and our tax contribution, (ii) rental income, and (iii) additional deduction of input VAT. Most of our government grants are one-off in nature. Some of our government grants are granted with certain conditions, typically the completion of the relevant project. As advised by our PRC Legal Advisor, if we fail to meet the conditions of relevant projects, we may be required to return the respective government grants received pursuant to respective agreements and policies in relation to such projects. We do not expect to have any material obstacles in meeting these conditions. During the Track Record Period, there had been no instances where conditions were unmet or where we were required to return any funds recognized as government grants.

The following table sets forth a breakdown of our other income for the periods indicated:

| | Year ended December 31, | | | | | | Six months ended June 30, | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | *(Unaudited)* | | | |
| Government grants | 25,503 | 94.4 | 18,012 | 99.1 | 32,263 | 94.5 | 2,586 | 69.9 | 1,237 | 67.5 |
| Rental income, net | – | – | 160 | 0.9 | 1,869 | 5.5 | 1,111 | 30.1 | 596 | 32.5 |
| Additional deduction of input VAT | 1,522 | 5.6 | – | – | – | – | – | – | – | – |
| **Total** | **27,025** | **100.0** | **18,172** | **100.0** | **34,132** | **100.0** | **3,697** | **100.0** | **1,833** | **100.0** |

### Net Other Gains/(Losses)

Our net other gains or losses arise from (i) investment income from financial assets at FVPL, (ii) gains or losses on disposal and write-off of property, plant and equipment and intangible assets, (iii) net fair value gain of financial assets at FVPL, (iv) gains on early termination of right-of-use assets, and (v) others. The following table sets forth a breakdown of our net other gains or losses for the periods indicated:

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands)* | | | | |
| | | | | *(Unaudited)* | |
| Investment income from financial assets at FVPL | 11,203 | 938 | 7,256 | 1,442 | 5,321 |
| (Losses)/gains on disposal and write-off of property, plant and equipment and intangible assets | 98 | (16,614) | 2,342 | 2,150 | (258) |
| Net fair value gains of financial assets at FVPL | 1,370 | – | 1,060 | 1,278 | 11,252 |
| Gains on early termination of right-of-use assets | 26 | 98 | – | – | – |
| Others | (297) | (763) | 442 | (1) | (2,502)[(1)] |
| **Total** | **12,400** | **(16,341)** | **11,100** | **4,869** | **13,813** |

*Note:*

(1) Others mainly comprising satellite material and production costs related to the January 2026 launch failure.

### Net Finance Costs

Our finance income represents interest income derived from bank deposits, and our finance costs represent interest expenses on bank borrowings and lease liabilities. The following table sets forth a breakdown of our finance income and costs for the periods indicated:

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands)* | | | | |
| | | | | *(Unaudited)* | |
| **Finance income:** | | | | | |
| – Interest income derived from bank deposits | 733 | 1,013 | 1,313 | 549 | 860 |
| – Foreign exchange gains/(losses) | – | 25 | (93) | (96) | (494) |
| **Finance costs:** | | | | | |
| – Interest expense on bank borrowings | (2,003) | (3,192) | (9,972) | (5,001) | (5,524) |
| – Interest expense on lease liabilities | (238) | (455) | (792) | (219) | (1,250) |
| **Finance costs, net** | **(1,508)** | **(2,609)** | **(9,544)** | **(4,767)** | **(6,408)** |

### Share of Loss of Investments Accounted for Using Equity Method

Our share of loss of investments accounted for using equity method relate to our investments in associates and joint ventures. We recorded share of loss of investments accounted for using equity method of RMB0.7 million, RMB2.6 million, RMB1.0 million, RMB1.7 million and RMB3.9 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. See Note 19 of Appendix I to this prospectus.

### Income Tax

We had income tax expenses of RMB126.0 thousand and RMB1.0 thousand in 2023 and 2024, respectively, and we did not record any income tax expenses in 2025. While we recorded income tax expenses of RMB199.0 thousand in the six months ended June 30, 2025, such amount was recognized by a subsidiary that recorded a net profit during the interim period and was subsequently reversed after such subsidiary incurred a net loss for the full year. We recorded income tax expenses of RMB1.0 thousand in the six months ended June 30, 2026.

Corporate income tax was provided for the taxable income of the entities within our Group. During the Track Record Period, the general corporate income tax rate in the PRC and Hong Kong is 25% and 16.5%, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our Company and certain subsidiaries of the Group in the PRC were qualified as "High and New Technology Enterprises" under the relevant PRC laws and regulations, which were subject to a preferential income tax rate of 15%, and certain subsidiaries of the Group in the PRC were qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC, which enjoyed a preferential income tax rate of 20%. See Note 12 of Appendix I to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, we have made all the required tax filings with the relevant tax authorities in the PRC, and we were not aware of any outstanding or potential disputes with such tax authorities.

## PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

### Six Months ended June 30, 2026 Compared with Six Months ended June 30, 2025

#### *Revenue*

Our revenue decreased by 6.3% from RMB241.3 million in the six months ended June 30, 2025 to RMB226.1 million in the six months ended June 30, 2026, primarily due to a decrease in revenue from our satellite-based solutions, partially offset by an increase in revenue from satellites and related services, as we continued to focus on our satellite business.

Our revenue from satellites and related services increased by 7.0% from RMB122.1 million in the six months ended June 30, 2025 to RMB130.6 million in the six months ended June 30, 2026, primarily attributable to the recognition of revenue upon factory acceptance of six satellites and the higher average selling prices of these satellites as a result of enhanced satellite performance attributable to our technological advancements.

Our revenue from satellite-based solutions decreased by 20.2% from RMB118.1 million in the six months ended June 30, 2025 to RMB94.2 million in the six months ended June 30, 2026, primarily due to changes in revenue mix, as the revenue contribution from direct sales of satellite imagery decreased following the cessation of such sales in February 2026. See "Business — Permits, Licenses and Approvals" and "Business — Our Products and Solutions — Satellite-Based Solutions."

Our revenue from other services remained relatively stable at RMB1.1 million and RMB1.3 million in the six months ended June 30, 2025 and 2026, respectively.

#### *Cost of Sales*

Our cost of sales decreased by 36.8% from RMB217.0 million in the six months ended June 30, 2025 to RMB137.2 million in the six months ended June 30, 2026, primarily due to (i) the absence of satellite launch costs, as no satellite launches were conducted in the six months ended June 30, 2026, (ii) a decrease in raw materials, purchased goods and other inventories consumed, which was generally in line with the decrease in revenue from satellite-based solutions for the same period, and (iii) the absence of inventory write-downs that occurred in 2025.

#### *Gross Profit and Gross Profit Margin*

As a result of the foregoing, our gross profit increased significantly from RMB24.3 million in the six months ended June 30, 2025 to RMB88.9 million in the six months ended June 30, 2026. Our gross profit margin increased from 10.1% in the six months ended June 30, 2025 to 39.3% in the six months ended June 30, 2026, primarily due to an increase in gross profit margin of our satellites and related services.

We recorded a gross profit margin of 53.3% for satellites and related services in the six months ended June 30, 2026, compared with a gross loss margin of 6.6% in the six months ended June 30, 2025, primarily due to (i) higher average selling prices resulting from enhanced satellite performance, including high-density AI computing power, enabled by our technological advancements, and (ii) lower procurement prices for AI computing satellite materials, benefiting from our bulk procurement arrangements and lower market prices resulting from increased supply as the industry matured. The gross loss margin of 7.9% recorded for our AI computing satellites in the six months ended June 30, 2025 was primarily attributable to the same reasons for the decrease in the gross profit margin of our AI computing satellites from 2024 to 2025.

Our gross profit margin for satellite-based solutions decreased from 27.0% in the six months ended June 30, 2025 to 19.4% in the six months ended June 30, 2026, primarily due to the cessation of sales of satellite imagery in February 2026, which had a relatively higher gross profit margin. See "Business — Permits, Licenses and Approvals" and "Business — Our Products and Solutions — Satellite-Based Solutions."

Our gross profit margin for other services increased from 37.6% in the six months ended June 30, 2025 to 77.5% in the six months ended June 30, 2026, primarily due to a higher proportion of revenue derived from software and hardware agency services, for which we acted as an agent and recognized revenue on a net basis.

***Selling and Marketing Expenses***

Our selling and marketing expenses increased by 26.1% from RMB6.9 million in the six months ended June 30, 2025 to RMB8.7 million in the six months ended June 30, 2026, primarily due to an increase in travelling and entertainment expenses associated with business development activities, such as participation in industry exhibitions and conferences.

***General and Administrative Expenses***

Our general and administrative expenses increased by 82.4% from RMB74.8 million in the six months ended June 30, 2025 to RMB136.4 million in the six months ended June 30, 2026, primarily due to (i) an increase in employee benefit expenses mainly attributable to higher share-based payment expenses arising from the repurchase by our management of equity interests from certain departing employees pursuant to the share transfer agreement, with the repurchase prices determined with reference to the valuation adopted in the latest round of financing before their departure, while the relevant share-based payment expenses were recognized based on the increased our valuation at the time of repurchase, (ii) an increase in depreciation and amortization expenses mainly resulting from our increased purchase in AI equipment and office software to strengthen our AI-enabled management capabilities and enhance operational and management efficiency, and (iii) an increase in listing expenses. See Note 32 of Appendix I to this prospectus for details of share-based payments.

***Research and Development Expenses***

Our research and development expenses increased by 11.2% from RMB97.7 million in the six months ended June 30, 2025 to RMB108.6 million in the six months ended June 30, 2026, primarily due to an increase in outsourced research and development expenses, mainly due to certain deliverables under an outsourced R&D project commissioned in 2024 for AI computing modules required further rectification and were completed during the period. See "Business — Integrated Satellite R&D and Production Model — R&D Collaborations." The increase was partially offset by decreases in employee benefit expenses and raw materials and purchased goods consumed, as the satellites developed during the period primarily leveraged mature technologies developed in 2025, requiring less new technology development and iterative testing.

***Net Impairment Loss/Reversal on Financial Assets and Contract Assets***

Our net impairment loss on financial assets and contract assets of RMB38.8 million in the six months ended June 30, 2025 shifted to a net impairment reversal of RMB8.8 million in the six months ended June 30, 2026, primarily due to the subsequent collection of certain trade receivables for which loss allowances had previously been recognized.

***Other Income***

Our other income decreased by 51.4% from RMB3.7 million in the six months ended June 30, 2025 to RMB1.8 million in the six months ended June 30, 2026, primarily due to a decrease in government grants.

***Net Other Gains***

Our net other gains increased significantly from RMB4.9 million in the six months ended June 30, 2025 to RMB13.8 million in the six months ended June 30, 2026, primarily due to an increase in net fair value gains of financial assets at FVPL mainly arising from our increased investments in structured deposits and wealth management products, partially offset by an increase in other losses, mainly comprising satellite material and production costs related to the January 2026 launch failure.

***Net Finance Costs***

Our net finance costs increased by 33.3% from RMB4.8 million in the six months ended June 30, 2025 to RMB6.4 million in the six months ended June 30, 2026, primarily due to an increase in interest expenses on lease liabilities relating to properties used for our R&D and production facilities.

***Share of Loss of Investments Accounted for Using the Equity Method***

Our share of loss of investments accounted for using the equity method increased from RMB1.7 million in the six months ended June 30, 2025 to RMB3.9 million in the six months ended June 30, 2026, primarily arising from our investments in our associates and joint ventures. See Note 19 of Appendix I to this prospectus.

***Income Tax Expenses***

Our income tax expenses decreased from RMB199 thousand in the six months ended June 30, 2025 to RMB1.0 thousand in the six months ended June 30, 2026.

***Loss for the Period***

As a result of the foregoing, our loss for the period decreased by 21.5% from RMB192.0 million in the six months ended June 30, 2025 to RMB150.8 million in the six months ended June 30, 2026.

**Year ended December 31, 2025 Compared with Year ended December 31, 2024**

***Revenue***

Our revenue increased by 27.0% from RMB553.5 million in 2024 to RMB702.7 million in 2025, primarily due to the increase in revenue from satellites and related services.

Our revenue from satellites and related services increased significantly from RMB91.0 million in 2024 to RMB256.7 million in 2025, primarily attributable to the 12-satellite AI computing satellite constellation launched and delivered in 2025. Our revenue from AI computing satellites increased by 189.5% from RMB77.7 million in 2024 to RMB224.8 million in 2025, reflecting customer recognition of our technological advancement and capabilities.

Our revenue from satellite-based solutions remained relatively stable at RMB440.9 million and RMB443.8 million in 2024 and 2025, respectively.

Our revenue from other services decreased by 89.6% from RMB21.6 million in 2024 to RMB2.3 million in 2025, primarily attributable to our strategic shift to prioritize core satellite operations while gradually scaling back the intelligent parking solutions.

***Cost of Sales***

Our cost of sales increased by 63.0% from RMB343.3 million in 2024 to RMB559.5 million in 2025, primarily due to increases in (i) satellite materials used in satellite production, (ii) satellite launch costs, and (iii) raw materials, purchased goods and other inventories consumed, all in line with our revenue growth.

***Gross Profit and Gross Profit Margin***

Our gross profit decreased from RMB210.2 million in 2024 to RMB143.2 million in 2025. Our gross profit margin decreased from 38.0% in 2024 to 20.4% in 2025, primarily attributable to a decrease in gross profit margin of our satellite-based solutions.

Our gross profit margin for satellites and related services increased from 12.4% in 2024 to 13.7% in 2025, primarily due to changes in our product and service mix. In particular, the increased contribution from satellite components, which do not require launch and generally carry higher gross profit margins, was partially offset by the decrease in gross profit margin of AI computing satellites from 15.7% in 2024 to 7.6% in 2025. In particular:

- the relatively higher gross profit margin of our AI computing satellites in 2024 was mainly attributable to the higher margin contribution from XSD-21 and XSD-22, which were our first AI computing satellites to achieve inter-satellite laser communication capability. This validated technological breakthrough, together with their AI large model algorithm and Star Screen capabilities, enhanced the commercial value of these satellites and supported a higher pricing premium; and

- the decrease from 2024 to 2025 was primarily attributable to the relatively low margin of one pilot project, the pricing of which reflected its testing nature and did not fully capture the long-term commercial value of the technological capabilities being validated or the upfront investment required for such first-of-its-kind design. The project involved our first AI computing satellite featuring a flat-panel configuration optimized for stacked constellation launch and high computing power, and served as a testing initiative and key milestone for validating enhanced onboard computing power, inter-satellite communication and future constellation networking. Although the project recorded a relatively low margin, it enabled us to accumulate know-how for our high-power flat-panel satellite platform and laid the technical foundation for future batch launches under the Star-Compute Project, which we believe will support standardized and modular satellite design, facilitate multi-satellite launches, improve production efficiency and contribute to lower average launch costs and improved unit economics as our space-based computing network scales.

Our gross profit margin for satellite-based solutions decreased from 44.8% in 2024 to 24.2% in 2025, primarily reflecting changes in the delivered solution mix, as approximately 50% of our gross profit from satellite-based solutions in 2024 was generated from certain projects involving direct sales of satellite imagery, which typically carry relatively higher gross profit margins, and the contribution from such sales decreased in 2025.

Our gross profit margin for other services increased from 7.0% in 2024 to 32.5% in 2025, primarily driven by changes in service mix. In 2024, other services mainly included intelligent parking projects, which involved relatively higher hardware procurement, installation and subcontracting costs. In 2025, the proportion of revenue derived from software and hardware agency services, for which we acted as an agent and recognized revenue on a net basis, increased compared with 2024, thereby contributing to the higher gross profit margin. Given that revenue from other services decreased to RMB2.3 million in 2025, representing only 0.3% of our total revenue, the increase in gross profit margin for other services did not have a material impact on our overall results.

***Selling and Marketing Expenses***

Our selling and marketing expenses decreased by 37.9% from RMB24.1 million in 2024 to RMB15.0 million in 2025, primarily due to decreases in employee benefit expenses and marketing expenses, reflecting increased market recognition driven by rapid industry development, which in turn allowed us to reduce our marketing investments.

***General and Administrative Expenses***

Our general and administrative expenses remained relatively stable at RMB174.4 million in 2024 and RMB172.2 million in 2025, primarily attributable to the combined effects of a decrease in listing expenses and an increase in lease expenses arising from additional office and dormitory use for business expansion.

***Research and Development Expenses***

Our research and development expenses increased by 6.8% from RMB142.0 million in 2024 to RMB151.7 million in 2025, primarily due to (i) an increase in employee benefit expenses reflecting the strategic expansion of our R&D workforce dedicated to satellite development initiative, (ii) an increase in raw materials and purchased goods consumed driven by our satellites launched, partially offset by a decrease in outsourced research and development expenses, reflecting our emphasis on in-house R&D where feasible without compromising delivery obligations.

***Net Impairment Loss on Financial Assets and Contract Assets***

Our net impairment loss on financial assets and contract assets increased significantly from RMB43.4 million in 2024 to RMB95.0 million in 2025, primarily due to the increased trade receivables aged over two years. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Notes Receivables."

***Other Income***

Our other income increased significantly from RMB18.2 million in 2024 to RMB34.1 million in 2025, primarily due to an increase in government grants meeting the relevant recognition conditions, which were provided as incentives for our R&D activities.

***Net Other Gains/(Losses)***

We recorded net other losses of RMB16.3 million in 2024 and net other gains of RMB11.1 million in 2025, primarily due to (i) losses on the disposal and write-off of property, plant and equipment and intangible assets arising from (a) the de-orbiting of a satellite in 2024, as the relevant satellite ceased to generate future economic benefits upon de-orbiting and its remaining carrying amount was written off accordingly, and (b) the termination of construction of a property under construction to adapt to our business needs, which was one-off in nature, as certain capitalized construction costs were no longer expected to generate future economic benefits or be recoverable following the termination of the construction, and (ii) an increase in investment income from financial assets at FVPL recognized upon the redemption of structured deposits.

***Net Finance Costs***

Our net finance costs increased from RMB2.6 million in 2024 to RMB9.5 million in 2025, primarily due to an increase in interest expense on bank borrowings, as we secured additional bank borrowings to support business expansion and to settle construction payments related to our headquarters building.

***Share of Loss of Investments Accounted for Using the Equity Method***

Our share of loss of investments accounted for using the equity method decreased from RMB2.6 million in 2024 to RMB1.0 million in 2025, primarily arising from our investments in our associates and joint ventures. See Note 19 of Appendix I to this prospectus.

***Income Tax Expenses***

We recorded income tax expenses of RMB1.0 thousand in 2024 and did not record any income tax expense in 2025.

***Loss for the Year***

As a result of the foregoing, our loss for the year increased from RMB177.2 million in 2024 to RMB255.9 million in 2025.

**Year Ended December 31, 2024 Compared with Year Ended December 31, 2023**

***Revenue***

Our revenue increased by 9.1% from RMB507.5 million in 2023 to RMB553.5 million in 2024, primarily due to an increase in revenue from satellites and related services, partially offset by decreases in revenue from (i) satellite-based solutions, and (ii) other services.

Our revenue from satellites and related services increased significantly from RMB3.2 million in 2023 to RMB91.0 million in 2024, primarily attributable to the full or partial revenue recognition for four AI computing satellites and two AI application satellites launched in 2024. The increase in such satellite sales reflects the recognition by our customers of our technological advancement and capabilities, particularly in the area of AI computing satellites.

Our revenue from satellite-based solutions decreased slightly from RMB460.3 million in 2023 to RMB440.9 million in 2024, as we focused on standardized products and services with higher project value and higher gross profit margin, such as space intelligence and computing services.

Our revenue from other services decreased by 50.9% from RMB44.0 million in 2023 to RMB21.6 million in 2024, primarily driven by our strategic shift to prioritize core satellite operations while gradually scaling back the intelligent parking solutions, which operates in a highly competitive market.

***Cost of Sales***

Our cost of sales decreased by 21.4% from RMB436.5 million in 2023 to RMB343.3 million in 2024, primarily due to a decrease in raw material, purchased goods and other inventories consumed for satellite-based solutions, mainly as a result of a more favorable project mix with higher profit margins, such as direct sales of satellite imagery with relatively low cost of sales; partially offset by increases in (i) satellite materials used in satellite production, and (ii) satellite launch costs, both in line with increased revenue derived from sales of our satellites in 2024.

***Gross Profit and Gross Profit Margin***

Our gross profit increased significantly from RMB71.1 million in 2023 to RMB210.2 million in 2024. Our gross profit margin increased from 14.0% in 2023 to 38.0% in 2024, primarily attributable to increased gross profit margin of our satellite-based solutions, which represented a larger proportion of our overall margin profile.

We had a gross profit margin of 12.4% for satellites and related services in 2024, compared with gross loss margin of 107.1% in 2023. The improvement was primarily due to the delivery of four AI computing satellites and two AI application satellites in 2024. The four AI computing satellites generated gross profit of RMB12.2 million at a gross profit margin of 15.7%, which more than offset the gross loss of RMB0.9 million from the two AI application satellites. In particular:

- the relatively higher gross profit margin of our AI computing satellites in 2024 was mainly attributable to the higher margin contribution from XSD-21 and XSD-22, which were our first AI computing satellites to achieve inter-satellite laser communication capability. This validated technological breakthrough, together with their AI large model algorithm and Star Screen capabilities, enhanced the commercial value of these satellites and supported a higher pricing premium; and

- the gross loss margin recorded in 2023 primarily reflected the delivery of lower-priced AI application satellites for technology verification.

Our gross profit margin for satellite-based solutions increased from 12.4% in 2023 to gross profit margin of 44.8% in 2024, primarily driven by changes in the delivered solution mix, in particular the increased sales of projects involving direct sales of satellite imagery, which typically carry relatively higher gross profit margins and contributed approximately 50% of our gross profit from satellite-based solutions in 2024.

Our gross profit margin for other services decreased from 40.1% in 2023 to gross profit margin of 7.0% in 2024, primarily as a result of lower project values in our new energy intelligent charging business amid intensified market competition. The decreased scale in revenue and gross profit of other services also reflect our strategic shift to prioritize core satellite operations.

***Selling and Marketing Expenses***

Our selling and marketing expenses decreased by 42.6% from RMB42.0 million in 2023 to RMB24.1 million in 2024, primarily due to decreases in (i) employee benefit expenses, and (ii) travelling and entertainment expenses, both resulting from a reduced headcount of sales and

marketing employees as we improved operational efficiency driven by enhanced brand awareness. Such decreases were partially offset by an increase in the marketing expenses related to the promotion of our satellite-based solutions and the launch hosting event for satellites launched in 2024.

***General and Administrative Expenses***

Our general and administrative expenses increased by 32.9% from RMB131.2 million in 2023 to RMB174.4 million in 2024, primarily attributable to (i) an increase in employee benefit expenses due to the increasing average salary of our employees, and (ii) an increase in depreciation and amortization related to our headquarter building and a one-off amortization of the improvements following early lease termination in 2024, when we relocated to our newly completed headquarters.

***Research and Development Expenses***

Our research and development expenses increased significantly from RMB53.5 million in 2023 to RMB142.0 million in 2024, primarily due to (i) an increase in employee benefit expenses, primarily attributable to share-based payments to our R&D employees as part of our efforts to retain top R&D talent following the launch of our Star-Compute Project, and (ii) an increase in outsourced research and development expenses, mainly for engaging third parties to undertake R&D projects related to AI computing modules for the development of our AI computing satellites.

***Net Impairment Loss on Financial Assets and Contract Assets***

Our net impairment loss on financial assets and contract assets increased significantly from RMB20.8 million in 2023 to RMB43.4 million in 2024, generally in line with the condition of our trade and notes receivables. See "— Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Notes Receivables."

***Other Income***

Our other income decreased by 32.6% from RMB27.0 million in 2023 to RMB18.2 million in 2024, primarily due to a decrease in government grants recognized in other income while our government grants recognized in deferred government grants increased, as relevant projects await inspection for fulfilling conditions in order to receive such government grants. See Notes 9 and 34 of Appendix I to this prospectus.

***Net Other Gains/(Losses)***

We recorded net other gains of RMB12.4 million in 2023, while we recorded net other losses of RMB16.3 million in 2024, primarily arising from (i) losses on disposal of property, plant and equipment due to (a) the de-orbiting of a satellite in 2024, and (b) the termination of construction of a property in construction in progress adapting to our business needs, and (ii) a decrease in investment income due to the decreasing balance of our structured deposits.

***Net Finance Costs***

Our net finance costs increased by 73.3% from RMB1.5 million in 2023 to RMB2.6 million in 2024, primarily due to an increase in interest expenses on bank borrowings resulting from the increased balance of our bank borrowings.

***Share of Loss of Investments Accounted for Using the Equity Method***

Our share of loss of investments accounted for using the equity method increased significantly from RMB0.7 million in 2023 to RMB2.6 million in 2024, primarily arising from our investments in our associates and joint ventures. See Note 19 of Appendix I to this prospectus.

***Income Tax Expenses***

Our income tax expenses decreased from RMB126.0 thousand in 2023 to RMB1.0 thousand in 2024.

*Loss for the Year*

As a result of the foregoing, our loss for the year increased from RMB139.3 million in 2023 to RMB177.2 million in 2024.

## DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 375,671 | 370,825 | 466,491 | 595,386 |
| Right-of-use assets | 10,603 | 25,682 | 88,079 | 101,186 |
| Investment properties | – | 47,880 | 69,154 | 68,110 |
| Intangible assets | 11,573 | 20,509 | 80,620 | 119,927 |
| Investments accounted for using equity method | 3,530 | 7,178 | 94,129 | 187,279 |
| Other receivables | 216 | 65 | 9,201 | 8,919 |
| Contract assets | 4,549 | 5,789 | 543 | 94 |
| Financial assets at fair value through other comprehensive income ("**FVOCI**") | 3,600 | 10,800 | 800 | 12,000 |
| Prepayments | 8,809 | 24,621 | 44,100 | 52,747 |
| **Total non-current assets** | **418,551** | **513,349** | **853,117** | **1,145,648** |
| **Current assets** | | | | |
| Inventories | 42,024 | 38,479 | 28,679 | 115,041 |
| Trade and notes receivables | 500,860 | 628,259 | 630,467 | 597,799 |
| Other receivables | 114,050 | 84,429 | 51,701 | 37,590 |
| Contract assets | 1,502 | 2,528 | 3,017 | – |
| Income tax recoverable | 524 | 3,563 | 3,770 | 3,775 |
| Prepayments and other current assets | 43,750 | 112,114 | 221,718 | 150,250 |
| Financial assets at fair value through profit or loss ("**FVPL**") | 191,370 | 40,460 | 41,520 | 3,406,674 |
| Restricted cash | 20,051 | 27,360 | 50,444 | 31,167 |
| Cash and cash equivalents | 124,591 | 588,336 | 710,874 | 685,919 |
| **Total current assets** | **1,038,722** | **1,525,528** | **1,742,190** | **5,028,215** |
| **Total assets** | **1,457,273** | **2,038,877** | **2,595,307** | **6,173,863** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Lease liabilities | 4,841 | 7,157 | 38,741 | 57,978 |
| Borrowings | 9,940 | 164,868 | 137,590 | 140,051 |
| Deferred government grants | 2,993 | 48,909 | 41,968 | 41,606 |
| Contract Liabilities | 519 | 2,028 | 873 | 118 |
| **Total non-current liabilities** | **18,293** | **222,962** | **219,172** | **239,753** |
| **Current liabilities** | | | | |
| Trade and other payables | 502,464 | 342,657 | 560,949 | 476,036 |
| Income tax payables | 124 | – | – | – |
| Contract liabilities | 43,183 | 52,914 | 74,086 | 222,515 |
| Borrowings | 65,020 | 147,711 | 157,557 | 186,603 |
| Lease liabilities | 3,647 | 3,331 | 6,214 | 8,070 |
| **Total current liabilities** | **614,438** | **546,613** | **798,806** | **893,224** |
| **Total liabilities** | **632,731** | **769,575** | **1,017,978** | **1,132,977** |
| **Total equity and liabilities** | **1,457,273** | **2,038,877** | **2,595,307** | **6,173,863** |

### Property, Plant and Equipment

Our property, plant and equipment primarily consist of (i) buildings, (ii) production equipment, (iii) leasehold improvements, and (iv) construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Buildings | 1,184 | 322,595 | 311,563 | 307,536 |
| Production equipment | 1,817 | 17,727 | 85,810 | 199,449 |
| Leasehold improvements | 7,532 | 5,939 | 27,353 | 54,227 |
| Construction in progress | 339,451 | 11,394 | 31,210 | 24,739 |
| Office and electronic equipment | 6,645 | 9,748 | 8,620 | 7,951 |
| Motor vehicles | 5,142 | 3,422 | 1,935 | 1,484 |
| Self-owned satellites | 13,900 | – | – | – |
| **Total** | **375,671** | **370,825** | **466,491** | **595,386** |

Our property, plant and equipment remained relatively stable at RMB375.7 million as of December 31, 2023 and RMB370.8 million as of December 31, 2024, primarily arising from (i) a decrease in construction in progress, (ii) an increase in buildings, both because as our headquarter building completed renovation and was ready for use in 2024, (iii) an increase in production equipment related to testing systems and equipment at our Jiaxing Testing Base which commenced operation in 2024, and (iv) a decrease in our self-owned satellites due to the de-orbiting of a satellite.

Our property, plant and equipment increased from RMB370.8 million as of December 31, 2024 to RMB466.5 million as of December 31, 2025, primarily attributable to (i) increases in production equipment and construction in progress related to our Taizhou Center and Chengdu Chongzhou Additive Manufacturing Base, and (ii) an increase in leasehold improvements arising from the renovation of our Taizhou Center, Chengdu Chongzhou Additive Manufacturing Base and Jiaxing Testing Base.

Our property, plant and equipment increased from RMB466.5 million as of December 31, 2025 to RMB595.4 million as of June 30, 2026, primarily due to additions of production equipment and leasehold improvement at our Taizhou Center to support our satellite design, development and testing activities.

### Right-of-use Assets

Our right-of-use assets relate to (i) land use rights for our owned properties, and (ii) leased property. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Land use rights | 2,360 | 16,367 | 15,747 | 15,437 |
| Leased property | 8,243 | 9,315 | 72,332 | 85,749 |
| **Total** | **10,603** | **25,682** | **88,079** | **101,186** |

Our right-of-use assets increased from RMB10.6 million as of December 31, 2023 to RMB25.7 million as of December 31, 2024, primarily due to an increase in land use rights related to the land parcel we acquired in Shenzhen for construction of new facilities. Our right-of-use assets increased from RMB25.7 million as of December 31, 2024 to RMB88.1 million as of December 31, 2025, primarily due to an increase in leased property, including the renewal of existing office- and production-related premises and the addition of leases for certain exhibition halls and employee dormitories. Our right-of-use assets increased from RMB88.1 million as of December 31, 2025 to RMB101.2 million as of June 30, 2026, primarily due to an increase in leased property, including additional leases for office and production premises.

**Investment Properties**

Our investment property increased from nil as of December 31, 2023 to RMB47.9 million as of December 31, 2024 and further increased to RMB69.2 million as of December 31, 2025, primarily attributable to certain floors of our headquarter building leased to third parties for office use. Our investment properties remained relatively stable at RMB69.2 million as of December 31, 2025 and RMB68.1 million as of June 30, 2026, respectively.

**Intangible Assets**

Our intangible assets relate to data use right and software. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Data use right | 1,085 | 2,571 | 1,438 | – |
| Software | 10,488 | 17,938 | 79,182 | 119,927 |
| **Total** | **11,573** | **20,509** | **80,620** | **119,927** |

Our intangible assets increased from RMB11.6 million as of December 31, 2023 to RMB20.5 million as of December 31, 2024, and further increased to RMB80.6 million as of December 31, 2025, primarily attributable to continued investments in AI-related software for the construction of AI infrastructure and the enhancement of our R&D capabilities, thereby further supporting the expansion of our business. Our intangible assets further increased from RMB80.6 million as of December 31, 2025 to RMB119.9 million as of June 30, 2026, primarily due to the purchase of office software to enhance operational management efficiency.

Our data use right decreased from RMB1.4 million as of December 31, 2025 to nil as of June 30, 2026, primarily because, following the voluntary surrender of our Surveying and Mapping Qualification Certificate in February 2026, we ceased obtaining the relevant remote-sensing data through the previous data-sharing arrangements with customers, under which such data had been collected in the course of providing TT&C services. Accordingly, no data use right was recognized as of June 30, 2026.

**Investments Accounted for Using Equity Method**

Our investments accounted for using equity method relate to our investments in associates and joint ventures. Our investments accounted for using equity method increased from RMB3.5 million as of December 31, 2023 to RMB7.2 million as of December 31, 2024 and further increased to RMB94.1 million as of December 31, 2025 and RMB187.3 million as of June 30, 2026, primarily attributable to increased strategic investments in associates and joint ventures along our industry value chain, made to strengthen long-term cooperation, expand the application of our products and services, and support the sustainable development of our business ecosystem. See Note 19 of Appendix I to this prospectus.

## Inventories

Our inventories consist of (i) work in progress, primarily representing satellites under production, satellites launched but not yet delivered and accepted and hardware and software for satellite-based solutions, and (ii) finished goods, primarily comprising satellite-themed cultural products. The following table sets forth a breakdown of our inventories as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Work in progress | 18,881 | 36,290 | 26,557 | 114,966 |
| Finished goods | 23,143 | 2,775 | 2,354 | 76 |
| Less: provision for finished goods | – | (586) | (232) | (1) |
| **Total** | **42,024** | **38,479** | **28,679** | **115,041** |

Our inventories decreased from RMB42.0 million as of December 31, 2023 to RMB38.5 million as of December 31, 2024, primarily due to a decrease in finished goods as we delivered four AI computing satellites and two AI application satellites in 2024, partially offset by an increase in work in progress mainly attributable to the increase in our customer orders. Our inventories decreased from RMB38.5 million as of December 31, 2024 to RMB28.7 million as of December 31, 2025, primarily due to a higher volume of satellite deliveries in 2025 compared with the prior year, during which we launched 12 AI computing satellites. Our inventories increased from RMB28.7 million as of December 31, 2025 to RMB115.0 million as of June 30, 2026, primarily due to increase in number of satellites under production to fulfill the orders on hand.

Based on our assessment of the nature, aging profile, expected delivery schedule and net realizable value of inventories as of June 30, 2026, and taking into account that the substantial majority of the inventories as of June 30, 2026 represented work in progress for customer orders at the procurement and production stages with the related satellite launches and on-orbit deliveries generally scheduled in the fourth quarter of 2026, we believe that there was no recoverability issue in respect of our inventories as of June 30, 2026. We had made provision of RMB1 thousand for inventories where the net realizable value was lower than cost, and we believe that sufficient provision had been made.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Within one year | 38,963 | 36,492 | 27,315 | 112,229 |
| Over one year | 3,061 | 1,987 | 1,364 | 2,812 |
| **Total** | **42,024** | **38,479** | **28,679** | **115,041** |

The following table sets forth the turnover days of our inventories for the periods indicated:

| | Year ended December 31, | | | Six months ended June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(days)* | | | |
| Inventory turnover days[(1)] | 22.1 | 42.5 | 21.9 | 94.3 |

*Note:*

(1) Inventory turnover days for a period equal the average of the gross value of the opening and closing inventory balance divided by cost of sales for the relevant period and multiplied 360 days for each year and 180 days for the six months ended June 30, 2026.

Our inventory turnover days increased from 22.1 days in 2023 to 42.5 days in 2024, primarily attributable to the delivery cycle of our satellites, which are subject to in-orbit inspection and testing prior to final acceptance. Our inventory turnover days decreased from 42.5 days in 2024 to 21.9 days in 2025, primarily attributable to a relatively lower inventory balance as of December 31, 2025, which was driven by a higher volume of satellite deliveries in 2025 compared with the prior year, during which we launched 12 AI computing satellites. Our inventory turnover days increased from 21.9 days in 2025 to 94.3 days in the six months ended June 30, 2026, primarily because a significant portion of customer orders remained at the procurement and production stages pending delivery, with the majority of the related satellite launches and on-orbit deliveries scheduled in the fourth quarter of 2026.

Our inventory turnover days are influenced by sales and delivery cycle of satellites unique to our industry, as our procurement process is intricately tied to our sales orders. See "— Major Factors Affecting our Results of Operations — Company-Specific Factors — Our Ability to Manage Sales, Delivery and Acceptance Cycle for Our Satellites."

As of the Latest Practicable Date, approximately RMB38.3 million, or 33.3% of our inventories as of June 30, 2026 had been subsequently utilized or sold.

**Trade and Notes Receivables**

Our trade and notes receivables primarily represent outstanding receivables from our customers. The following table sets forth a breakdown of our trade and notes receivables, net of provision for loss allowance of receivables, as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Note receivables | – | – | 387 | 25 |
| Trade receivables due from third parties | 498,618 | 665,713 | 786,547 | 746,616 |
| Trade receivables due from related parties | 25,381 | 26,929 | 393 | 599 |
| | **523,999** | **692,642** | **787,327** | **747,240** |
| Less: provision for loss allowance of receivables | (23,139) | (64,383) | (156,860) | (149,441) |
| **Trade and notes receivables, net** | **500,860** | **628,259** | **630,467** | **597,799** |

Our trade and notes receivables increased from RMB500.9 million as of December 31, 2023 to RMB628.3 million as of December 31, 2024, primarily due to our increased customer orders for satellites and related services. Our trade and notes receivables remained relatively stable at RMB628.3 million and RMB630.5 million as of December 31, 2024 and 2025, respectively. Our trade and notes receivables decreased from RMB630.5 million as of December 31, 2025 to RMB597.8 million as of June 30, 2026, primarily due to our enhanced collection efforts.

We decide credit terms with our customers on a project-by-project basis. Since 2025, we generally grant our customers credit periods of one to six months following the fulfillment of payment conditions. We evaluate the following factors in determining the credit terms granted to our customers: (i) the nature of the customer, including whether the project involves an SOE customer, an SOE-led project, or other customer/project types; (ii) the project value; (iii) the delivery complexity, considering whether the project involves standard or customized products and solutions; (iv) the delivery content, assessing whether the primary focus is hardware or software; (v) the duration of maintenance services, accounting for the length of operational and maintenance commitments; and (vi) the strategic importance of the customer, evaluating the customer's significance to our strategic goals.

The following table sets forth an aging analysis of our trade and notes receivables based on the transaction date as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Within six months | 396,703 | 249,011 | 340,642 | 223,651 |
| From six months to one year | 67,839 | 104,271 | 107,204 | 218,304 |
| One to two years | 48,368 | 301,926 | 55,141 | 77,189 |
| Over two years | 11,089 | 37,434 | 284,340 | 228,096 |
| **Trade and notes receivables, gross** | **523,999** | **692,642** | **787,327** | **747,240** |

As of December 31, 2023, 2024, 2025 and June 30, 2026, 88.7%, 51.0%, 56.9% and 59.1%, respectively, of our trade and notes receivables, were aged within one year. Our trade and notes receivables aged over one year increased from RMB59.5 million as of December 31, 2023 to RMB339.4 million as of December 31, 2024 and remained relatively stable at RMB339.5 million as of December 31, 2025, primarily due to the relatively long payment cycle of SOE customers resulting from their internal fiscal arrangements and payment approval processes. Our trade and notes receivables aged over one year decreased from RMB339.5 million as of December 31, 2025 to RMB305.3 million as of June 30, 2026, primarily due to our enhanced collection efforts.

A large portion of our trade and notes receivables are due from our SOE customers or projects led by SOEs. The following table sets forth the breakdown of our trade and notes receivables by customer type in absolute amount and percentage of the total trade and notes receivables as of the dates indicated:

| | As of December 31, | | | | | | As of June 30, | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | 2024 | | 2025 | | 2026 | |
| | Amount | % | Amount | % | Amount | % | Amount | % |
| | *(RMB in thousands, except for percentages)* | | | | | | | |
| SOE customers | 124,919 | 23.8 | 242,308 | 35.0 | 338,792 | 43.1 | 391,609 | 52.4 |
| Projects led by SOEs | 182,909 | 34.9 | 144,083 | 20.8 | 248,978 | 31.6 | 154,767 | 20.7 |
| Other customers/projects | 216,171 | 41.3 | 306,251 | 44.2 | 199,557 | 25.3 | 200,864 | 26.9 |
| **Trade and notes receivables, gross** | **523,999** | **100.0** | **692,642** | **100.0** | **787,327** | **100.0** | **747,240** | **100.0** |

The following table sets forth the turnover days of our trade and notes receivables for the period indicated:

| | Year ended December 31, | | | Six months ended June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | | *(days)* | | |
| Trade and notes receivables turnover days[(1)] | 233.8 | 395.7 | 379.1 | 610.8 |

*Note:*

(1) Trade and notes receivables turnover days for a period equal the average of opening and closing balance of trade and notes receivables (excluding provision for loss allowance of receivables) for the relevant period divided by revenue for the relevant period and multiplied by the number of days in the relevant period, which is 360 days for each year and 180 days for the six months ended June 30, 2026.

Our trade and notes receivables turnover days increased from 233.8 days in 2023 to 395.7 days, primarily due to the extended payment cycles of our SOE customers and projects led by SOEs affected by their internal fiscal arrangements and payment approval processes. Our trade and notes receivables turnover days decreased from 395.7 days in 2024 to 379.1 days in 2025, primarily driven by our enhanced collection efforts. Our trade and notes receivables turnover days significantly increased from 379.1 days in 2025 to 610.8 days in the six months ended June 30, 2026, primarily due to lower revenue recognition in the six months ended June 30, 2026, as our satellite launches and deliveries are scheduled in the fourth quarter of 2026 and, accordingly, a significant portion of customer orders remained pending delivery and customer acceptance in the six months ended June 30, 2026.

Such significantly long trade and notes receivables turnover days affected the timing of our operating cash inflows, as we generally incurred procurement, production, launch and other project execution costs before collecting the relevant amounts from customers, resulting in a mismatch between the timing of our operating cash inflows and outflows. Together with our loss-making position and other working capital movements, this contributed to our net cash flows used in operating activities of RMB313.5 million and RMB212.5 million in 2023 and 2024, respectively. Although we recorded net cash flows generated from operating activities of RMB8.2 million and RMB61.2 million in 2025 and the six months ended June 30, 2026, any further delay in customer payments may increase our working capital and external funding requirements.

According to Frost & Sullivan, our credit period and trade and notes receivables turnover days are generally in line with industry norms. To manage risks associated with trade and notes receivables, we maintain frequent communications with our customers to ensure effective credit control. We grant longer credit terms to customers with good historical credit standing and stable relationship with us. We believe that the credit risk in trade and notes receivable balances due from such customers is low.

To manage the resulting liquidity impact, we monitor our liquidity on an integrated basis, taking into account expected customer collections, project execution and launch schedules, procurement and supplier payment obligations, operating expenses, capital expenditure requirements, cash balances and available financing resources. We prepare annual cash flow budgets and rolling cash flow forecasts and regularly review expected cash inflows and outflows to identify and address potential funding shortfalls. For new customers and projects, we assess the customer's credit profile and expected payment cycle and seek to incorporate clearer payment milestones, prepayments or installment arrangements where practicable. We also coordinate procurement and supplier payment schedules with expected customer collections and use notes settlement where appropriate to manage the timing of cash outflows. In addition, we maintain financial resources through a combination of cash and cash equivalents, financial assets at FVPL, committed unutilized banking facilities and equity and debt financing.

For trade receivables, we apply the simplified approach permitted by IFRS 9, which requires expected lifetime loss to be recognized from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates.

As of December 31, 2023, 2024, 2025 and June 30, 2026, we recorded provision for loss allowance of trade and notes receivables of approximately RMB23.1 million, RMB64.4 million, RMB156.9 million and RMB149.4 million based on collective assessment, and impairment allowances of RMB2.5 million, RMB0.6 million, RMB25.4 million and RMB31.5 million were assessed individually on trade and notes receivables with gross carrying amounts of RMB4.6 million, RMB2.6 million, RMB25.4 million and RMB31.5 million, respectively. We believe sufficient allowance for credit losses has been provided for our trade and notes receivables. For details of the basis as to how expected credit loss is derived, see Note 3.1(b)(ii) of Appendix I to this prospectus.

As of the Latest Practicable Date, RMB333.5 million, RMB453.5 million, RMB331.1 million and RMB156.6 million, or 63.7%, 65.5%, 42.1% and 21.0% of our trade and notes receivables as of December 31, 2023, 2024, 2025 and June 30, 2026 had been subsequently settled, respectively. The relatively low settlement ratio for trade and notes receivables as of June 30, 2026 is primarily due to (i) a substantial portion of the trade and notes receivables aged within one year remaining within the credit period granted to the relevant customers, and (ii) the relatively long settlement cycle of certain receivables, particularly those due from SOE customers and projects led by SOEs.

In assessing the recoverability of our trade and notes receivables, our Directors have taken into account (i) the subsequent settlement status of our trade and notes receivables, including the relatively low subsequent settlement ratio of the balance as of June 30, 2026; (ii) the aging profile of our trade and notes receivables, including the balance aged over one year as of the relevant dates; (iii) the reasons for the relatively long payment cycles of certain customers, particularly SOE customers and projects led by SOEs; (iv) the credit profile, historical settlement records and ongoing business relationships of the relevant customers; (v) the follow-up and collection measures taken by us in respect of long-aged receivables; and (vi) the expected credit loss assessment and impairment allowances made in accordance with our accounting policies.

Although the subsequent settlement ratio of our trade and notes receivables as of June 30, 2026 was relatively low, our Directors believe that this does not indicate any recoverability issue. In particular: (i) a considerable portion of our trade and notes receivables aged within one year of RMB442.0 million as of June 30, 2026 remained within the credit period granted to the relevant customers as of the Latest Practicable Date. For example, our top five trade and notes receivables aged within one year as of June 30, 2026 amounted to RMB314.7 million, among which RMB68.0 million had been subsequently settled as of the Latest Practicable Date. The remaining outstanding balance of these top five trade and notes receivables was RMB246.7 million as of the Latest Practicable Date, of which 56.0%, or RMB138.2 million, had become due under the credit periods granted to the relevant customers as of the Latest Practicable Date; and (ii) with respect to trade and notes receivables aged over one year of RMB305.3 million as of June 30, 2026, after assessing the recoverability of such receivables, we had made provision for loss allowance of RMB111.0 million. For the remaining RMB194.3 million of such receivables, our Directors believe that no recoverability issue was identified after taking into account the credit profile and historical settlement records of the relevant customers, the fact that a substantial portion of such receivables was due from SOE customers or projects led by SOEs, the reasons for the extended payment cycles of the relevant customers, including their internal fiscal arrangements and payment approval procedures, our ongoing business relationships and active communication with such customers, and the follow-up and collection measures implemented by us where appropriate.

Based on the above, our Directors are of the view that there is no recoverability issue in respect of our trade and notes receivables and that sufficient provision for loss allowance of receivables has been made during the Track Record Period.

Since 2025, for new customers and projects, including new SOE customers or projects led by SOEs, we have required that the maximum acceptable credit period be reduced from up to 12 months to six to nine months. In 2025 and the six months ended June 30, 2026, all of our newly entered contracts had credit periods of nine months or less. Among customers under such newly entered contracts with payment obligations due on or before the Latest Practicable Date, 83.9% of such customers had made payments in accordance with the relevant contracts as of the same date. As of October 28, 2025, RMB20.4 million, or 7.5% of our trade and notes receivables aged within one year as of June 30, 2025 had been subsequently settled, while as of the Latest Practicable Date, RMB122.7 million, or 27.8% of our trade and notes receivables aged within one year as of June 30, 2026 had been subsequently settled. We also have required prepayment for satellite constellation orders since 2026, and all such customers in the six months ended June 30, 2026 had accepted these arrangements, as reflected by the increase in our contract liabilities from RMB75.0 million as of December 31, 2025 to RMB222.6 million as of June 30, 2026.

In addition, since 2025, we have actively sought to incorporate installment payment arrangements at key contract milestones for new customers and projects to improve our collection efficiency. Such key contract milestones may vary depending on the nature and terms of each project, and may include contract signing, delivery confirmation, factory inspection and acceptance, in-orbit delivery or customer acceptance, and payment of the remaining balance within a specified period after customer acceptance. Such arrangements were accepted by 88.5% of all customers under new contracts entered into in 2025 and the six months ended June 30, 2026. See "Business — Our Customers."

RMB546.4 million, or 73.1% of our trade and notes receivables as of June 30, 2026 was due from SOE customers or projects led by SOEs. As of the Latest Practicable Date, RMB78.8 million, or 14.4% of our trade and notes receivables due from SOE customers or projects led by SOEs as of June 30, 2026 had been subsequently settled. To the best of our knowledge, the extended payment cycles of our SOE customers and projects led by SOEs are due to their internal fiscal arrangements and payment approval processes. According to Frost & Sullivan, SOEs typically adhere to centralized budgeting systems and multi-tiered approval processes, which are mandated by state-owned asset supervision regulations to ensure fiscal discipline and transparency. For example,

large-scale infrastructure projects led by SOEs frequently require alignment with annual or semi-annual budget cycles, delaying payment finalization until upstream funding is released. Despite their extended payment cycles, SOEs in China typically maintain strong credit profiles, supported by strong financial discipline and rigorous financial oversight. Our strategic decision to collaborate with SOEs, which dominate downstream application sectors such as agriculture, forestry, meteorology, oceanography, resource management, emergency response and smart cities, according to Frost & Sullivan, not only ensures receivable recoverability but also reinforces our positioning as a trusted partner for national initiatives.

Given the relatively high proportion of trade and notes receivables from SOE customers and projects led by SOEs, we have further enhanced our receivables management for such customers and projects. These measures include maintaining more frequent communication with the relevant customers, conducting more frequent on-site follow-ups, closely following up on the status of their funding allocation and payment approval process, and following up on settlement based on agreed payment milestones and expected payment timetables. For receivables with larger outstanding balances or longer aging profiles, we have further strengthened our follow-up and escalation measures, including communicating and negotiating with the management of the relevant customers and, where appropriate, the relevant SOE group companies, increasing the frequency of issuing demand letters and lawyer's letters, and initiating legal proceedings where necessary.

We maintain active communication with our customers and constantly monitor and evaluate the conditions of trade receivables to ensure timely measures are taken to address collection issues, including the following:

- we follow up on customer payments with monthly targets. Depending on the amount and overdue days, we coordinate multiple departments, including the sales team, finance department and our senior management, to devise trade receivable collection plans analyzing issues involved and efforts needed, as well as specifying time frames and responsible employees. We have also assigned designated personnel to be in charge of trade receivables management and to monitor the implementation of such collection plans.

- our senior management, including our chief executive officer and chief financial officer, regularly reviews overdue payments and leads the aforementioned trade receivables collection plans to ensure timely measures are taken to address collection issues. For customers from which we have a relatively large amount of trade receivables, our senior management actively engages in the communication with the senior management of such customers to facilitate the collection of trade receivables.

- we assess the condition of the trade receivables by examining factors including the payment history of the respective customers and our business relationships with them. We seek to maintain strict control over our outstanding receivables, and our finance department is responsible for minimizing credit risk. We take into consideration the collection of receivables in assessing the performance of our sales personnel and management team to encourage them to actively follow up with customers regarding receivables collection. For customers that have good track record of credit, robust business relations with us and ongoing communication with us about their trade receivable payments, our sales team continues to pursue payment collection through active communication. If we identify indications of payment collection difficulties or if the outstanding trade receivables from certain customers remain unpaid for a prolonged period of time, we issue demand letters or lawyer's letter and negotiate payment plans with them when necessary.

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

As of the Latest Practicable Date, our collection efforts had covered 66.4% of trade and notes receivables balances aged over one year as of June 30, 2026. The following tables set forth the details of our follow-up actions in our trade receivables collection as of the dates indicated:

| | As of the Latest Practicable Date | Percentage to trade and notes receivables aged over one year as of June 30, 2026 |
|---|---|---|
| | *(RMB in thousands)* | *(%)* |
| Amount of trade and notes receivables covered by demand letters, lawyer's letters, or litigation | 202,711 | 66.4 |

As of the Latest Practicable Date, RMB554.5 thousand, or 0.3% of the trade and notes receivables in respect of which we had adopted the aforementioned collection measures had been collected, pledged by the relevant customers to settle or become collectible pursuant to court judgments. We continued to pursue such collection measures in respect of the relevant receivables. Meanwhile, our trade and notes receivables aged over one year decreased from RMB339.5 million as of December 31, 2025 to RMB305.3 million as of June 30, 2026.

### Other Receivables

Our other receivables primarily consist of (i) deposits, mainly representing performance security deposits in relation to our business and deposits for property purchases, and (ii) advances on behalf of our customers as an agency, mainly representing procurement from designated suppliers for our software and hardware agency services. The following table sets forth a breakdown of our other receivables as of the dates indicated:

| | As at December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| **Non-current** | | | | |
| Deposits | 216 | 65 | 9,201 | 8,919 |
| **Current** | | | | |
| Deposits | 39,879 | 31,720 | 31,977 | 30,783 |
| Advances on behalf of customers as an agency | 73,208 | 53,995 | 26,742 | 14,559 |
| Staff advances and borrowings | 4,964 | 461 | 1,644 | 775 |
| Other receivables due from related parties | 152 | 4,709 | – | – |
| Others | 2,422 | 1,366 | 1,157 | 1,201 |
| Less: provision for loss allowance of receivables | (6,575) | (7,822) | (9,819) | (9,728) |
| **Total** | **114,266** | **84,494** | **60,902** | **46,509** |

Our other receivables decreased from RMB114.3 million as of December 31, 2023 to RMB84.5 million as of December 31, 2024, primarily due to (i) a decrease in advances on behalf of our customers, primarily because we reduced provision of software and hardware agency services, and (ii) a decrease in deposits as our deposits for leased properties were refunded.

Our other receivables decreased from RMB84.5 million as of December 31, 2024 to RMB60.9 million as of December 31, 2025 and further decreased to RMB46.5 million as of June 30, 2026, primarily due to a decrease in advances on behalf of our customers, which resulted from our reduced provision of software and hardware agency services following our strategic shift to prioritize our core satellite operations.

As of the Latest Practicable Date, approximately RMB3.2 million, or 6.7% of our current other receivables as of June 30, 2026 had been subsequently settled.

### Prepayments and Other Current Assets

Our prepayments and other current assets primarily consist of (i) prepayments for goods and service, (ii) prepayments for leasehold improvements and construction, (iii) prepaid taxes and surcharges and deductible VAT-in, and (iv) prepayments for property and plant, mainly related to Shenzhen Center. The following table sets forth a breakdown of our prepayments and other current assets as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| **Non-current** | | | | |
| Prepayments for property and plant | 6,394 | 17,646 | 14,100 | 22,747 |
| Prepayments for leasehold improvements and construction | 2,415 | 6,975 | 30,000 | 30,000 |
| **Current** | | | | |
| Prepayments for goods and service | 36,373 | 91,389 | 201,988 | 92,207 |
| Prepaid taxes and surcharges and deductible VAT-in | 7,276 | 18,817 | 14,178 | 45,738 |
| Prepaid listing expense | – | 1,867 | 5,531 | 12,305 |
| Prepaid rental expense | 101 | 41 | 21 | – |
| **Total** | **52,559** | **136,735** | **265,818** | **202,997** |

Our prepayments and other current assets increased significantly from RMB52.6 million as of December 31, 2023 to RMB136.7 million as of December 31, 2024, primarily attributable to (i) an increase in prepayments for goods and service for our increased procurement of satellite materials in line with our increasing customer orders, as well as prepayments for satellite launch costs, (ii) an increase in prepayments for property and plant related to Shenzhen Center mainly for designing and renovation services, and (iii) an increase in prepaid taxes and surcharges and deductible VAT-in related to our increased sales.

Our prepayments and other current assets increased significantly from RMB136.7 million as of December 31, 2024 to RMB265.8 million as of December 31, 2025, primarily attributable to an increase in prepayments for goods and service mainly driven by increased procurement of (i) satellite materials in line with increasing customer orders, and (ii) equipment to support our R&D and production activities, which had not yet been delivered as of December 31, 2025.

Our prepayments and other current assets decreased from RMB265.8 million as of December 31, 2025 to RMB203.0 million as of June 30, 2026, primarily because a substantial portion of prepayments for goods and service referred to above was recognized as assets or costs upon delivery and acceptance, partially offset by an increase in prepaid taxes and surcharges and deductible VAT-in resulting from increased procurement during the period to support future deliveries, while the relevant goods had not yet been sold and the corresponding output VAT had not yet arisen.

As of the Latest Practicable Date, approximately RMB30.8 million, or 20.5% of our current prepayments and other current assets as of June 30, 2026 had been subsequently settled.

### Financial Assets at Fair Value through Profit or Loss

Our financial assets at FVPL represent our structured deposits and certificates of deposit. As of December 31, 2023, 2024, 2025 and June 30, 2026, we recorded financial assets at FVPL of RMB191.4 million, RMB40.5 million, RMB41.5 million and RMB3,406.7 million, respectively, with the fluctuations reflecting changes in the balance resulting from the purchase and redemption of structured deposits, wealth management products and certificates of deposit in accordance with our cash management strategy.

Our investment strategy aims to optimize the efficiency of idle funds and generate investment returns. We monitor and control our investment risks with a comprehensive set of internal policies and guidelines to manage our investments. These policies and guidelines include: (i) investments shall be made when we have idle funds and not interfere with our normal business activities or

capital expenditures; (ii) investments shall generally be short-term in order to maintain our liquidity and financial flexibility; and (iii) we invest in structured deposits, certificates of deposit and wealth management products issued by reputable commercial banks.

The structured deposits and certificates of deposit purchased by us during the Track Record Period were principal-protected. While the wealth management products purchased by us during the Track Record Period were not principal-protected, we did not incur any loss from our investments in such products during the same period. In assessing the risks associated with our wealth management products, we considered, among other things, the creditworthiness of the issuing financial institutions, the risk profile and term of the relevant products, our working capital requirements and future fund utilization plans, and the expected investment returns. In accordance with our internal policies, the wealth management products we purchased were limited to products with a risk rating of R1 or R2, which are among the lower-risk categories under the five-level risk rating scale commonly adopted by financial institutions in the PRC for such products. Under this scale, R1 and R2 products are generally characterised by relatively simple and easy-to-understand structures and a low likelihood of principal loss. Accordingly, while such products are not principal-protected and remain subject to investment risks, we believe that the structured deposits we hold generally have a relatively low risk profile.

Our finance department is responsible for proposing, analyzing and evaluating potential investment in wealth management products and benchmarking these products against the interest rates of bank financial products available on the market. Our management and finance department have extensive experience in managing financial investments, and in particular, our chief financial officer has years of experience in accounting and financial management. The investment and wealth management activities undertaken by our management shall fall within the scope of the authorization approved by the Board and the shareholders' meeting. Any investment, including the purchase of low risk wealth management products, requires prior approval from our chief financial officer and chairman of the Board.

Following the purchase of such products, we maintain a record of our wealth management products. Our finance department is required to report on a weekly basis to our management on the outstanding balance, investment returns, maturity arrangements and risk profile of our wealth management products, and maintain regular communication with the relevant financial institutions. In the event of any significant net asset value fluctuation, material deterioration in the credit risk of the relevant financial institution, or any indication that the relevant product may not be redeemed upon maturity, our finance department is required to promptly report the matter to our chief financial officer and chairman of the Board. We require the wealth management products we purchase to have a relatively high level of liquidity, taking into account our future fund utilization plans, such that redemption may generally be made after seven days to three months following purchase. During the period in which a wealth management product is redeemable, if we identify that the net asset value of any individual wealth management product has decreased as compared with its net asset value in the previous week, we will consider redeeming such product and reducing our investment in similar wealth management products.

Upon Listing, we intend to continue our investments strictly in accordance with our internal policies and procedures, Articles of Association and compliance requirements under Chapter 14 of the Listing Rules.

**Restricted Cash**

Our restricted cash primarily consists of (i) guarantee deposits for bank acceptance notes, (ii) restricted government granted subsidy due to local government policy, (iii) restricted cash by court due to litigations, and (iv) restricted cash due to subsidiary's deregistration.

Restricted cash by court due to litigations as of December 31, 2024 and 2025 represented bank deposits subject to restrictive measures imposed by the courts in the same years in connection with labor contract disputes with three employees and procurement contract disputes with two suppliers. Restricted cash by court due to litigations as of June 30, 2026 mainly represented bank deposits subject to restrictive measures imposed by the courts in connection with a dispute with a supplier arising from a sale and purchase contract, which was settled in May 2026. As of the Latest Practicable Date, all restrictive measures imposed by the courts on the bank deposits recorded as restricted cash by court due to litigations as of June 30, 2026 had been lifted.

Restricted cash due to subsidiary's deregistration represented bank deposits of one of our subsidiaries that were restricted following completion of its deregistration procedures. Following completion of the relevant procedures required by the bank in April 2025, such bank deposits were transferred out and the relevant bank account was closed.

The following table sets forth a breakdown of our restricted cash as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Guarantee deposits for bank acceptance notes | 6,295 | 14,456 | 45,084 | 24,663 |
| Restricted government granted subsidy | 13,730 | 9,100 | 5,100 | 5,100 |
| Restricted cash by court due to litigations | – | 642 | 259 | 1,403 |
| Restricted cash due to subsidiary's deregistration | – | 3,161 | – | – |
| Others | 26 | 1 | 1 | 1 |
| **Total** | **20,051** | **27,360** | **50,444** | **31,167** |

Our restricted cash increased from RMB20.1 million in 2023 to RMB27.4 million in 2024, primarily attributable to (i) an increase in guarantee deposits for bank acceptance notes, primarily attributable to the increase of bank acceptance notes we used in line with our overall business growth, (ii) an increase in restricted cash due to subsidiary's deregistration arising from the deregistration of a subsidiary prior to withdrawal of its bank balances, and (iii) an increase in restricted cash by court due to litigations related to labor contract disputes with three employees. The increase was partially offset by a decrease in restricted government granted subsidy, which was released as the projects were completed.

Our restricted cash increased from RMB27.4 million in 2024 to RMB50.4 million in 2025, primarily attributable to an increase in guarantee deposits for bank acceptance notes resulting from the increase in bank acceptance notes we used, in line with our overall business growth.

Our restricted cash decreased from RMB50.4 million in 2025 to RMB31.2 million in the six months ended June 30, 2026, primarily due to a decrease in guarantee deposits for bank acceptance notes following (i) the settlement of certain bank acceptance notes, and (ii) lower deposit ratios agreed with relevant banks for bank acceptance notes issued during the period.

Save as disclosed above, none of our other assets are frozen or otherwise under dispute during the Track Record Period.

## Trade and Other Payables

As of December 31, 2023, 2024, 2025 and June 30, 2026, we had trade and other payables of RMB502.5 million, RMB342.7 million, RMB560.9 million and RMB476.0 million, respectively.

### *Trade and Notes Payables*

Our trade and notes payables primarily represent outstanding amounts due to our suppliers. The following table sets forth a breakdown of our trade and notes payables as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Notes payables | 7,045 | 16,289 | 98,711 | 73,893 |
| Trade Payables | | | | |
| – Due to third parties | 246,929 | 219,476 | 358,495 | 278,438 |
| – Due to related parties | 3,509 | 684 | 1 | 13,241 |
| **Total** | **257,483** | **236,449** | **457,207** | **365,572** |

Our trade and notes payables decreased from RMB257.5 million as of December 31, 2023 to RMB236.4 million as of December 31, 2024 as we settled payments for our procurement of certain satellite materials. Our trade and notes payables increased from RMB236.4 million as of December 31, 2024 to RMB457.2 million as of December 31, 2025, primarily due to (i) an increase in notes payables, which was attributable both to higher procurement volumes and to our increased use of notes settlement to strengthen cash flow management, and (ii) an increase in trade payables due to third parties arising from higher procurement of materials related to the delivery of our products and solutions. Our trade and notes payables decreased from RMB457.2 million as of December 31, 2025 to RMB365.6 million as of June 30, 2026, primarily as we settled payments for the aforementioned procurement of certain satellite materials.

During the Track Record Period, our suppliers generally granted us a credit period up to three months upon achieving project milestones. In certain cases, we were granted credit periods of six months or longer by certain suppliers in consideration of our prospective long-term strategic cooperation with them. The following table sets forth an aging analysis of our trade payables, based on recognition as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Within one year | 221,888 | 109,414 | 286,738 | 160,523 |
| From one to two years | 25,188 | 94,984 | 23,679 | 72,558 |
| From two to three years | 869 | 13,057 | 42,311 | 18,120 |
| Over three years | 2,493 | 2,705 | 5,768 | 40,478 |
| **Total** | **250,438** | **220,160** | **358,496** | **291,679** |

The following table sets forth the turnover days of our trade payables for the periods indicated:

| | Year ended December 31, | | | Six months ended June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(days)* | | | |
| Trade payables turnover days[(1)] | 119.9 | 246.7 | 186.2 | 426.4 |

*Note:*

(1) Trade payables turnover days for a period equal the average of the opening and closing balance of trade payables for the relevant period divided by the cost of sales for the relevant period and multiplied by the number of days in the relevant period, which is 360 days for each year and 180 days in the six months ended June 30, 2026.

Our trade payables turnover days increased from 119.9 days in 2023 to 246.7 days in 2024, primarily because (i) we increased procurement in preparation for fulfilling sales orders, and (ii) the payment terms have not been met for certain trade payables. Our trade payables turnover days decreased from 246.7 days in 2024 to 186.2 days in 2025, primarily due to a shorter procurement cycle in preparation for the mass delivery of our AI computing satellites. Our trade payables turnover days increased from 186.2 days in 2025 to 426.4 days in the six months ended June 30, 2026, primarily because our satellite launches and deliveries are scheduled in the fourth quarter of 2026 and, accordingly, a significant portion of the relevant satellites remained pending delivery and customer acceptance during the period, which resulted in (i) lower cost of sales in the six months ended June 30, 2026, mainly attributable to the absence of satellite launch costs during the period; and (ii) a relatively high average trade payables balance during the period, as certain payment milestones under the relevant supplier contracts had not yet been reached. Save as disclosed above, there were no other factors contributing to the significant increase in our trade payables turnover days in the six months ended June 30, 2026.

As of the Latest Practicable Date, approximately RMB52.8 million, or 18.1% of our trade payables as of June 30, 2026 had been subsequently settled.

### *Other Payables*

Our other payables primarily include (i) payables on purchase of property, plant and equipment, (ii) accrued taxes other than income tax, (iii) staff salaries and welfare payables, (iv) payables on purchase on behalf of customers, and (v) payables on accrued listing expenses. The following table sets forth a breakdown of our other payables as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Payables on purchase of property, plant and equipment | 177,423 | 18,607 | 23,895 | 37,720 |
| Accrued taxes other than income tax | 14,545 | 31,956 | 36,517 | 28,048 |
| Staff salaries and welfare payables | 17,344 | 17,007 | 19,603 | 16,738 |
| Payables on purchase on behalf of customers | 25,525 | 17,283 | 15,475 | 13,761 |
| Payables on accrued listing expenses | – | 12,402 | 3,676 | 9,828 |
| Payables to related parties | 50 | 47 | – | – |
| Others | 10,094 | 8,906 | 4,576 | 4,369 |
| **Total** | **244,981** | **106,208** | **103,741** | **110,464** |

*Note:*

(1) Others mainly included provision for litigations, payables to related parties and payables on conditional government grants.

Our other payables decreased significantly from RMB245.0 million as of December 31, 2023 to RMB106.2 million as of December 31, 2024 primarily attributable to a decrease in payables on purchase of property, plant and equipment as we settled payments for the acquisition of our headquarter building in Chengdu. Our other payables remained relatively stable at RMB106.2 million and RMB103.7 million, respectively, as of December 31, 2024 and 2025. Our other payables increased from RMB103.7 million as of December 31, 2025 to RMB110.5 million as of June 30, 2026, primarily due to an increase in payables on purchase of property, plant and equipment in connection with the construction of our Taizhou Center.

As of the Latest Practicable Date, approximately RMB19.7 million, or 17.8% of our other payables as of June 30, 2026 had been subsequently settled.

### Contract Liabilities

Our contract liabilities represent advance payment from customers for products and services not yet delivered or accepted. Our contract liabilities increased from RMB43.7 million as of December 31, 2023 to RMB54.9 million as of December 31, 2024, and further increased to RMB75.0 million as of December 31, 2025 and RMB222.6 million as of June 30, 2026, primarily due to the increased prepayments we received and the increased number of orders to be fulfilled reflecting the growing market competitiveness of our products, services and solutions.

As of the Latest Practicable Date, approximately RMB0.5 million, or 0.2% of our contract liabilities as of June 30, 2026 had been subsequently recognized as revenue.

## KEY FINANCIAL RATIOS

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

| | Year ended/As of December 31, | | | Six months ended/As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Gross profit margin (%)[(1)] | 14.0 | 38.0 | 20.4 | 39.3 |
| Net loss margin (%)[(2)] | (27.4) | (32.0) | (36.4) | (66.7) |
| Adjusted net loss margin (non-IFRS measure) (%)[(3)] | (17.9) | (12.5) | (22.3) | (28.9) |
| Current ratio[(4)] | 1.7 | 2.8 | 2.2 | 5.6 |
| Gearing ratio (%)[(5)] | 9.1 | 24.6 | 18.7 | 6.5 |

*Notes:*

(1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.

(2) Net loss margin equals net loss for the period divided by revenue for the period and multiplied by 100%.

(3) Adjusted net loss margin (non-IFRS measure) equals adjusted net loss (non-IFRS measure) for the period divided by revenue for the period and multiplied by 100%.

(4) Current ratio equals current assets divided by current liabilities as of the same date.

(5) Gearing ratio equals debts (including borrowings) divided by the total equity as of the end of the respective period and multiplied by 100%.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from cash generated from operations, equity and debt financing. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Going forward, we believe that our liquidity requirements will be satisfied by using a combination of operating cash flow, equity and debt financing and the estimated net proceeds received from Global Offering. We do not anticipate any changes in the availability of financing to fund our operations in the future.

### Cash Flow

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

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | **2023** | **2024** | **2025** | **2025** | **2026** |
| | | | *(RMB in thousands)* | | |
| | | | | *(Unaudited)* | |
| Net cash flows (used in)/generated from operating activities | (313,474) | (212,526) | 8,206 | (78,050) | 61,155 |
| Net cash flows used in investing activities | (121,262) | (83,397) | (287,797) | (440,931) | (3,614,924) |
| Net cash flows generated from financing activities | 521,302 | 759,668 | 402,129 | 219,044 | 3,528,814 |
| Net increase/(decrease) in cash and cash equivalents | 86,566 | 463,745 | 122,538 | (299,937) | (24,955) |
| Cash and cash equivalents at beginning of the periods | 38,025 | 124,591 | 588,336 | 588,336 | 710,874 |
| **Cash and cash equivalents at end of periods** | **124,591** | **588,336** | **710,874** | **288,399** | **685,919** |

#### *Net Cash Flows (Used in)/Generated from Operating Activities*

Our net cash flows used in operating activities primarily represented our loss before tax for the year adjusted by: (i) non-cash and non-operating items; and (ii) changes in working capital.

In the six months ended June 30, 2026, our net cash flows generated from operating activities were RMB61.2 million, which was primarily attributable to our loss before tax of RMB150.8 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) share-based payments of RMB71.2 million, (b) depreciation of property, plant and equipment of RMB26.9 million, and (c) amortization of intangible assets of RMB14.4 million, and (ii) changes in working capital, which primarily comprised an increase in contract liabilities of RMB147.7 million, partially offset by a decrease in trade and other payables of RMB104.4 million and an increase in inventories of RMB86.1 million.

In 2025, our net cash flows generated from operating activities were RMB8.2 million, which was primarily attributable to our loss before tax of RMB255.9 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) provision for loss allowance of receivables of RMB95.0 million, (b) share-based payments of RMB93.2 million, and (c) depreciation of property,

plant and equipment of RMB24.9 million, and (ii) changes in working capital, which primarily comprised an increase in trade and other payables of RMB227.2 million partially offset by an increase in trade receivables of RMB94.7 million and an increase in prepayments and other current assets of RMB105.8 million.

In 2024, our net cash flows used in operating activities were RMB212.5 million, which was primarily attributable to our loss before tax of RMB177.2 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) share-based payments for employees of RMB91.5 million, (b) provision for loss allowance of receivables of RMB43.4 million, and (c) depreciation of property, plant and equipment of RMB24.2 million, and (ii) changes in working capital, which primarily comprised (a) an increase in trade receivables of RMB178.4 million mainly due to our increased customer orders, (b) an increase in prepayments and other current assets of RMB67.9 million, mainly due to the increased prepayments for good and services procured, and (c) an increase in contract assets of RMB18.6 million, which is partially offset by a decrease in other receivables of RMB28.2 million, mainly related to the decreased advances on behalf of our customers for our software and hardware agency services.

In 2023, our net cash flows used in operating activities were RMB313.5 million, which was primarily attributable to our loss before tax of RMB139.2 million, as adjusted by (i) non-cash and non-operating items, primarily comprising (a) share-based payments for employees of RMB48.6 million, and (b) provision for loss allowance of receivables of RMB20.8 million, and (ii) changes in working capital, which primarily comprised (a) an increase in trade receivables of RMB393.8 million, mainly reflecting the timing of customer settlements, (b) an increase in other receivables of RMB92.7 million, mainly due to increased advances on behalf of customers for our software and hardware agency business, and increased performance security deposits related to the increase in our satellite-based solutions business, and (c) an increase in inventories of RMB30.5 million, mainly due to our increased customer orders and satellites under production, which is partially offset by (a) an increase in trade and other payables of RMB249.3 million, mainly due to the increased procurement for our satellite-based solutions business, as well as the acquisition of our headquarter building in Chengdu, and an increase in purchase on behalf of our customers for our software and hardware agency services, and (b) an increase in contract liabilities of RMB39.1 million, mainly due to the increased number of customer orders to be fulfilled.

Our net cash outflow from operating activities decreased from RMB313.5 million in 2023 to RMB212.5 million in 2024, and then shifted to a net cash inflow from operating activities of RMB8.2 million in 2025. In the future, we expect to further improve our net operating cash position. From an internal management perspective, we have implemented a variety of measures to improve our cash flow position, including, among others, (i) setting an annual overall cash flow budget target at the beginning of each fiscal year; (ii) forecasting and simulating the cash flow status for the current and next quarter, as well as determining the cash flow target, our receivables collection plan and payment control targets for the month at the beginning of each month; (iii) publishing cash flow completion reports and daily group cash balance reports every week; (iv) assigning a team and designated personnel in charge of the management of trade receivables; (v) taking into consideration the collections of receivables in assessing the performance of sales personnel and the management team to encourage them to actively follow up with customers regarding receivables collection; (vi) senior management's regular review of overdue payments to ensure that timely measures are taken to resolve issues; and (vii) the use of legal measures, such as demand letters and litigation, to expedite collections. In addition, we plan to provide shorter credit periods to customers wherever possible and broaden our supplier base to reduce reliance on individual suppliers and enhance our bargaining power.

***Net Cash Flows Used in Investing Activities***

In the six months ended June 30, 2026, our net cash flows used in investing activities were RMB3,614.9 million, which was primarily attributable to (i) investment payments for financial assets at fair value through profit or loss of RMB6,467.9 million, and (ii) purchases of property, plant and equipment and intangible assets of RMB188.7 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB3,114.0 million.

In 2025, our net cash flows used in investing activities were RMB287.8 million, which was primarily attributable to (i) investment payments for financial assets at fair value through profit or loss of RMB1,440.0 million, and (ii) purchases of property, plant and equipment and intangible assets of RMB221.0 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB1,440.0 million.

In 2024, our net cash flows used in investing activities were RMB83.4 million, which was primarily attributable to purchases of property, plant and equipment and intangible assets of RMB259.7 million, partially offset by disposal of financial assets at FVPL of RMB311.4 million.

In 2023, our net cash flows used in investing activities were RMB121.3 million, which was primarily attributable to (i) investment payments for financial assets at FVPL of RMB1,330.0 million, and (ii) purchases of property, plant and equipment and intangible assets of RMB202.9 million, partially offset by proceeds from disposal of financial assets at FVPL of RMB1,402.2 million.

***Net Cash Flows Generated from Financing Activities***

In the six months ended June 30, 2026, our net cash flows generated from financing activities were RMB3,528.8 million, primarily attributable to (i) capital contribution from shareholders of RMB3,514.2 million, and (ii) proceeds from bank borrowings of RMB100.3 million, partially offset by repayments of bank borrowings of RMB68.7 million.

In 2025, our net cash flows generated from financing activities were RMB402.1 million, which was primarily attributable to (i) capital contribution from non-controlling interest of RMB249.4 million, (ii) capital contribution from shareholders of RMB225.0 million, and (iii) proceeds from bank borrowings of RMB130.0 million, partially offset by repayments of bank borrowings of RMB147.4 million.

In 2024, our net cash flows generated from financing activities were RMB759.7 million, which was primarily attributable to (i) proceeds from bank borrowings of RMB302.3 million, and (ii) capital contributions from shareholders of RMB537.5 million, partially offset by repayments of bank borrowings of RMB65.0 million.

In 2023, our net cash flows generated from financing activities were RMB521.3 million, which was primarily attributable to (i) capital contribution from shareholders of RMB492.0 million, and (ii) proceeds from bank borrowings of RMB65.0 million, partially offset by (iii) repayments of bank borrowings of RMB30.9 million.

## Net Current Assets

The following table sets forth our current assets and liabilities as of the dates indicated:

| | As of December 31, | | | As of June 30, | As of September 30, |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | |
| | *(RMB in thousands)* | | | | *(Unaudited)* |
| **Current assets** | | | | | |
| Inventories | 42,024 | 38,479 | 28,679 | 115,041 | 133,371 |
| Trade and notes receivables | 500,860 | 628,259 | 630,467 | 597,799 | 489,287 |
| Other receivables | 114,050 | 84,429 | 51,701 | 37,590 | 33,648 |
| Contract assets | 1,502 | 2,528 | 3,017 | – | – |
| Income tax recoverable | 524 | 3,563 | 3,770 | 3,775 | 3,771 |
| Prepayments and other current assets | 43,750 | 112,114 | 221,718 | 150,250 | 363,507 |
| Financial assets at fair value through profit or loss ("**FVPL**") | 191,370 | 40,460 | 41,520 | 3,406,674 | 3,701,746 |
| Restricted cash | 20,051 | 27,360 | 50,444 | 31,167 | 42,556 |
| Cash and cash equivalents | 124,591 | 588,336 | 710,874 | 685,919 | 224,029 |
| **Total current assets** | **1,038,722** | **1,525,528** | **1,742,190** | **5,028,215** | **4,991,915** |
| **Current liabilities** | | | | | |
| Trade and other payables | 502,464 | 342,657 | 560,949 | 476,036 | 448,545 |
| Income tax payables | 124 | – | – | – | – |
| Contract liabilities | 43,183 | 52,914 | 74,086 | 222,515 | 289,550 |
| Borrowings | 65,020 | 147,711 | 157,557 | 186,603 | 163,528 |
| Lease liabilities | 3,647 | 3,331 | 6,214 | 8,070 | 8,708 |
| **Total current liabilities** | **614,438** | **546,613** | **798,806** | **893,224** | **910,331** |
| **Net current assets** | **424,284** | **978,915** | **943,384** | **4,134,991** | **4,081,584** |

Our net current assets increased significantly from RMB943.4 million as of December 31, 2025 to RMB4,135.0 million as of June 30, 2026, primarily due to an increase in financial assets at fair value through profit or loss of RMB3,365.2 million, mainly attributable to increased investments in structured deposits.

Our net current assets remained relatively stable at RMB978.9 million and RMB943.4 million, respectively, as of December 31, 2024 and 2025.

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

## INDEBTEDNESS

As of December 31, 2023, 2024, 2025 and June 30, 2026, our indebtedness consisted of borrowings and lease liabilities.

The following table sets forth the details of our indebtedness as of the dates indicated:

| | As of December 31, | | | As of June 30, | As of September 30, |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | |
| | *(RMB in thousands)* | | | | *(Unaudited)* |
| **Current** | | | | | |
| Borrowings | 65,020 | 147,711 | 157,557 | 186,603 | 163,528 |
| Lease liabilities | 3,647 | 3,331 | 6,214 | 8,070 | 8,708 |
| **Non-current** | | | | | |
| Borrowings | 9,940 | 164,868 | 137,590 | 140,051 | 185,826 |
| Lease liabilities | 4,841 | 7,157 | 38,741 | 57,978 | 54,197 |
| **Total** | **83,448** | **323,067** | **340,102** | **392,702** | **412,259** |

### Borrowings

As of December 31, 2023, 2024, 2025 and June 30 and September 30, 2026, our borrowings (including current and non-current portions) were RMB75.0 million, RMB312.6 million, RMB295.1 million, RMB326.7 million and RMB349.4 million, respectively. As of December 31, 2023, 2024, 2025 and June 30 and September 30, 2026, the majority of our borrowings were unsecured bank borrowings.

As of December 31, 2023, 2024, 2025 and June 30 and September 30, 2026, the weighted interest rates of bank borrowing were 3.30%, 3.42%, 3.22%, 2.96% and 2.96%, respectively. See Note 33 of Appendix I to this prospectus. As of September 30, 2026, our committed unutilized banking facilities were RMB641.7 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.

### Lease Liabilities

Our lease liabilities are in relation to properties we leased primarily for office space and production platforms. As of December 31, 2023, 2024, 2025 and June 30 and September 30, 2026, our total lease liabilities (including current and non-current portions) were RMB8.5 million, RMB10.5 million, RMB45.0 million, RMB66.0 million and RMB62.9 million, respectively, related to an increase in leases for office space and the Chengdu Chongzhou Additive Manufacturing Base.

### Contingent Liabilities

As of December 31, 2023, 2024, 2025 and June 30 and September 30, 2026 and up to the Latest Practicable Date, we did not have any material contingent liabilities.

Except as disclosed above, as of September 30, 2026, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), or acceptance credits, which were either guaranteed or unguaranteed, secured or unsecured. Our Directors confirm that there has not been any material change in our indebtedness since September 30, 2026 and up to the Latest Practicable Date.

## CAPITAL COMMITMENTS

The following table sets forth the details of our capital commitments as of the dates indicated:

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *(RMB in thousands)* | | | |
| Property, plant and equipment | 62,596 | 48,767 | 346,860 | 283,819 |
| Investments accounted for using equity method | 4,430 | 82,078 | 251,588 | 185,738 |
| **Total** | **67,026** | **130,845** | **598,448** | **469,557** |

Our capital commitments significantly increased from RMB67.0 million as of December 31, 2023 to RMB130.8 million as of December 31, 2024, primarily due to an increase in investments accounted for using the equity method, mainly resulting from our increased investments in associates and joint ventures. Our capital commitments further increased from RMB130.8 million as of December 31, 2024 to RMB598.4 million as of December 31, 2025, primarily due to (i) an increase in property, plant and equipment in relation to Shenzhen Center, and (ii) an increase in investments accounted for using the equity method, mainly related to our increased investments in associates and joint ventures. Our capital commitments decreased from RMB598.4 million as of December 31, 2025 to RMB469.6 million as of June 30, 2026, primarily due to (i) a decrease in property, plant and equipment as certain construction and equipment procurement commitments relating to the Taizhou Center and the Chengdu Chongzhou Additive Manufacturing Base were fulfilled as the relevant projects progressed, and (ii) a decrease in investments accounted for using the equity method as we made capital contributions in respect of certain previous investment commitments.

## CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures were related to purchases of property, plant and equipment and intangible assets. We had capital expenditures of RMB202.9 million, RMB259.7 million, RMB221.0 million, RMB8.9 million and RMB188.7 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. The following table sets forth the details of our capital expenditures for the periods indicated:

| | Year ended December 31, | | | Six months ended June 30, | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *(RMB in thousands)* | | | *(Unaudited)* | |
| Purchases of property, plant and equipment | 194,705 | 234,138 | 152,984 | 8,386 | 134,626 |
| Purchases of intangible assets | 8,170 | 25,564 | 68,019 | 538 | 54,045 |
| **Total** | **202,875** | **259,702** | **221,003** | **8,924** | **188,671** |

## OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

## PROPERTY INTERESTS AND PROPERTY VALUATION

We had contracted to purchase a property located in Chengdu, Sichuan, with a gross floor area of approximately 25,045.11 sq.m, in December 2023. See "Business — Properties — Owned Properties." Our Independent Property Valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, has valued this property as of September 30, 2026. Details of the valuation are summarized in "Appendix III — Valuation Report."

A reconciliation of our selective property interest as of September 30, 2026 and such property interest in our financial statements as of June 30, 2026, as required under Rule 5.07 of the Listing Rules is set out below:

| | *(RMB in thousands)* |
|---|---|
| Net book value of the property interests as of June 30, 2026[(1)] | 360,951 |
| Add: Additions | – |
| Less: Depreciation for the period from July 1, 2026 to September 30, 2026 | 2,514 |
| Net book value as of September 30, 2026 | 358,437 |
| Valuation surplus | 10,563 |
| Reference value as of September 30, 2026[(2)] | 369,000 |
| Less: Property interest without commercial value due to the lack of title certificate | – |
| **Valuation as of September 30, 2026** | **369,000** |

*Notes:*
(1) Property included in the valuation report contained in Appendix III to the prospectus.
(2) Represents the commercial value of the property assuming all relevant title certificates have been obtained and the units could be freely transferred.

## MATERIAL RELATED PARTY TRANSACTIONS

For details about our related party transactions during the Track Record Period, see Note 40 of Appendix I to this prospectus.

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on normal commercial terms and on an arm's length basis in the ordinary and usual course of business, and they did not distort our results of operations or make our historical results not reflective of our future performance. Our non-trade balances with related parties will be settled prior to listing.

## FINANCIAL RISK

We are exposed to a variety of financial risks, such as market risk (including price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. See Note 3.1 of Appendix I to this prospectus for a detailed description of our financial risk management.

### Market Risk

#### *Foreign Exchange Risk*

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective group entities' functional currency. We mainly operate in the PRC with most of the transactions settled in RMB.

#### *Cash Flow and Fair Value Interest Rate Risk*

Our income and operating cash flows are substantially independent of changes in market interest rates. We have no significant interest-bearing assets and liabilities, except for cash and cash equivalents, restricted cash, lease liabilities and borrowings. Financial assets and liabilities at variable rates expose us to cash flow interest rate risk. Financial assets and liabilities at fixed rates expose us to fair value interest rate risk.

### Credit Risk

Credit risk is the risk of loss that a counterparty fails to or is unwilling to meet its obligations. We are exposed to credit risk mainly in relation to our cash and cash equivalents, restricted cash, trade and other receivables, and contract assets. See Note 3.1(b) of Appendix I to this prospectus.

### Liquidity Risk

Our management regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding to meet its liquidity requirements in the short and long term.

## DIVIDENDS

No dividends have been paid or declared by our Company during the Track Record Period. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. As advised by our PRC Legal Advisor, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

## WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including cash and cash equivalents, financial assets at FVPL, committed unutilized banking facilities and the estimated net proceeds from the Global Offering, as well as our cash burn rate, our Directors are of the view that we have sufficient working capital to meet our present requirements and for at least the next 12 months from the date of this prospectus.

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) purchase of property, plant and equipment and intangible assets, save as the one-off purchase for the new headquarter in Chengdu, (iii) interest and repayment of bank borrowing and (iv) principal and interest of lease payment. Our historical cash burn rate was RMB35.3 million, RMB29.3 million, RMB33.9 million and RMB34.2 million in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively.

As of September 30, 2026, our liquidity comprised cash and cash equivalents of RMB224.0 million, financial assets at fair value through profit or loss of RMB3,701.7 million and committed unutilized banking facilities of RMB641.7 million. Assuming the average cash burn rate going forward will be RMB33.2 million, similar to the average cash burn rate of 2023, 2024, 2025 and the six months ended June 30, 2026, based on the underlying assumptions that (i) there will be no significant increase in the number of employees, particularly in R&D and production, and (ii) there will be no reinvestment in financial assets, we estimate that our cash and cash equivalents, financial assets at fair value through profit or loss, committed unutilized banking facilities as of September 30, 2026 and net proceeds from the Listing, will be able to maintain our financial viability for 91.1 months from October 2026 to April 2034. If we take into account the expansion plan and without net proceeds from the Listing, we will be able to maintain financial viability for 71.2 months from October 2026 to August 2032. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings. See "— Indebtedness." We do not expect to have a next round of financing before the Global Offering.

Our financial assets at fair value through profit or loss amounted to RMB3,701.7 million as of September 30, 2026, comprising structured deposits, wealth management products and a certificate of deposit. The structured deposits had a principal amount of RMB2,516.0 million and are generally redeemable upon the expiry of their fixed terms. Of these structured deposits 52.1% had a term of around three months or less, 38.1% had a term of around six months, and 9.8% had a term of one year. The wealth management products had a principal amount of RMB1,126.3

million, of which 23.9% were redeemable on a daily basis after purchase, 55.3% were redeemable after being held for seven to 30 days, and 20.8% were redeemable after being held for 90 to 125 days. The certificate of deposit had a principal amount of RMB40.0 million, matures on July 18, 2027 and is transferable on a daily basis during its term. The remaining RMB12.8 million represented accrued interest and fair value changes arising from the above investments.

Our committed unutilized banking facilities of RMB641.7 million as of September 30, 2026 are committed and available for utilization pursuant to the duly executed banking facility agreements with the relevant banks. These agreements generally do not provide for any conditions under which the relevant banks may cancel or withdraw the committed facilities prior to their expiry. The remaining availability periods of our unutilized banking facilities, being the periods specified in the relevant agreements during which we may apply to draw down the relevant facilities, expire between November 2026 and July 2027. The relevant banking facility agreements generally do not specify the applicable interest rates, which are determined at the time of each drawdown and set out in the respective loan agreements. We typically seek to renew our banking facilities upon expiry based on our financing needs, subject to the relevant banks' approval and assessment of our financial condition, creditworthiness and other applicable requirements. During the Track Record Period, we did not experience any difficulties in renewing our banking facilities upon expiry. Given our stable relationships with the relevant banks, our historical track record of compliance with the terms of our banking facility agreements, and our successful renewals of banking facilities, our Directors are of the view, and the Sole Sponsor concurs, that these banking facilities are available and reliable sources of working capital and that there are no circumstances currently known to them which would reasonably be expected to result in such banking facilities becoming unavailable or uncommitted. Accordingly, our Directors consider it reasonable to include the committed unutilized banking facilities as part of our working capital resources.

Taking into account the above as well as the written confirmation from the Company in respect of working capital sufficiency and due diligence work conducted by the Sole Sponsor, nothing has come to the attention of the Sole Sponsor that would reasonably cause the Sole Sponsor to disagree with the Directors' view above.

## DISTRIBUTABLE RESERVES

As of June 30, 2026, we did not have any distributable reserves.

## LISTING EXPENSES

We recorded listing expenses of nil, RMB16.6 million, RMB6.2 million, RMB1.8 million and RMB14.2 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We expect to incur a total of approximately HK$102.6 million of listing expenses in connection with the Global Offering, representing approximately 11.7% of the gross proceeds from the Global Offering (assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised), including (i) underwriting commissions, SFC transaction levy, Stock Exchange trading fees and AFRC transaction levy for all Offer Shares of approximately HK$30.6 million, and (ii) non-underwriting related expenses of approximately HK$72.0 million, which consist of (a) fees and expenses of sponsor, legal advisors and reporting accountant of approximately HK$46.6 million, and (b) other professional fees of approximately HK$25.4 million. Among the total listing expenses, approximately HK$43.2 million (RMB37.0 million) has been charged to our consolidated statements of comprehensive loss during the Track Record Period, approximately HK$24.8 million will be further charged to our consolidated statements of comprehensive loss, and approximately HK$34.6 million will be deducted from equity upon the completion of the Global Offering.

## UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited Pro Forma Financial Information."

## 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, save as disclosed in "Summary — Recent Development and No Material Adverse Change" up to the date of this prospectus, 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 prospectus, and there is no event since June 30, 2026 that would materially affect the information as set out in the Accountant's Report in Appendix I to this prospectus.

## DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, 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.

## THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of the Offer Shares (rounded down to the nearest whole board lot of 100 H Shares) that may be purchased for an aggregate amount of approximately HK$60.0 million (exclusive of brokerage fee, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee) (the "**Cornerstone Placing**").

Based on the Offer Price of HK$24.90 per Offer Share, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 2,409,600 H Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

| Assuming the Offer Size Adjustment Option is not exercised | | | | Assuming the Offer Size Adjustment Option is exercised in full | | | |
|---|---|---|---|---|---|---|---|
| Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | | Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | |
| Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital |
| 8.0% | 0.4% | 7.0% | 0.4% | 7.0% | 0.4% | 6.0% | 0.4% |

Based on the Offer Price of HK$29.05 per Offer Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 2,065,300 H Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

| Assuming the Offer Size Adjustment Option is not exercised | | | | Assuming the Offer Size Adjustment Option is exercised in full | | | |
|---|---|---|---|---|---|---|---|
| Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | | Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | |
| Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital |
| 6.9% | 0.3% | 6.0% | 0.3% | 6.0% | 0.3% | 5.2% | 0.3% |

Based on the Offer Price of HK$33.20 per Offer Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 1,807,200 H Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

| Assuming the Offer Size Adjustment Option is not exercised | | | | Assuming the Offer Size Adjustment Option is exercised in full | | | |
|---|---|---|---|---|---|---|---|
| Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | | Assuming the Over-allotment Option is not exercised | | Assuming the Over-allotment Option is exercised in full | |
| Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital | Approximate % of the Offer Shares | Approximate % of the total issued share capital |
| 6.0% | 0.3% | 5.2% | 0.3% | 5.2% | 0.3% | 4.5% | 0.3% |

We believe that the Cornerstone Placing demonstrates our Cornerstone Investors' confidence in our Company and our business prospect, and that leveraging on the Cornerstone Investors' investment, the Cornerstone Placing will help to raise the profile of our Company. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by existing Shareholders and/or the CMIs.

The Cornerstone Placing will form part of the International Offering, and save as otherwise consented to by the Stock Exchange (if any) in accordance with Chapter 4.15 of the Guide for New Listing Applicants, the Cornerstone Investors and their respective close associates will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the Global Offering and all the H Shares to be subscribed by the cornerstone investors will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules. Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors and/or their close associates will have any Board representation in our Company; (ii) none of the Cornerstone Investors and/or their close associates will become a substantial shareholder of our Company; and (iii) equity interests in our Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements or agreements between the Company, and the Cornerstone Investors, or any benefit, direct or indirect, conferred on the Cornerstone Investors, by virtue of or in relation to the Listing other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's H Shares commence on the Stock Exchange. There will be no delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors if there is no over-allocation in the International Offering.

To the best of the knowledge, information and belief of our Company, save as disclosed in this section, (i) the Cornerstone Investors and their ultimate beneficial owners are Independent Third Parties; (ii) none of the Cornerstone Investor is accustomed to take and has not taken instructions from the Company, its subsidiaries, our Directors, chief executive, Single Largest Group of Shareholders, substantial Shareholders, existing Shareholders or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is directly and indirectly financed by the Company, its subsidiaries, our Directors, chief executive, Single Largest Group of Shareholders, substantial Shareholders, existing Shareholders or their respective close associates.

Among the Cornerstone Investors, JinkoSolar Investment Limited is a close associate of an existing minority Shareholders of the Company. The Stock Exchange has granted a waiver from strict compliance with the requirements under Rule 10.04 and consent under Paragraph 1C(2) of Appendix F1 to the Listing Rules to permit H Shares in the International Offering to be placed to certain existing minority Shareholders. For further details, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules – Consent Under Paragraph 1C(2) of Appendix F1 to the Listing Rules in Respect of Subscription of Offer Shares by a Close Associate of Existing Shareholders as a Cornerstone Investor".

To the best knowledge of the Company and the Overall Coordinators, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees, if any, pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering and there is no assurance that any such participation will take place.

To the best knowledge of our Company, each of the Cornerstone Investors is independent from each other and makes independent investment decisions, and their subscription under the Cornerstone Investment Agreements would be financed by their own internal resources or the assets managed for the investors (in the case of cornerstone investors which are funds or investment managers) and they have sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offer in the event of over-subscription under the Hong Kong Public Offer, as described in the paragraphs headed "Structure of the Global Offering – The Hong Kong Public Offer – Reallocation" in this prospectus. The number of Offer Shares to be subscribed for by each Cornerstone Investor may be deducted on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offer, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriter) to exercise the Offer Size Adjustment Option and the Over-allotment Option.

## THE CORNERSTONE INVESTORS

The table below sets forth the details of the Cornerstone Placing:

| | | | Assuming an Offer Price of HK$24.90 per Offer Share (being the low-end of the Offer Price range) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Assuming the Offer Size Adjustment Option is not exercised | | | | Assuming the Offer Size Adjustment Option is exercised in full | | | |
| | | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | |
| Cornerstone Investor | Subscription amount[1] (HKD in millions) | Number of Offer Shares[2] | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital |
| JinkoSolar Investment. | 5.00 | 200,800 | 0.7% | 0.03% | 0.6% | 0.03% | 0.6% | 0.03% | 0.5% | 0.03% |
| Kamshin . . | 55.00 | 2,208,800 | 7.3% | 0.4% | 6.4% | 0.4% | 6.4% | 0.4% | 5.5% | 0.4% |

| | | | Assuming an Offer Price of HK$29.05 per Offer Share (being the mid-point of the Offer Price range) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Assuming the Offer Size Adjustment Option is not exercised | | | | Assuming the Offer Size Adjustment Option is exercised in full | | | |
| | | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | |
| Cornerstone Investor | Subscription amount[1] (HKD in millions) | Number of Offer Shares[2] | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital |
| JinkoSolar Investment. | 5.00 | 172,100 | 0.6% | 0.03% | 0.5% | 0.03% | 0.5% | 0.03% | 0.4% | 0.03% |
| Kamshin . . | 55.00 | 1,893,200 | 6.3% | 0.3% | 5.5% | 0.3% | 5.5% | 0.3% | 4.8% | 0.3% |

| | | | Assuming an Offer Price of HK$33.20 per Offer Share (being the high-end of the Offer Price range) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Assuming the Offer Size Adjustment Option is not exercised | | | | Assuming the Offer Size Adjustment Option is exercised in full | | | |
| | | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | |
| Cornerstone Investor | Subscription amount[1] (HKD in millions) | Number of Offer Shares[2] | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital |
| JinkoSolar Investment. | 5.00 | 150,600 | 0.5% | 0.02% | 0.4% | 0.02% | 0.4% | 0.02% | 0.4% | 0.02% |

| | | | Assuming an Offer Price of HK$33.20 per Offer Share (being the high-end of the Offer Price range) | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Assuming the Offer Size Adjustment Option is not exercised | | | | Assuming the Offer Size Adjustment Option is exercised in full | | | |
| | | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is not exercised and immediately upon completion of the Global Offering | | Assuming the Over-allotment Option is exercised in full and immediately upon completion of the Global Offering | |
| Cornerstone Investor | Subscription amount[1] (HKD in millions) | Number of Offer Shares[2] | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital | Approximate % of the Offer Shares | Approximate % of the issued share capital |
| Kamshin . . | 55.00 | 1,656,600 | 5.5% | 0.3% | 4.8% | 0.3% | 4.8% | 0.3% | 4.2% | 0.3% |

*Notes:*

(1) Exclusive of brokerage, the SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy.

(2) Subject to rounding down to the nearest whole board lot of 100 Offer Shares.

(3) Calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering – Exchange Rate Conversion". The actual investment amount in Hong Kong Dollars, the number of Shares agreed to be subscribed for, percentage to the initial number of Offer Shares, and percentage to the enlarged number of Shares in issue immediately upon completion of the Global Offering may vary due to the exchange rate prescribed in the relevant Cornerstone Investment Agreement, where applicable.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

### JinkoSolar Investment

JinkoSolar Investment Limited ("**JinkoSolar Investment**") is a private company limited by shares incorporated in Hong Kong in November 2006, principally engaged in investment holding. JinkoSolar Investment is directly wholly owned by Jinko Holdings Limited ("**Jinko**"), a company listed on the New York Stock Exchange (stock code: JKS). Jinko's indirect wholly-owned subsidiary, Jinneng Private Equity Fund Management (Shanghai) Co., Ltd. (金能私募基金管理(上海)有限公司), is the general partner of Jiaxing Jinmu, an existing Shareholder of our Company. Jiaxing Jinmu (through Jinko) and Jinko Technology, another existing Shareholder of our Company, are both ultimately controlled by Mr. Li Xiande (李仙德), Mr. Chen Kangping (陳康平) and Mr. Li Xianhua (李仙華). As of the Latest Practicable Date, Jiaxing Jinmu and Jinko Technology held 2.23% and 0.56% of our total issued share capital, respectively. For further details of Jinko, Jiaxing Jinmu and Jinko Technology, see "History, Development and Corporate Structure – Pre-IPO Investments – Information about the major Pre-IPO Investors" in this prospectus.

### Kamshin

Kamshin Oriental (HK) Limited ("**Kamshin**") is a limited company incorporated in Hong Kong on April 18, 2024, and its principal business is the wholesale distribution of electronic components and the trading of bulk chemical commodities. Kamshin is wholly owned by Zhejiang Jinshuo Trading Co., Ltd. (浙江錦鑠貿易有限公司), which is in turn owned as to 90% by Jiang Yueqing (蔣躍慶) and 10% by Lu Tao (盧濤). Each of Jiang Yueqing and Lu Tao is an Independent Third Party.

## CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(a) the Underwriting Agreements for the Hong Kong Public Offer and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid Underwriting Agreements having been terminated;

(b) the Offer Price having been agreed upon between our Company and the Joint Overall Coordinators (for themselves and on behalf of the Underwriter);

(c) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by the Cornerstone Investors as well as other applicable waivers and approvals (including those in connection with the subscription of the H Shares by the Cornerstone Investors)), and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) the CSRC having accepted the CSRC filings and published the filing results in respect of the CSRC filings on its website, and such notice of acceptance and/or filing results published not having otherwise been rejected, withdrawn, revoked or invalidated prior to the commencement of dealings in the H Shares on the Stock Exchange;

(e) no laws shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreements and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(f) the respective agreements, representations, warranties, undertakings, acknowledgments and confirmations of the relevant Cornerstone Investor under the respective Cornerstone Investment Agreement are (as of the date of the respective Cornerstone Investment Agreements) and will be (as of the Listing Date) accurate, true and complete in all respects and not misleading or deceptive and that there is no breach of such Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

## RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that it will not, whether directly or indirectly, at any time during the period of six months from (and inclusive of) the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares or any interest in any company or entity holding such Offer Shares that they have purchased pursuant to the relevant Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

## FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

## USE OF PROCEEDS

Assuming that the Offer Size Adjustment Option and the Over-allotment Option are not exercised, after deducting the underwriting commissions and other estimated offering expenses payable by us in connection with the Global Offering, assuming an Offer Price of HK$29.05 per Share (being the mid-point of the Offer Price range of HK$24.90 to HK$33.20), we estimate that we will receive net proceeds of approximately HK$772.4 million (equivalent to RMB661.3 million). We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set forth below:

- approximately 24.4% of the net proceeds, or RMB161.1 million, is expected to be used for the construction of the Shenzhen Center. We expect that the total expenditure for the construction of the Shenzhen Center will be RMB528.5 million. In this connection, we acquired a parcel of land in January 2024 with an aggregate GFA of approximately 30,828 sq.m. in Shenzhen and were in the design phase for this parcel of land as of the Latest Practicable Date. In September 2025, we had obtained the project filing of our Shenzhen Center from BDRB. The Shenzhen Center had obtained the construction land planning permit and commenced construction as of the Latest Practicable Date and is expected to further enhance our satellite design, development and testing capabilities upon commencing operation in light of the increasing demand for space-based computing and the accelerated deployment of satellite networks. We selected Shenzhen primarily because of its location in the Greater Bay Area, which enables us to (i) deepen collaboration with universities and research institutions in the area through further industry-academia-research cooperation; (ii) benefit from the area's well-developed electronics and information technology ecosystem and supporting supply chain and (iii) enhance our proximity to potential customers in the area, particularly those from emerging sectors such as embodied intelligence.

  In addition, the Greater Bay Area provides a favorable environment for the development of the satellite industry, with an emerging industry ecosystem covering satellite manufacturing, launch services, ground equipment and operation services. According to Frost & Sullivan, as of December 31, 2025, Guangdong Province accounted for over 10% of commercial aerospace enterprises in China, ranking first among all provinces nationwide. However, as of the same date, the number of satellite AIT centers in Guangdong Province remained lower than that in Beijing and Shanghai, according to the same source, indicating significant room for further development in the province's satellite manufacturing capacity. The Guangdong Province successively introduced policies in 2024 and 2025 to support the development of low-orbit satellite constellation and a commercial aerospace industry chain covering rockets, satellites, ground stations, terminal equipment and applications, further supporting technological innovation, product application and commercialization in the sector, according to Frost & Sullivan.

  Based on the following assumptions: (i) our business plans and strategies focus on expanding the production capacity of our AI satellites; (ii) our competitive advantages in the current market conditions, including selling prices, cost of sales and our ability to secure contracts for these AI satellites; and (iii) operating costs and expenses for machinery, primarily comprising maintenance costs, utilities and depreciation, with no significant changes in market, fiscal and economic conditions, our Directors expect that the breakeven period will be approximately one year and the investment payback period will be approximately four years, considering the planned commencement of operations of the Shenzhen Centre in 2028. In particular:

  - approximately 14.6% of the net proceeds, or RMB96.5 million, is expected to be used for civil engineering and renovation of the Shenzhen Center, including design planning, civil construction, and basic interior fit-out for offices and ancillary facilities within the Shenzhen Center. We expect that the total expenditure for the Shenzhen Center will be RMB316.7 million, with RMB160.2

million for the design planning, civil engineering and infrastructure development in 2027 and RMB156.5 million for the civil engineering, interior fit-out for offices, ancillary facilities, infrastructure development and renovation in 2028. The following table sets forth the details of the corresponding expenditure:

| Activities | Amount |
|---|---|
| | *(RMB in thousand)* |
| Design and consultation | 30,889 |
| Civil engineering | 147,510 |
| infrastructure development | 63,312 |
| Renovation | 75,000 |
| | **316,711** |

- approximately 6.6% of the net proceeds, or RMB43.6 million, is expected to be used for the purchase of machinery and equipment for the Shenzhen Center. We expect that the total expenditure for the purchase of machinery and equipment for the Shenzhen Center will be RMB143.1 million. The following table sets forth the details of the machinery and equipment in the Shenzhen Center and corresponding expenditure:

| Machinery and Equipment | Numbers | Total Price |
|---|---|---|
| | | *(RMB in thousand)* |
| Additive production equipment and other main process equipment (AI增材製造設備及主要工藝裝備) | 124 | 45,920 |
| Electrical testing and feature testing system (電測試及特性測試系統) | 7 | 35,250 |
| Environmental simulation testing system (環境模擬試驗系統) | 3.5 | 30,500 |
| Precision measurement system (精度測量系統) | 4 | 12,000 |
| Intelligent warehousing and logistics system (智能倉儲物流系統) | 19 | 10,700 |
| Digital control system (數字化管控系統) | 1 | 4,800 |
| Digital control system Hardware (數字化管控系統硬件) | 31 | 3,450 |
| Culture and capability showcase (文化與能力展示) | 2 | 500 |
| | | **143,120** |

and

- approximately 3.2% of the net proceeds, or RMB20.9 million, is expected to be used for expanding our R&D team at the Shenzhen Center. We aim to recruit experienced engineering personnel for our Shenzhen Center, primarily to verify and validate satellite designs developed by our satellite design R&D team. The personnel to be recruited for the Shenzhen Center are dedicated to this initiative and are separate from those to be recruited under our general R&D recruitment plans. In particular, these personnel will focus on translating design specifications into actual satellite systems and conducting electrical, mechanical and thermal testing to verify that the satellites meet the relevant design requirements and performance specifications. In recruiting personnel for our Shenzhen Center, we will place emphasis on candidates' relevant engineering backgrounds and practical experience in engineering assembly, testing and validation. We expect that the total expenditure for expanding our R&D team at the Shenzhen Center will be RMB68.7 million, with a total expenditure of RMB8.4 million, RMB24.2 million and RMB36.2 million in 2028, 2029 and 2030, respectively. Specifically, we expect to engage 31, 60 and 46 R&D personnel in 2028, 2029 and 2030, respectively, with the expected annual salary of RMB250.0 thousand to RMB300.0 thousand.

- approximately 35.6% of the net proceeds, or RMB235.7 million, is expected to be used to enhance our R&D capabilities. As customer requirements continue to evolve and industry participants pursue larger-scale satellite constellation plans with enhanced performance capabilities, continued R&D investment will help us further develop and validate upgraded satellite architectures, payload performance and related technologies,

and support the commercialization of our AI computing satellites and satellite-based solutions. We plan to enhance our R&D efforts in AI computing satellites and develop satellite-based solutions. These efforts will enable us to strengthen our technological capabilities, enhance the functionality of our AI satellites and support the long-term scalability of our solutions. In particular:

- approximately 30.1% of the net proceeds, or RMB198.8 million, is expected to be used for purchase of equipment and materials for the development of AI computing satellites, including experimental satellites for verification, computing cluster servers and ground testing devices. The purchase of these equipment and materials will enable us to conduct rigorous testing and validation, ensuring the reliability of our AI satellites and facilitating their integration into real-world applications;

  The following table sets forth the details of the R&D projects of AI computing satellites and corresponding estimated capital expenditure:

| **Satellite R&D Project** | **Numbers** | **Unit Price** | **Total Price** |
|---|---|---|---|
| | | *(RMB in thousand)* | |
| Validation testing satellite, composed of diverse satellite structures, with 128 POPS-grade computing power | 2 | 200,250.0 | 400,500.0 |
| Validation testing satellite, composed of diverse satellite structures, with 32 POPS-grade computing power | 2 | 54,951.0 | 109,902.0 |
| Validation testing satellite, composed of diverse satellite structures, with 8 POPS-grade computing power | 2 | 42,383.1 | 84,766.2 |
| Validation testing satellite, composed of diverse satellite structures, with one POPS-grade computing power | 3 | 13,415.4 | 40,246.2 |
| Computing cluster server (算力集群服務器) | 4 | 3,180.0 | 12,720.0 |
| Ground testing equipment | 1 | 4,050.0 | 4,050.0 |
| **Total** | | | **652,184.4** |

  The related expenditures for each AI computing satellite R&D project will primarily include the development, manufacturing and testing of engineering models and prototype satellites at various stages of the R&D process, including structural and thermal models, electrical models and flight models, as well as the procurement of ground testing equipment. These engineering models and prototype satellites are used to assess and validate key aspects of satellite design, including structural integrity, thermal performance, electrical functionality and system integration, thereby supporting the development and deployment of the final AI computing satellites.

- approximately 5.6% of the net proceeds, or RMB37.0 million, is expected to be used for expanding our R&D team focusing on developing AI computing satellites. We aim to recruit R&D professionals specializing in aerospace engineering and AI technologies to strengthen our capabilities in satellite design and technological development. These professionals will focus on the design and development of AI computing satellites, including developing satellite system architectures, designing and optimizing satellite structures and subsystems, and integrating AI computing capabilities into satellite systems to enhance their overall performance and functionalities. We prioritize candidates with relevant academic backgrounds and technical expertise in aerospace engineering or related disciplines, particularly those holding a master's degree or above from well-recognized universities, and value relevant experience in satellite design and development. This approach will be critical in advancing the autonomous remote sensing data processing capabilities of our satellites, improving decision-making, and reducing reliance on ground control systems.

We plan to hire 120, 30 and 30 additional R&D staff in 2027, 2028 and 2029, respectively. We formulated this recruitment plan based on our business and operational needs. As of the Latest Practicable Date, we had secured customer orders for 114 AI satellites pending delivery, leading to increased demand for our R&D capacity to support satellite design. Our newly commenced production and manufacturing facilities, including the Chengdu Chongzhou Additive Manufacturing Base and Taizhou Center, also require additional technical personnel to support process optimization and coordination between R&D and manufacturing. In addition, given the rapid development of the commercial aerospace and satellite industries, we consider it essential to secure key technical talent in advance, which will enable us to build sufficient in-house capabilities ahead of expected business growth. The following table sets forth the expected number, relevant experience and qualifications, expected salary range of additional staff by R&D function we intend to hire for the development of AI computing satellites:

| Position | Experience and Qualifications | Number | Expected Annual Salary |
|---|---|---|---|
| | | | *(RMB in thousand)* |
| **Satellite R&D related positions** | • Familiarity with the functions, performance, engineering applications and production development of satellite<br>• Proficiency in using software for attitude and orbit control simulation | 97 | 350.0 |
| **Satellite management related position** | • With experience in administrative management<br>• Familiarity with the satellite R&D and production | 13 | 350.0 |
| **Satellite supply chain related positions** | • With experience in hardware supply chain<br>• Familiarity with the satellite production | 32 | 350.0 |
| **Satellite algorithm R&D related positions** | • Proficiency in C/C++ programming and algorithms | 38 | 350.0 |
| | | **180** | |

- approximately 20.0% of the net proceeds, or RMB132.3 million, is expected to be used for selectively pursuing strategic investment and acquisition opportunities to enhance our products, diversify our satellite-based solutions and broaden our customer base as part of our long-term growth strategy. When assessing investment or acquisition opportunities, we focus on targets along our supply chain that offer business synergies, including those that may enhance our R&D and production capabilities or possess established expertise or customer bases in satellite-related applications. Specifically, our criteria for potential investment or acquisition targets shall focus on: (i) their ability to create synergies with us, (ii) their technical expertise to bolster our technological capabilities, (iii) their potential to broaden the application scenarios of our satellite-based solutions, and (iv) their capacity to expand our sales channels. Potential investment or acquisition targets include, but are not limited to, (i) suppliers of satellite energy systems or onboard computing chips, and technical companies specializing in algorithm optimization; and (ii) downstream companies such as 3D gaming companies and digital twin solution providers. According to Frost & Sullivan, there were approximately 800 potential targets that meet our criteria as of June 30, 2026. As of the Latest Practicable Date, we had not identified or pursued any strategic investment or acquisition targets, nor had we set any definitive investment or acquisition timeframe. As of the Latest Practicable Date, we had also not yet determined the anticipated level

of ownership in the acquisition target and our Directors are of the view that this will depend on the circumstances of the acquisition targets and the outcome of arm's length negotiations between the parties.

- approximately 10.0% of the net proceeds, or RMB66.1 million, will be used for the repayments of (i) the principals and interests of the bank borrowings for the acquisition of our headquarter building in Chengdu in 2024, and (ii) other borrowings. In November 2024, we entered into a loan agreement with China Construction Bank Corporation Chengdu Hi-tech Sub-branch for total borrowings of RMB192.3 million, with the interest rate aligned to the Loan Prime Rate. The loan period runs from December 2024 to December 2031. As of the Latest Practicable Date, the outstanding balance of the bank borrowings was RMB344.6 million.

- approximately 10.0% of the net proceeds, or RMB66.1 million, is expected to be used for working capital and other general corporate purposes.

Our Directors confirm that we will finance the remaining balance required for the above future plans with our internal resources and that we will have sufficient working capital to support such plans. See "Financial Information — Working Capital Confirmation."

In the event that the Offer Price is set at the maximum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will increase by approximately RMB103.3 million. In the event that the Offer Price is set at the minimum Offer Price of the indicative Offer Price range, the net proceeds of the Global Offering will decrease by approximately RMB103.3 million, respectively. To the extent that the net proceeds from the Global Offering (including the net proceeds from the exercise of the Over-allotment Option) are either more or less than expected, we will adjust our allocation of the net proceeds for the above purposes on a pro rata basis.

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 proceeds from the Global Offering.

To the extent that the net proceeds of the Global Offering are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such net proceeds 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). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

## HONG KONG UNDERWRITERS

**Guotai Junan Securities (Hong Kong) Limited**

**CCB International Capital Limited**

**Harmonia Capital Limited**

**Central China International Securities Co., Limited**

**Shanxi Securities International Limited**

**Guoyuan Securities Brokerage (Hong Kong) Limited**

**Soochow Securities International Brokerage Limited**

## UNDERWRITING ARRANGEMENTS AND EXPENSES

### Hong Kong Public Offer

***Hong Kong Underwriting Agreement***

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering 3,012,100 Hong Kong Offer Shares (subject to re-allocation described below) for subscription by the public in Hong Kong on, and subject to, the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to:

(a) the Listing Committee granting the listing of, and permission to deal in, our H Shares in issue and to be issued as mentioned in this prospectus and such listing and permission not subsequently being revoked; and

(b) certain other conditions set out in the Hong Kong Underwriting Agreement (including but not limited to the Offer Price being agreed upon between the Overall Coordinators (for themselves and on behalf of the other Underwriters) and our Company),

the Hong Kong Underwriters have agreed severally, and not jointly, to subscribe for, or procure subscribers for, the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offer, on the terms and conditions set out in this prospectus and the Hong Kong Underwriting Agreement. If, for any reason, the Offer Price is not agreed between the Overall Coordinators (for themselves and on behalf of the other Hong Kong Underwriters) and our Company, the Global Offering will not proceed and will lapse.

The Hong Kong Underwriting Agreement is conditional upon and subject to the International Underwriting Agreement having been entered into and becoming unconditional and not having been terminated at or prior to 8:00 a.m. on the Listing Date.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option and/or reallocation mechanism as disclosed in this prospectus), or change to the Offer Price which leads to the resulting price falling outside the indicative Offer Price range as stated in this prospectus, or if our Company becomes aware that there has been a significant adverse change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our H Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer and issue a supplemental prospectus or a new prospectus in FINI.

***Grounds for termination***

The respective obligations of the Hong Kong Underwriters to subscribe for, or procure subscribers for, the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination. The Sole Sponsor, the Sponsor-OC, the Overall Coordinators and the Joint

Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) may, after prior consultation with our Company, in their sole and absolute discretion terminate the Hong Kong Underwriting Agreement with immediate effect by notice in writing to our Company from the Sole Sponsor, the Sponsor-OC, the Overall Coordinators and/or the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) at any time prior to 8:00 a.m. on the Listing Date (the "**Termination Time**") if any of the following events shall occur prior to the Termination Time:

(a) there develops, occurs, exists or comes into force:

(i) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Authority (as defined in the Hong Kong Underwriting Agreement) in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan and any other jurisdiction marketed to or in which any Group Company (as defined in the Hong Kong Underwriting Agreement) is incorporated or has material operations, or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation (as defined in the Hong Kong Underwriting Agreement), equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(iii) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, accident or interruption or delay in transportation, local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed)) in or affecting any of the Relevant Jurisdictions; or

(iv) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of the Company listed or quoted on a stock exchange or an over-the-counter market; or

(v) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(vi) other than with the prior written consent of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), the issue or requirement to issue by the Company of a supplement or amendment to this prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC and/or the CSRC; or

(vii) the commencement by any Authority (as defined in the Hong Kong Underwriting Agreement) or other regulatory or political body or organization of any public action or investigation against a Group Company (as defined in the Hong Kong Underwriting Agreement) or a director or a senior management member of any Group Company (as defined in the Hong Kong Underwriting Agreement) or announcing an intention to take any such action; or

(viii) the imposition of sanctions or export controls in whatever form, directly or indirectly, on any Group Company (as defined in the Hong Kong Underwriting Agreement) or any of the Warrantors (as defined in the Hong Kong Underwriting Agreement) or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(ix) any valid demand by creditors for payment or repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(x) any non-compliance of this prospectus (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares), the CSRC Filings or any aspect of the Global Offering with the Listing Rules or any other applicable Laws (as defined in the Hong Kong Underwriting Agreement); or

(xi) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Warranting Shareholder (as defined in the Hong Kong Underwriting Agreement) or any Director or senior management members as named in this prospectus; or

(xii) any contravention by the Company, any Group Company (as defined in the Hong Kong Underwriting Agreement) or any Director of the Listing Rules or applicable Laws (as defined in the Hong Kong Underwriting Agreement); or

(xiii) any Director or any member of senior management of the Company named in this prospectus is being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management; or

(xiv) that the Chairman of the Board, any Director of the Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office;

(xv) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(xvi) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus,

which, in any such case individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters):

i. has or will or may have material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole;

ii. has or will have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offer or the level of indications of interest under the International Offer; or

iii. makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offer or the Global Offering to be performed or implemented as envisaged, or for the Hong Kong Public Offer and/or the Global Offering to proceed, or to market the Global Offering, or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or

iv. has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Sole Sponsor and the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) that:

(i) any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the CSRC Filings and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offer (including any supplement or amendment thereto) (the "**Global Offering Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission or misstatement in any Global Offering Document; or

(iii) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertakings given by the Company or the Warranting Shareholders (as defined in the Hong Kong Underwriting Agreement) in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(iv) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the indemnities in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(v) there is any change or development involving a prospective change, constituting or having a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement); or

(vi) the Company withdraws this prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(vii) that the approval by the Listing Committee of the listing of, and permission to deal in, the H Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Offer Size Adjustment Option and the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld; or

(viii) any person (other than any of the Sole Sponsor) has withdrawn or sought to withdraw its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(ix) a prohibition on the Company for whatever reason from allotting or issuing the Offer Shares (including the H Shares to be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option) pursuant to the terms of the Global Offering; or

(x) any person (other than the Sole Sponsor) has withdrawn or sought to withdraw its consent to being named in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement) or to the issue of any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement); or

(xi) (A) the notice of acceptance of the CSRC Filings issued by the CSRC and/or the results of the CSRC Filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sponsor-Overall Coordinator (for itself and on behalf of the Underwriters), the issue or requirement to issue by the Company of a supplement or amendment to the CSRC Filings pursuant to the CSRC Rules or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC Filings with the CSRC Rules or any other applicable Laws (as defined in the Hong Kong Underwriting Agreement); or

(xii) that (i) a portion of the orders placed or confirmed in the bookbuilding process or (ii) any investment commitment made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled, or with respect to which the payment of the relevant orders and/or investment commitment has not been received or settled in the stipulated time and manner or otherwise and will have a Material Adverse Effect (as defined in the Hong Kong Underwriting Agreement) on the success of the Global Offering;

then, in each case, the Sole Sponsor, the Sponsor-Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) may, in its sole and absolute discretion and upon giving notice in writing to the Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

**Undertakings given to the Stock Exchange pursuant to the Listing Rules**

***By our Company***

We have undertaken to the Stock Exchange that we shall not issue any further Shares or securities convertible into our equity securities (whether or not of a class already listed) or enter into any agreement to issue any such Shares or securities within six months from the Listing Date (whether or not such issue of Shares will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering (including any Offer Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option), and (b) under any of the other circumstances prescribed by Rule 10.08 of the Listing Rules.

***By our Single Largest Group of Shareholders***

Pursuant to Rule 10.07(1) of the Listing Rules and paragraph 7 of Chapter 4.13 of the Guide to New Listing Applicants, each of our Single Largest Group of Shareholders has irrevocably and unconditionally undertaken to us and to the Stock Exchange that except pursuant to the Global Offering, the Offer Size Adjustment Option and/or the Over-allotment Option, it/he/she shall not

and shall procure that the relevant registered Shareholder(s) controlled by it/him/her shall not: in the period commencing on the date by reference to which disclosure of its shareholdings in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) in respect of, any of our securities that it is shown to beneficially own in this prospectus (the "**Relevant Shares**").

Each of our Single Largest Group of Shareholders has further irrevocably and unconditionally undertaken to us and the Stock Exchange that, within the period commencing on the date by reference to which disclosure of its/his/her shareholdings in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, it will:

(a) when it/he pledges or charges any securities in our Company beneficially owned by it/him in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, immediately inform us in writing of such pledge or charge together with the number of our securities so pledged or charged; and

(b) when it/he receives indications, either verbal or written, from the pledgee or chargee that any of our pledged or charged securities beneficially owned by it will be disposed of, immediately inform us in writing of such indications.

We will also inform the Stock Exchange as soon as we have been informed of the matters mentioned in the paragraphs (a) and (b) above by any of our Single Largest Group of Shareholders and subject to the then requirements of the Listing Rules disclose such matters by way of an announcement which is published in accordance with Rule 2.07C of the Listing Rules as soon as possible.

**Undertakings given to the Hong Kong Underwriters**

***Undertakings by our Company***

Our Company has undertaken to each of the Sole Sponsor, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Offer Size Adjustment Option and the Over-allotment Option), during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"), we will not, without the prior written consent of the Sole Sponsor, the Sponsor-OC, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) and unless in compliance with the requirements of the Listing Rules:

(a) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create a mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind ("**Encumbrance**") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or any other securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any shares or other securities of our Company; or

(b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of H Shares or any other shares or securities of our Company, as applicable, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares or any shares or other securities of our Company); or

(c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above; or

(d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above.

in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or such other securities of our Company, or in cash or otherwise (whether or not the issue of H Shares or such other securities will be completed within the First Six-Month Period).

In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), our Company enters into any of the transactions specified in (a), (b) or (c) above or offers to or agrees to or announces any intention to effect any such transaction, our Company shall ensure that it will not create a disorderly or false market in the securities of our Company. The warrantors (Dr. Lu Chuan, being the warranting Director and Shareholder, and other than our Company) undertakes to each of the Sole Sponsor, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries to procure our Company to comply with the undertakings in the Hong Kong Underwriting Agreement.

***By our Single Largest Group of Shareholders***

Our Single Largest Group of Shareholders have undertaken to each of our Company, the Sole Sponsor, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, except as pursuant to the Global Offering (including the issue of H Shares pursuant to the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option) without the prior written consent of the Sole Sponsor, the Sponsor-OC, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters and the Capital Market Intermediaries) and unless in compliance with the requirements of the Listing Rules (including Rule 10.07(3) of the Listing Rules and Note (2) to Rule 10.07(2) of the Listing Rules):

(i) it/he will not, and will procure that the relevant registered holder(s) will not, at any time during the First Six-Month Period, (a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create any mortgage, charge, pledge, lien or other security interest or any option, restriction, right of first refusal, right of pre-emption or other third party claim, right, interest or preference or any other encumbrance of any kind (an "**Encumbrance**") over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or any other securities of our Company or any interest therein (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares, or any such other securities or any interest in any of the foregoing, as applicable) (the "**Relevant H Shares**") or any interest in any company or entity holding, directly or indirectly, any of the Relevant H Shares (the "**Holding Entity**"), or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Relevant H Shares or the interest in any Holding Entity, or (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above, or (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or such other securities of our Company, as applicable, or in cash or otherwise (whether or not the issue of H Shares or such other securities will be completed within the aforesaid period); and

(ii) until the expiry of the First Six-Month Period, in the event that it/he enters into any of the transactions specified in (i)(a), (b) or (c) above or offers to or agrees to or announce any intention to effect any such transaction, it/he will take all reasonable steps to ensure that it/he will not create a disorderly or false market in the securities of our Company.

Notwithstanding anything to the contrary contained in the above, our Single Largest Group of Shareholders shall not be prevented from conducting any of the actions in relation to any Relevant H Shares as set out in the above if it/he would remain as the sole beneficial owner (whether direct or indirect) of such Relevant H Shares as a result of any such action.

Each of our Single Largest Group of Shareholders has further undertaken to each of our Company, the Sole Sponsor, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries that, within the period commencing on the date of this prospectus and ending on the date which is six months after the Listing Date, he/it will immediately inform our Company, the Sole Sponsor, the Sponsor-OC, the Overall Coordinators and the Joint Global Coordinators of:

(i) any pledges or charges of any H Shares or other securities (including any interests therein) of our Company beneficially owned by it/him/her, together with the number of H Shares or other securities (including any interests therein) of our Company so pledged or charged and the purpose for which such pledge or charge is to be created; and

(ii) any indication received by it/him, either verbal or written, from the pledgee or chargee of any H Shares or other securities (including any interests therein) of our Company pledged or charged that such H Shares or other securities (including any interests therein) of our Company so pledged or charged will be disposed of.

Notwithstanding anything to the contrary contained in the above, our Single Largest Group of Shareholders shall not be prevented from the disposal of any of the Shares in respect of which it/he/she is shown in this prospectus to be a beneficial owner (whether direct or indirect) in the following circumstances: (i) pursuant to a pledge or charge in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)), as security for a bona fide commercial loan; (ii) pursuant to a power of sale under the pledge or charge (granted pursuant to (i) above); or (iii) in any other exceptional circumstances to which the Stock Exchange has given its prior approval.

**Indemnity**

Our Company has agreed to indemnify, among others, the Sole Sponsor, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement.

***Underwriters' interest in our Group***

Save for their respective obligations under the Hong Kong Underwriting Agreement and the International Underwriting Agreement, as of the Latest Practicable Date, none of the Underwriters was interested directly or indirectly in any of our Shares or securities or any shares or securities of any other member of our Group or had any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, any of our Shares or securities or any shares or securities of any other member of our Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of our H Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement and International Underwriting Agreement.

**The Sole Sponsor's Independence**

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

## The International Offering

### *International Underwriting Agreement*

In connection with the International Offering, we expect to enter into the International Underwriting Agreement on the Price Determination Date with, among others, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions, severally and not jointly, agree to purchase the International Offer Shares or procure purchasers for the International Offer Shares initially being offered pursuant to the International Offering. See "Structure and Conditions of the Global Offering — The International Offering" in this prospectus.

## Offer Size Adjustment Option

Our Company is expected to grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) on or before the second Business Day prior to the Listing Date and will lapse immediately thereafter, whichever is earlier, in writing, to require our Company to allot and issue up to an aggregate of 4,518,100 additional Offer Shares, representing approximately 15% of the initial Offer Shares in aggregate, at the same price per Share under the International Offering to cover, among other things, any excess demand in the International Offering at the absolute discretion of the Overall Coordinators. The Offer Size Adjustment Option provides flexibility for the Overall Coordinators to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand. See "Structure and Conditions of the Global Offering — Offer Size Adjustment Option."

## Over-Allotment Option

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) during the 30-day period from the last day for lodging of applications under the Hong Kong Public Offer, to require our Company to issue up to an aggregate of 5,195,800 additional Offer Shares, representing approximately 15% of the Offer Shares initially available under the Global Offering (assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 4,518,100 additional Offer Shares, representing approximately 15% of the number of Offer Shares being offered under the Global Offering (assuming the Offer Size Adjustment Option is not exercised). It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed. See "Structure and Conditions of the Global Offering — The International Offering — Over-allotment Option."

## Total Commission and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 2.5% of the aggregate Offer Price of all the Offer Shares, including Offer Shares to be issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option (the "**Fixed Fees**"). Our Company may, at our sole and absolute discretion, pay to all the Underwriters and the Capital Market Intermediaries an incentive fee not exceeding 1.0% of the Offer Price of all the Offer Shares (including Offer Shares to be issued pursuant to the Offer Size Adjustment Option and the Over-allotment Option) (collectively, the "**Discretionary Fees**").

The ratio of Fixed Fees and Discretionary Fees payable to all Underwriters and the Capital Market Intermediaries is therefore approximately 71.4:28.6. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters (and not the Hong Kong Underwriters). No additional fee will be payable by our Company to the Underwriters and the Capital Market Intermediaries. The Sole Sponsor will, in addition, receive a fee acting as the sponsor to the Listing and will be reimbursed for their expenses.

For any unsubscribed Hong Kong Offer Shares reallocated to the International Offering, the Company will pay the underwriting commission for such H Shares to the International Underwriters (but not the Hong Kong Underwriters).

The aggregate amount of sponsor fee payable by our Company to the Sponsor is HK$4.8 million.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy, the AFRC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$102.6 million (assuming the full payment of the Discretionary Fees and the Offer Size Adjustment Option and the Over-allotment Option are not fully exercised) and will be paid by the Company.

**Indemnity**

We have undertaken to indemnify and keep indemnified on demand (on an after-tax basis) and hold harmless each of the Sole Sponsor, the Sponsor-OC, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Capital Market Intermediaries (for themselves and on trust for its directors, officers, employees, agents, assignees and affiliates) from and against certain losses which they may suffer, including liabilities under the U.S. Securities Act, losses arising from their performance of their obligations under the Underwriting Agreements and any breach by us of the Underwriting Agreements, as the case may be.

**Restrictions on the Offer Shares**

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation.

**Over-allotment and Stabilization**

Details of the arrangements relating to the stabilization and Over-allotment Option, if any, are set forth in the sections headed "Structure and Conditions of the Global Offering — Stabilization", and "Structure and Conditions of the Global Offering — Over-allotment Option".

**Activities by the Underwriters**

The Underwriters and their respective affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Underwriters and their respective affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Underwriters or their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities in relation with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to the H Shares, the activities of the Underwriters or their respective affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the H Shares (the financing of which may be secured by the H Shares) in the Global Offering, proprietary trading in the H Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the H Shares, which may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the

Underwriters or their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by the Underwriters or their respective affiliates of any listed securities having the H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period as described in the section headed "Structure and Conditions of the Global Offering" in this prospectus. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Underwriters or their respective affiliates will be subject to certain restrictions, including the following:

(a) the Underwriters or their respective affiliates (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Underwriters or their respective affiliates must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO which includes the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

The Underwriters or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking, derivative and other services to us, our affiliates or our Shareholders including cornerstone investors, for which the Underwriters or their respective affiliates have received or will receive customary fees and commissions.

## THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offer as part of the Global Offering. The Global Offering comprises:

- the Hong Kong Public Offer of initially 3,012,100 Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the paragraph headed "The Hong Kong Public Offer"; and
- the International Offering of initially 27,108,900 Offer Shares (subject to reallocation, the Offer Size Adjustment Option and the Over-allotment Option as described below) outside the United States (including to professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for the Offer Shares in Hong Kong) in offshore transactions in reliance on Regulation S as described below in the paragraph headed "The International Offering".

Although U.S. Persons (as defined in the Final Rule) are generally permitted to invest in our H Shares following the Global Offering under the Publicly Traded Securities Exception, the outbound investment regime may still increase transaction complexity, compliance costs and regulatory uncertainty for U.S. investors. U.S. Persons are prohibited from subscribing for our Offer Shares in the Global Offering.

A "U.S. Person" (as defined in the Final Rule) includes (i) any United States citizen or lawful permanent resident; (ii) any entity formed under the laws of the United States or any of its jurisdictions (including a foreign branch thereof); or (iii) any person located in the United States. If you want to subscribe for or publicly trade our H Shares upon completion of the Global Offering, you are strongly advised to consult your legal advisers to ensure compliance with the Final Rule and other U.S. related laws and regulations.

Investors may either:

- apply for the Hong Kong Offer Shares under the Hong Kong Public Offer; or
- apply for or indicate an interest for the International Offer Shares under the International Offering,

but may not do both.

The 30,121,000 Offer Shares in the Global Offering will represent approximately 5.00% of our enlarged share capital immediately after the completion of the Global Offering, without taking into account the exercise of the Offer Size Adjustment Option and the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 5.71% of our enlarged share capital (assuming the Offer Size Adjustment Option is not exercised at all) or approximately 6.51% of the enlarged issued share capital of the Company (assuming the Offer Size Adjustment Option is exercised in full) immediately following the completion of the Global Offering.

References to applications, application monies or procedure for applications relate solely to the Hong Kong Public Offer.

## THE HONG KONG PUBLIC OFFER

### Number of Offer Shares initially offered

We are initially offering for subscription by the public in Hong Kong 3,012,100 Offer Shares, representing 10% of the total number of Offer Shares initially available under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offer, the number of Offer Shares offered under the Hong Kong Public Offer will represent approximately 0.5% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised.

The Hong Kong Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offer is subject to the conditions as set forth below in "Conditions of the Global Offering".

**Allocation**

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offer will be based on the level of valid applications received under the Hong Kong Public Offer. The basis of allocation may vary depending on the number of Hong Kong Offer Shares validly applied for by applicants. We may, if necessary, allocate the Hong Kong Offer Shares on the basis of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Offer Shares available under the Hong Kong Public Offer is to be divided equally into two pools (subject to the reallocation of the Offer Shares between the Hong Kong Public Offer and the International Offering referred to below) (with any odd board lots being allocated to pool A):

- Pool A: The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of HK$5 million or less (excluding brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable); and

- Pool B: The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for the Hong Kong Offer Shares with an aggregate subscription price of more than HK$5 million and up to the value of pool B (excluding brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable).

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Hong Kong Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in the pool and be allocated accordingly. For the purpose of this subsection only, the "subscription price" for the Hong Kong Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offer and any application for more than 1,506,000 Hong Kong Offer Shares (being approximately 50% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offer) will be rejected.

**Reallocation**

The Offer Shares to be offered in the Hong Kong Public Offer and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Overall Coordinators. Subject to the allocation cap described in the subsequent paragraph, the Overall Coordinators may in their discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offer to satisfy valid applications under the Hong Kong Public Offer. In addition, if the Hong Kong Public Offer is not fully subscribed, the Overall Coordinators will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offer will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators deem appropriate. In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offer in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 1,506,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offer, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offer will not be more than 4,518,100 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before exercise of the Offer Size Adjustment Option and the Over-allotment Option). The final Offer Price shall be fixed at HK$24.90 per Offer Share (being the low-end of the indicative Offer Price range stated in this prospectus) in accordance with Chapter 4.14 of the Guide for New Listing Applicants. In the circumstance where the International Offer Shares are fully

subscribed or oversubscribed and the Hong Kong Offer Shares are undersubscribed, there will be no reallocation from the International Offering to the Hong Kong Public Offer, and no over-allocation of H Shares to the Hong Kong Public Offer.

Given the initial allocation of the Offer Shares to the Hong Kong Public Offer and the International Offering follows Mechanism B set out under paragraph 2 of Chapter 4.14 of the Guide for New Listing Applicants and the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offer to a certain percentage of the total number of Offer Shares offered under the Global Offering.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offer will be allocated between Pool A and Pool B in equal proportion and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Overall Coordinators in their discretion consider appropriate.

In the event that both the Hong Kong Public Offer and International Offering are undersubscribed, the Global Offering will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Global Offering on the terms and conditions of this prospectus and the Underwriting Agreements.

### Applications

Each applicant under the Hong Kong Public Offer will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Offer Shares under the International Offering, and such applicant's application under the International Offering is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Applicants under the Hong Kong Public Offer may be required to pay, on application (subject to application channels), maximum price of HK$33.20 per Offer Share in addition to brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% on each Offer Share, amounting to a total of HK$3,353.48 for one board lot of 100 H Shares. If the Offer Price, as finally determined on the Price Determination Date in the manner as described below in the paragraph headed "Pricing and Allocation", is less than the maximum price of HK$33.20 per Offer Share, appropriate refund payments (including brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. For further details, see "How to Apply for Hong Kong Offer Shares" in this prospectus.

## THE INTERNATIONAL OFFERING

### Number of Offer Shares Initially Offered

We will be initially offering for subscription under the International Offering of 27,108,900 Offer Shares, representing 90% of the Offer Shares under the Global Offering. Subject to the reallocation of Offer Shares between the International Offering and the Hong Kong Public Offer, the number of Offer Shares offered under the International Offering will represent approximately 4.5% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Offer Size Adjustment Option and the Over-allotment Option is not exercised.

### Allocation

The International Offer Shares will conditionally be offered to selected professional, institutional and corporate investors and other investors anticipated to have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional, institutional and other investors will be required to specify the number of the International Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "*book-building*", is expected to continue up to the Price Determination Date.

Allocation of the International Offer Shares pursuant to the International Offering will be determined by the Overall Coordinators and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell its H Shares, after the Listing. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Overall Coordinators (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offer to provide sufficient information to the Overall Coordinators so as to allow them to identify the relevant applications under the International Offering and to ensure that they are excluded from any applications of Offer Shares under the International Offering.

**Reallocation**

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the clawback arrangement as described above in the paragraph headed "The Hong Kong Public Offer — Reallocation" the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offer.

## OFFER SIZE ADJUSTMENT OPTION

In order to provide our Company with the flexibility to increase the number of Offer Shares available for purchase under the International Offering to cover additional market demand, our Company is expected to grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Sponsor-Overall Coordinator at its absolute discretion (on behalf of the International Underwriters) on or before the second business day prior to the Listing Date and will lapse immediately thereafter, to require our Company to issue and allot up to an aggregate of 4,518,100 additional H Shares, representing in aggregate approximately 15.0% of the total number of the Offer Shares initially available under the Global Offering, at the Offer Price, to cover any excess demand in the International Offering.

In considering whether to exercise the Offer Size Adjustment Option, the Company and the Overall Coordinators will take into account a number of factors, including, among other things: (a) whether the level of interest expressed by prospective professional and institutional investors during the book-building process under the International Offering is sufficient to cover: (i) the total number of Offer Shares, which represents the aggregate of the Offer Shares initially available under the Global Offering and the additional H Shares upon any exercise of the Offer Size Adjustment Option; and (ii) the corresponding number of H Shares under the Over-allotment Option; (b) the prices at which prospective professional and institutional investors have indicated they would be prepared to acquire the Offer Shares in the course of the book-building process; (c) the quality of investors, with a view to establishing a solid professional institutional and investor shareholder base to the benefit of the Company and its Shareholders as a whole; and (d) general market conditions.

If the Offer Size Adjustment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.7% of the enlarged issued share capital immediately of the Company following the completion of the Global Offering (assuming the Over-allotment Option is not exercised). The dilution effect of the Offer Size Adjustment Option (assuming the Over-allotment Option is not exercised) is set out below:

| Number of H Shares issued under the Global Offering before the exercise of the Offer Size Adjustment Option (the "Original Subscribers") | Approximate percentage of total issued share capital held by the Original Subscribers before the exercise of the Offer Size Adjustment Option | Number of H Shares issued under the Global Offering after the exercise of the Offer Size Adjustment Option in full | Approximate percentage of total issued share capital held by the Original Subscribers after the exercise of the Offer Size Adjustment Option in full |
|---|---|---|---|
| 30,121,000 . . . . . | 5.0 | 34,639,100 | 5.7 |

The Offer Size Adjustment Option will not be used for price stabilization purposes and will not be subject to the provisions of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). The Offer Size Adjustment Option will be in addition to the Over-allotment Option.

If the Offer Size Adjustment Option is exercised in full, the additional net proceeds received from the placing of the additional Shares allotted and issued will be allocated in accordance with the allocations as disclosed in the section headed "Future Plans and Use of Proceeds" in this prospectus, on a pro rata basis.

Our Company will disclose in its allotment results announcement if and to what extent the Offer Size Adjustment Option has been exercised, or will confirm that if the Offer Size Adjustment Option has not been exercised, it will lapse and cannot be exercised at any future date.

## OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that we will grant the Over-allotment Option to the International Underwriters, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the Sponsor-Overall Coordinator will have the right, exercisable by the Sponsor-Overall Coordinator (for itself and on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offer, to require the Company to allot and issue up to an aggregate of 5,195,800 additional H Shares (representing approximately 15% of the Offer Shares initially offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 4,518,100 additional H Shares (representing approximately 15% of the Offer Shares initially offered under the Global Offering assuming the Offer Size Adjustment Option is not exercised) at the Offer Price under the International Offering to, among other things (such as effecting the permitted stabilizing actions as set out in the section headed "Stabilization" below), cover over-allocations in the International Offering, if any.

If the Offer Size Adjustment Option is not exercised and the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 0.9% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares. If the Offer Size Adjustment Option and the Over-allotment Option are exercised in full, the additional Offer Shares to be issued pursuant to the Over-allotment Option will represent approximately 0.8% of the total Shares in issue immediately following the completion of the Global Offering and the issue of Offer Shares. If the Over-allotment Option is exercised, an announcement will be made.

## STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price or the maximum price permitted under the Securities and Futures (Price Stabilising) Rules ("**SFPSR**") of the SFO.

In connection with the Global Offering, the Stabilizing Manager (or its affiliates or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of our H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or its affiliates or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or its affiliates or any person acting for it) and in what the Stabilization Manager reasonably regards as the best interest of our Company, (b) may be discontinued at any time, and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offer.

Stabilization action permitted in Hong Kong under the SFPSR includes (i) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (ii) selling or agreeing to sell our H Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of our H Shares, (iii) purchasing, or agreeing to purchase, our H Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above, (iv) purchasing, or agreeing to purchase, any of our H Shares for the sole purpose of preventing or minimizing any reduction in the market price of our H Shares, (v) selling or agreeing to sell any H Shares in order to liquidate any position established as a result of those purchases, and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in H Shares should note that:

- the Stabilizing Manager (or its affiliates or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the H Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or its affiliates or any person acting for it) will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager (or its affiliates or any person acting for it) and selling in the open market may have an adverse impact on the market price of the H Shares;
- no stabilizing action can be taken to support the price of the H Shares for longer than the stabilizing period, which will begin on the Listing Date and is expected to expire on Thursday, December 10, 2026, being the 30th day after the last day for lodging applications under the Hong Kong Public Offer. After this date, when no further action may be taken to support the price of the H Shares, demand for the H Shares, and therefore the price of the H Shares, could fall;
- the price of the H Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and
- stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and the maximum price permitted under the SFPSR, which means that stabilizing bids or transactions effected may be made at a price below the price paid by applicants for, or investors in, the Offer Shares.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 5,195,800 additional H Shares (representing approximately 15% of the Offer Shares initially offered under the Global Offering assuming the Offer Size Adjustment Option is exercised in full) or up to an aggregate of 4,518,100 additional H Shares (representing approximately 15% of the Offer Shares initially offered under the Global Offering assuming the Offer Size Adjustment Option is not exercised), through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the consideration for the Offer Shares allocated to such investor will be settled before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Our Company will ensure or procure that an announcement in compliance with the SFPSR will be made within seven days of the expiration of the stabilization period.

## OVER-ALLOCATION

Following any over-allocation of H Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by (among other methods) exercising the Over-allotment Option in full or in part, using H Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price and subject to the SFPSR.

## PRICING AND ALLOCATION

Our Company, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) will determine the Offer Price and sign an agreement on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or before Wednesday, November 11, 2026, and in any event, not later than 12:00 noon on Wednesday, November 11, 2026.

The Offer Price will not be more than HK$33.20 per Offer Share and is expected to be not less than HK$24.90 per Offer Share, unless otherwise announced, as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offer, you may pay the maximum price of HK$33.20 per Offer Share (subject to application channels), plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%, amounting to a total of HK$3,353.48 for one board lot of 100 H Shares.

If the Offer Price, as finally determined in the manner described below, is lower than HK$33.20, we will refund the respective difference, including brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee attributable to the surplus application monies. We will not pay interest on any refunded amounts. For more details, see "How to Apply for Hong Kong Offer Shares" in this prospectus.

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offer.

The Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price range below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offer. In such a case, we will as soon as practicable following the decision to make such reduction and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offer publish a notice on our website at **https://www.adaspace.com/** and the website of the Stock Exchange at **www.hkexnews.hk** (the contents of the websites do not form a part of this prospectus). Upon issue of such a notice, the revised number of Offer Shares and/or offer price range will be final and conclusive and the Offer Price, if agreed upon by us, will be fixed within such revised offer price range. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offer. Such notice will also confirm or revise, as appropriate, the working capital statement, the use of proceeds, the Global Offering statistics as currently set out in "Summary" in this prospectus, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and the Offer Price, if agreed upon with the Company, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) will under no circumstances be set outside the Offer Price range as stated in this prospectus.

In the event of a reduction in the number of Offer Shares, the Overall Coordinators may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offer and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offer shall not be less than 10% of the total number of Offer Shares available under the Global Offering (assuming the Over-allotment Option is not exercised).

The final Offer Price, the level of indication of interest in the International Offering, the basis of allotment of Offer Shares available under the Hong Kong Public Offer and the Hong Kong identification document numbers of successful applicants under the Hong Kong Public Offer are expected to be made available in a variety of channels in the manner described in "How to Apply for Hong Kong Offer Shares — B. Publication of Results" in this prospectus.

## CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares is conditional on:

- the Listing Committee granting approval for the listing of, and permission to deal in our H Shares in issue and to be issued as described in this prospectus (including the Offer Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and/or the Over-allotment Option);
- the Offer Price having been agreed between us, the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf the Underwriters);
- the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement and/or the International Underwriting Agreement, as the case may be (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than Saturday, December 5, 2026, being the 30th day after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Overall Coordinators and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and us by 12:00 noon on Wednesday, November 11, 2026, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offer and the International Offering is conditional upon, among other things, each other offering becoming unconditional and not having been terminated in accordance with its respective terms. If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offer will be published by the Company on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **https://www.adaspace.com/** on the next day following such lapse. In such an event, all application monies will be returned, without interest, on the terms set out in "How to Apply for the Hong Kong Offer Shares — D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

## UNDERWRITING AGREEMENTS

The Hong Kong Public Offer is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to other conditions stipulated therein.

We expect to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

Certain terms of the underwriting arrangements, the Hong Kong Underwriting Agreement and the International Underwriting Agreement, are summarized in the section headed "Underwriting" in this prospectus.

## DEALING ARRANGEMENTS

Assuming that the Hong Kong Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, November 13, 2026, it is expected that dealings in our H Shares on the Stock Exchange will commence at 9:00 a.m. on Friday, November 13, 2026.

The H Shares will be traded in board lots of 100 H Shares each.

**IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES**
**FULLY ELECTRONIC APPLICATION PROCESS**

We have adopted a fully electronic application process for the Hong Kong Public Offer and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "HKEXnews > New Listings > New Listing Information" section, and our website at **https://www.adaspace.com/. If you require a printed copy of this prospectus, you may download and print from the website addresses above.**

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

## A. APPLICATION FOR HONG KONG OFFER SHARES

### 1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (for the **White Form eIPO** service only).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director or any of his/her close associates.

Notwithstanding the above, in any event, if you are a "U.S. Person" (as defined in the Final Rule), you and your controlled entity(ies) are prohibited from subscribing for Offer Shares in the Global Offering. A "U.S. Person" (as defined in the Final Rule) includes (i) any United States citizen or lawful permanent resident; (ii) any entity formed under the laws of the United States or any of its jurisdictions (including a foreign branch thereof); or (iii) any person located in the United States. If you want to subscribe for or publicly trade our H Shares upon completion of the Global Offering, you are strongly advised to consult your legal advisers to ensure compliance with the Final Rule and other U.S. related laws and regulations.

### 2. Application Channels

The Hong Kong Public Offer period will begin at 9:00 a.m. on Thursday, November 5, 2026 and end at 12:00 noon on Tuesday, November 10, 2026 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels.

| Application Channel | Platform | Target Investors | Application Time |
|---|---|---|---|
| **White Form eIPO** service . . | **www.eipo.com.hk**; | Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name. | From 9:00 a.m. on Thursday, November 5, 2026 to 11:30 a.m. on Tuesday, November 10, 2026, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Tuesday, November 10, 2026, Hong Kong time. |

| Application Channel | Platform | Target Investors | Application Time |
|---|---|---|---|
| **HKSCC EIPO channel** . . . . . | Your broker or custodian who is a HKSCC Participant will submit electronic application instruction(s) on your behalf through HKSCC's FINI system in accordance with your instruction. | Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account. | Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian. |

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offer.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

## 3. Information Required to Apply

You must provide the following information with your application:

| For Individual Applicants | For Corporate Applicants |
|---|---|
| • Full name(s)[2] as shown on your identity document | • Full name(s)[2] as shown on your identity document |
| • Identity document's issuing country or jurisdiction | • Identity document's issuing country or jurisdiction |
| • Identity document type, with order of priority:<br>i. HKID card; or<br>ii. National identification document; or<br>iii. Passport; and | • Identity document type, with order of priority:<br>i. LEI registration document; or<br>ii. Certificate of incorporation; or<br>iii. Business registration certificate; or<br>iv. Other equivalent document; and |
| • Identity document number | • Identity document number |

*Notes:*

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card. The number of joint applicants may not exceed four. If you are a firm, the applicant must be in the individual members' names.
2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.
3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.
4. The maximum number of joint account holders on FINI is capped at 4 (Note) in accordance with market practice.
5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.
6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:
   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Overall Coordinators, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

*Note:* Subject to change, if the Company's Articles of Association and applicable company law prescribe a lower cap.

## 4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size . . . . . 100 H Shares

Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment. . . . . Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.

The maximum Offer Price is HK$33.20 per H Share.

If you are applying through the **HKSCC EIPO** channel, your **broker** or **custodian** may require you to pre-fund your application in such amount as determined by the **broker** or **custodian**, based on the applicable laws and regulations in Hong Kong. You are responsible for complying with any such pre-funding requirement imposed by your broker or custodian with respect to the Hong Kong Offer Shares you applied for.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the final Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of H Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

| No. of Hong Kong Offer Shares applied for | Maximum Amount payable[2] on application/ successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable[2] on application/ successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable[2] on application/ successful allotment | No. of Hong Kong Offer Shares applied for | Maximum Amount payable[2] on application/ successful allotment |
|---|---|---|---|---|---|---|---|
| | *HK$* | | *HK$* | | *HK$* | | *HK$* |
| 100 | 3,353.48 | 1,500 | 50,302.22 | 8,000 | 268,278.58 | 90,000 | 3,018,133.98 |
| 200 | 6,706.97 | 2,000 | 67,069.64 | 9,000 | 301,813.40 | 100,000 | 3,353,482.20 |
| 300 | 10,060.44 | 2,500 | 83,837.05 | 10,000 | 335,348.22 | 200,000 | 6,706,964.40 |
| 400 | 13,413.93 | 3,000 | 100,604.47 | 20,000 | 670,696.45 | 300,000 | 10,060,446.60 |
| 500 | 16,767.41 | 3,500 | 117,371.88 | 30,000 | 1,006,044.65 | 400,000 | 13,413,928.80 |
| 600 | 20,120.90 | 4,000 | 134,139.29 | 40,000 | 1,341,392.88 | 500,000 | 16,767,411.00 |
| 700 | 23,474.37 | 4,500 | 150,906.69 | 50,000 | 1,676,741.10 | 750,000 | 25,151,116.50 |
| 800 | 26,827.86 | 5,000 | 167,674.11 | 60,000 | 2,012,089.32 | 1,000,000 | 33,534,822.00 |
| 900 | 30,181.34 | 6,000 | 201,208.93 | 70,000 | 2,347,437.55 | 1,250,000 | 41,918,527.50 |
| 1,000 | 33,534.83 | 7,000 | 234,743.75 | 80,000 | 2,682,785.75 | 1,506,000[1] | 50,503,441.93 |

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

## 5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply" in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply further for any Offer Shares in the Global Offering.

## 6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorise us and/or the Overall Coordinators, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[*Note*], the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "— G. Personal Data — 3. Purposes" and "— G. Personal Data — 4. Transfer of personal data" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "— B. Publication of Results" in this section;

(x) confirm that you are not "U.S. Person" as defined under the Final Rule imposing restrictions on U.S. outbound investment in Chinese companies active in developing certain national securities technologies released by the Department of Treasury of the United States on October 28, 2024, which has taken effect on January 2, 2025;

(xi) confirm that you are aware of the situations specified in the paragraph headed "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares" in this section;

(xii) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xiii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiv) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the H Shares registered in your name or otherwise held by you;

(xv) warrant that the information you have provided is true and accurate;

(xvi) confirm that you understand that we and the Overall Coordinators will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvii) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xviii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xix) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the **White Form eIPO** Service Provider or by any one as your agent or by any other person; and

(xx) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and the **White Form eIPO** Service Provider and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

*Note:* The Relevant Persons would include the Sole Sponsor, the Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the CMIs, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering.

## B. PUBLICATION OF RESULTS

### Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

| Platform | | Date/Time |
|---|---|---|
| Applying through the **White Form eIPO** service or **HKSCC EIPO** channel: | | |
| Website | The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) | 24 hours, from 11:00 p.m. on Thursday, November 12, 2026 to 12:00 midnight on Wednesday, November 18, 2026 (Hong Kong time) |
| | The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**). | |
| | The Stock Exchange's website at **www.hkexnews.hk** and our website at **https://www.adaspace.com/** which will provide links to the above mentioned websites of the H Share Registrar. | No later than 11:00 p.m. on Thursday, November 12, 2026 (Hong Kong time) |
| Telephone | +852 2862 8555 — the allocation results telephone enquiry line provided by the H Share Registrar | between 9:00 a.m. and 6:00 p.m. on Friday, November 13, 2026, Monday, November 16, 2026, Tuesday, November 17, 2026 and Wednesday, November 18, 2026 (Hong Kong time) |

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Wednesday, November 11, 2026 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Wednesday, November 11, 2026 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

**Allocation Announcement**

We expect to announce the results of the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offer and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **https://www.adaspace.com/** by no later than 11:00 p.m. on Thursday, November 12, 2026 (Hong Kong time).

## C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

### 1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

### 2. If we or our agents exercise our discretion to reject your application:

We, the Overall Coordinators, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

### 3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the H Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

### 4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Overall Coordinators believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

### 5. If there is money settlement failure for allotted H Shares

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the Receiving Bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

**There is a risk of money settlement failure**. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

## D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offer (except pursuant to applications made through the **HKSCC EIPO** channel where the H Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the H Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Friday, November 13, 2026 (Hong Kong time), provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade H Shares prior to the receipt of H Share certificates or the H Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any H Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

| | White Form eIPO service | HKSCC EIPO channel |
|---|---|---|
| **Despatch/collection of H Share certificate**[*Note*] | | |
| **For application of 1,000,000 Hong Kong Offer Shares or more** . . | Collection in person from the H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong | H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account |
| | **Time:** 9:00 a.m. to 1:00 p.m. on Friday, November 13, 2026 (Hong Kong time) | |
| | If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop. | No action by you is required |
| | Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar | |
| | *Note:* If you do not collect your H Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk | |

| | White Form eIPO service | HKSCC EIPO channel |
|---|---|---|
| **For application of less than 1,000,000 Hong Kong Offer Shares** | Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk<br><br>**Date:** Thursday, November 12, 2026 | |
| **Refund mechanism for surplus application monies paid by you** | | |
| **Date** | Friday, November 13, 2026 | Subject to the arrangement between you and your broker or custodian |
| **Responsible party** | H Share Registrar | Your broker or custodian |
| **Application monies paid through single bank account** | **White Form e-Refund** payment instructions to your designated bank account | Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it |
| **Application monies paid through multiple bank accounts** | Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk | |

*Note:* Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Thursday, November 12, 2026 rendering it impossible for the relevant H Share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and H Share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "— E. *Severe Weather Arrangements*" in this section.

## E. SEVERE WEATHER ARRANGEMENTS

### The Opening and Closing of the Application Lists

The application lists will not open or close on Tuesday, November 10, 2026 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- Extreme Conditions, (collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, November 10, 2026.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **https://www.adaspace.com/** of the revised timetable.

If a **Severe Weather Signal** is hoisted on Thursday, November 12, 2026, the H Share Registrar will make appropriate arrangements for the delivery of the H Share certificates to the CCASS Depository's service counter so that they would be available for trading on Friday, November 13, 2026.

If a Severe Weather Signal is hoisted on Thursday, November 12, 2026, application of less than 1,000,000 Hong Kong Offer Shares, the despatch of physical H Share certificate(s) will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Thursday, November 12, 2026 or on Friday, November 13, 2026).

If a Severe Weather Signal is hoisted on Friday, November 13, 2026, for application of 1,000,000 Hong Kong Offer Shares or more, the physical H Share certificate(s) and/or refund cheque (if applicable) will be available for collection in person at the H Share Registrar's office after the Severe Weather Signal is lowered or cancelled (e.g. in the afternoon of Friday, November 13, 2026 or on Monday, November 16, 2026.

**Prospective investors should be aware that if they choose to receive physical H Share certificates issued in their own name, there may be a delay in receiving the H Share certificates.**

## F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the H Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and the HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

## G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

### 1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

### 2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of H Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

**3. Purposes**

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form e-Refund** payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the H Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the H Shares and identifying any duplicate applications for the H Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the H Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the H Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the H Shares and/or regulators and/or any other purposes to which applicants and holders of the H Shares may from time to time agree.

**4. Transfer of personal data**

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisors, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar, in each case for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);
- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;
- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and
- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

### 5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

### 6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

*The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.*

pwc 羅兵咸永道

## ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ADASPACE TECHNOLOGY CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

### Introduction

We report on the historical financial information of Adaspace Technology Co., Ltd. (成都国星宇航科技股份有限公司) (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-99, which comprises the consolidated balance sheets as at 31 December 2023, 2024 and 2025 and 30 June 2026, the balance sheets of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-99 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 5 November 2026 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

### Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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**Reporting accountant's responsibility**

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2.1.1 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 accountant's report, a true and fair view of the financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1.1 to the Historical Financial Information.

**Review of stub period comparative financial information**

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the six months ended 30 June 2025 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2.1.1 to the Historical Financial Information. Our responsibility

is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the International Auditing and Assurance Standards Board ("IAASB"). 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 International 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 Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1.1 to the Historical Financial Information.

**Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

***Adjustments***

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

***Dividends***

We refer to note 31 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

**PricewaterhouseCoopers**
*Certified Public Accountants*
Hong Kong, 5 November 2026

## I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

### Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the IAASB (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand RMB (RMB'000) except when otherwise indicated.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

| | Note | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| **Revenue** | *6* | 507,541 | 553,473 | 702,703 | 241,322 | 226,110 |
| Cost of sales | *7* | (436,476) | (343,299) | (559,530) | (217,041) | (137,237) |
| **Gross profit** | | 71,065 | 210,174 | 143,173 | 24,281 | 88,873 |
| Selling and marketing expenses | *7* | (41,984) | (24,080) | (14,950) | (6,884) | (8,692) |
| General and administrative expenses | *7* | (131,226) | (174,379) | (172,186) | (74,824) | (136,443) |
| Research and development expenses | *7* | (53,478) | (142,030) | (151,656) | (97,726) | (108,630) |
| Net impairment (loss)/reversal on financial assets and contract assets | *3.1(b)* | (20,758) | (43,434) | (94,975) | (38,802) | 8,752 |
| Other income | *9* | 27,025 | 18,172 | 34,132 | 3,697 | 1,833 |
| Other gain/(loss) — net | *10* | 12,400 | (16,341) | 11,100 | 4,869 | 13,813 |
| **Operating loss** | | (136,956) | (171,918) | (245,362) | (185,389) | (140,494) |
| Finance income | *11* | 733 | 1,038 | 1,220 | 453 | 366 |
| Finance costs | *11* | (2,241) | (3,647) | (10,764) | (5,220) | (6,774) |
| Finance costs — net | | (1,508) | (2,609) | (9,544) | (4,767) | (6,408) |
| Share of loss of investments accounted for using the equity method | *19* | (710) | (2,645) | (1,039) | (1,673) | (3,853) |
| **Loss before income tax** | | (139,174) | (177,172) | (255,945) | (191,829) | (150,755) |
| Income tax expense | *12* | (126) | (1) | – | (199) | (1) |
| **Loss for the year/period** | | (139,300) | (177,173) | (255,945) | (192,028) | (150,756) |
| **Attributable to:** | | | | | | |
| Equity owners of the Company | | (138,087) | (171,077) | (253,451) | (189,648) | (138,373) |
| Non-controlling interests | | (1,213) | (6,096) | (2,494) | (2,380) | (12,383) |

| | Note | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| **Other comprehensive income** | | | | | | |
| *Item that may be reclassified to profit or loss* | | | | | | |
| Exchange differences on translation of foreign operations | | – | (31) | 40 | 32 | 273 |
| *Item that will not be reclassified to profit or loss* | | | | | | |
| Changes in the fair value of financial assets at fair value through other comprehensive income | *3.3* | – | 7,000 | – | – | – |
| **Total comprehensive loss** | | (139,300) | (170,204) | (255,905) | (191,996) | (150,483) |
| **Attributable to:** | | | | | | |
| Equity owners of the Company | | (138,087) | (164,108) | (253,411) | (189,616) | (138,100) |
| Non-controlling interests | | (1,213) | (6,096) | (2,494) | (2,380) | (12,383) |
| | | (139,300) | (170,204) | (255,905) | (191,996) | (150,483) |
| **Loss per share attributable to the equity owners of the Company** | | | | | | |
| Basic and diluted loss per share (RMB) | *14* | (0.41) | (0.46) | (0.65) | (0.49) | (0.29) |

## CONSOLIDATED BALANCE SHEETS

| | Note | As at 31 December | | | As at 30 June |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | *15* | 375,671 | 370,825 | 466,491 | 595,386 |
| Right-of-use assets | *16* | 10,603 | 25,682 | 88,079 | 101,186 |
| Investment properties | *17* | – | 47,880 | 69,154 | 68,110 |
| Intangible assets | *18* | 11,573 | 20,509 | 80,620 | 119,927 |
| Investments accounted for using equity method | *19* | 3,530 | 7,178 | 94,129 | 187,279 |
| Other receivables | *24* | 216 | 65 | 9,201 | 8,919 |
| Contract assets | *6.2* | 4,549 | 5,789 | 543 | 94 |
| Financial assets at fair value through other comprehensive income | *26, 3.3* | 3,600 | 10,800 | 800 | 12,000 |
| Prepayments | *25* | 8,809 | 24,621 | 44,100 | 52,747 |
| **Total non-current assets** | | 418,551 | 513,349 | 853,117 | 1,145,648 |
| **Current assets** | | | | | |
| Inventories | *21* | 42,024 | 38,479 | 28,679 | 115,041 |
| Trade and notes receivables | *23* | 500,860 | 628,259 | 630,467 | 597,799 |
| Other receivables | *24* | 114,050 | 84,429 | 51,701 | 37,590 |
| Contract assets | *6.2* | 1,502 | 2,528 | 3,017 | – |
| Income tax recoverable | | 524 | 3,563 | 3,770 | 3,775 |
| Prepayments and other current assets | *25* | 43,750 | 112,114 | 221,718 | 150,250 |
| Financial assets at fair value through profit or loss | *27, 3.3* | 191,370 | 40,460 | 41,520 | 3,406,674 |
| Restricted cash | *28* | 20,051 | 27,360 | 50,444 | 31,167 |
| Cash and cash equivalents | *28* | 124,591 | 588,336 | 710,874 | 685,919 |
| **Total current assets** | | 1,038,722 | 1,525,528 | 1,742,190 | 5,028,215 |
| **Total assets** | | 1,457,273 | 2,038,877 | 2,595,307 | 6,173,863 |

| | Note | As at 31 December | | | As at 30 June |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **EQUITY** | | | | | |
| Share capital | *29* | 35,160 | 38,309 | 39,628 | 57,230 |
| Other reserves | *30* | 1,184,690 | 1,802,009 | 2,103,068 | 5,700,199 |
| Accumulated losses | | (395,171) | (566,248) | (812,699) | (950,892) |
| **Total equity attributable to equity holders of Company** | | 824,679 | 1,274,070 | 1,329,997 | 4,806,537 |
| Non-controlling interests | | (137) | (4,768) | 247,332 | 234,349 |
| **Total equity** | | 824,542 | 1,269,302 | 1,577,329 | 5,040,886 |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Lease liabilities | *16* | 4,841 | 7,157 | 38,741 | 57,978 |
| Borrowings | *33* | 9,940 | 164,868 | 137,590 | 140,051 |
| Deferred government grants | *34* | 2,993 | 48,909 | 41,968 | 41,606 |
| Contract liabilities | *6.3* | 519 | 2,028 | 873 | 118 |
| **Total non-current liabilities** | | 18,293 | 222,962 | 219,172 | 239,753 |
| **Current liabilities** | | | | | |
| Trade and other payables | *35* | 502,464 | 342,657 | 560,949 | 476,036 |
| Income tax payables | | 124 | – | – | – |
| Contract liabilities | *6.3* | 43,183 | 52,914 | 74,086 | 222,515 |
| Borrowings | *33* | 65,020 | 147,711 | 157,557 | 186,603 |
| Lease liabilities | *16* | 3,647 | 3,331 | 6,214 | 8,070 |
| **Total current liabilities** | | 614,438 | 546,613 | 798,806 | 893,224 |
| **Net current assets** | | 424,284 | 978,915 | 943,384 | 4,134,991 |
| **Total liabilities** | | 632,731 | 769,575 | 1,017,978 | 1,132,977 |
| **Total equity and liabilities** | | 1,457,273 | 2,038,877 | 2,595,307 | 6,173,863 |

## BALANCE SHEET OF THE COMPANY

| | Note | As at 31 December | | | As at 30 June |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | *15* | 339,620 | 6,301 | 38,684 | 37,353 |
| Right-of-use assets | | 1,092 | 721 | 529 | 433 |
| Investment properties | *17* | – | 369,326 | 365,979 | 360,951 |
| Intangible assets | *18* | 589 | 12,137 | 73,537 | 69,315 |
| Investments accounted for using equity method | *19* | 3,530 | 7,178 | 94,129 | 187,279 |
| Investments in subsidiaries | *13(b)* | 60,238 | 138,242 | 657,442 | 761,988 |
| Contract assets | | 3,015 | 2,823 | – | – |
| Financial assets at fair value through other comprehensive income | *26* | 3,000 | 10,200 | 200 | – |
| Other receivables | *24* | 238,534 | 444,755 | 488,291 | 713,669 |
| Prepayments | *25* | 2,415 | 6,975 | – | – |
| **Total non-current assets** | | 652,033 | 998,658 | 1,718,791 | 2,130,988 |
| **Current assets** | | | | | |
| Inventories | *21* | 28,738 | 675 | 17,642 | 104,879 |
| Trade and notes receivables | *23* | 252,867 | 417,810 | 585,957 | 548,962 |
| Other receivables | *24* | 322,433 | 280,948 | 346,166 | 78,057 |
| Contract asset | | – | 487 | 476 | – |
| Income tax recoverable | | 250 | 3,226 | 3,226 | 3,247 |
| Prepayments and other current assets | *25* | 18,973 | 99,772 | 96,063 | 77,033 |
| Financial assets at fair value through profit or loss | *27* | 191,370 | 40,460 | 41,520 | 3,303,566 |
| Restricted cash | *28* | 16,051 | 19,320 | 40,985 | 26,046 |
| Cash and cash equivalents | *28* | 63,968 | 516,786 | 197,425 | 489,911 |
| **Total current assets** | | 894,650 | 1,379,484 | 1,329,460 | 4,631,701 |
| **Total assets** | | 1,546,683 | 2,378,142 | 3,048,251 | 6,762,689 |
| **EQUITY** | | | | | |
| Share capital | *29* | 35,160 | 38,309 | 39,628 | 57,230 |
| Other reserves | | 1,184,690 | 1,802,040 | 2,111,164 | 5,708,022 |
| Accumulated losses | | (131,022) | (253,630) | (342,896) | (422,837) |
| **Total equity** | | 1,088,828 | 1,586,719 | 1,807,896 | 5,342,415 |

| | Note | As at 31 December | | | As at 30 June |
|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Lease liabilities | | 766 | 573 | 372 | 313 |
| Contract liabilities | *6.3* | 259 | 943 | 354 | – |
| Borrowings | *33* | 9,940 | 164,868 | 137,590 | 140,051 |
| Deferred government grants | *34* | 2,993 | 48,909 | 40,468 | 40,106 |
| **Total non-current liabilities** | | 13,958 | 215,293 | 178,784 | 180,470 |
| **Current liabilities** | | | | | |
| Trade and other payables | *35* | 378,117 | 389,720 | 870,194 | 830,763 |
| Contract liabilities | *6.3* | 10,456 | 43,700 | 63,626 | 237,236 |
| Borrowings | *33* | 55,020 | 142,517 | 127,550 | 171,600 |
| Lease liabilities | | 304 | 193 | 201 | 205 |
| **Total current liabilities** | | 443,897 | 576,130 | 1,061,571 | 1,239,804 |
| **Total liabilities** | | 457,855 | 791,423 | 1,240,355 | 1,420,274 |
| **Total equity and liabilities** | | 1,546,683 | 2,378,142 | 3,048,251 | 6,762,689 |

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Note | Attributable to equity owners of the Company | | | | | |
|---|---|---|---|---|---|---|---|
| | | Paid-in Capital/Share capital | Other reserves | Accumulated losses | Total | Non-controlling interests | Total equity |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Balance at 1 January 2023** | | 30,963 | 648,520 | (257,084) | 422,399 | 861 | 423,260 |
| **Comprehensive Loss** | | | | | | | |
| Loss for the year | | – | – | (138,087) | (138,087) | (1,213) | (139,300) |
| **Transactions with owners of the Company** | | | | | | | |
| Capital contribution from shareholders | *29, 30* | 4,197 | 487,754 | – | 491,951 | 21 | 491,972 |
| Share-based payments | *32* | – | 48,416 | – | 48,416 | 194 | 48,610 |
| **Balance at 31 December 2023** | | 35,160 | 1,184,690 | (395,171) | 824,679 | (137) | 824,542 |
| **Balance at 1 January 2024** | | 35,160 | 1,184,690 | (395,171) | 824,679 | (137) | 824,542 |
| **Comprehensive loss** | | | | | | | |
| Loss for the year | | – | – | (171,077) | (171,077) | (6,096) | (177,173) |
| Other comprehensive income | | – | 6,969 | – | 6,969 | – | 6,969 |
| **Transactions with owners of the Company** | | | | | | | |
| Capital contribution from shareholders | *29, 30* | 3,149 | 519,154 | – | 522,303 | 1,930 | 524,233 |
| Share-based payments | *32* | – | 91,196 | – | 91,196 | 332 | 91,528 |
| Disposal of a subsidiary | | – | – | – | – | (797) | (797) |
| **Balance at 31 December 2024** | | 38,309 | 1,802,009 | (566,248) | 1,274,070 | (4,768) | 1,269,302 |

| | Note | Attributable to equity owners of the Company | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | | Paid-in Capital/Share capital | Other reserves | Accumulated Losses | Total | | |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Balance at 1 January 2025** | | 38,309 | 1,802,009 | (566,248) | 1,274,070 | (4,768) | 1,269,302 |
| **Comprehensive loss** | | | | | | | |
| Loss for the year | | – | – | (253,451) | (253,451) | (2,494) | (255,945) |
| Other comprehensive income | | – | 40 | – | 40 | – | 40 |
| **Transactions with owners of the Company** | | | | | | | |
| Capital contribution from shareholders | *29, 30* | 1,319 | 223,681 | – | 225,000 | 249,410 | 474,410 |
| Share-based payments | *30, 32* | – | 92,310 | – | 92,310 | 846 | 93,156 |
| Acquisition of non-controlling interests | *39(a)* | – | (7,972) | – | (7,972) | 3,630 | (4,342) |
| Disposal of a subsidiary | | – | – | – | – | 708 | 708 |
| Transfer of fair value change upon disposal of financial assets | | – | (7,000) | 7,000 | – | – | – |
| **Balance at 31 December 2025** | | 39,628 | 2,103,068 | (812,699) | 1,329,997 | 247,332 | 1,577,329 |

| | Note | Attributable to equity owners of the Company | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | | Paid-in Capital/Share capital | Other reserves | Accumulated Losses | Total | | |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **(Unaudited)** | | | | | | | |
| **Balance at 1 January 2025** | | 38,309 | 1,802,009 | (566,248) | 1,274,070 | (4,768) | 1,269,302 |
| **Comprehensive loss** | | | | | | | |
| Loss for the period | | – | – | (189,648) | (189,648) | (2,380) | (192,028) |
| Other comprehensive income | | – | 32 | – | 32 | – | 32 |
| **Transactions with owners of the Company** | | | | | | | |
| Disposal of FVOCI | | – | (7,000) | 7,000 | – | – | – |
| Capital contribution from shareholders | *29,30* | – | – | – | – | 254,068 | 254,068 |
| Share-based payments | *32* | – | 45,894 | – | 45,894 | 200 | 46,094 |
| Acquisition of non-controlling interests | | – | (7,740) | – | (7,740) | 4,198 | (3,542) |
| **Balance at 30 June 2025** | | 38,309 | 1,833,195 | (748,896) | 1,122,608 | 251,318 | 1,373,926 |
| **Balance at 1 January 2026** | | 39,628 | 2,103,068 | (812,699) | 1,329,997 | 247,332 | 1,577,329 |
| **Comprehensive loss** | | | | | | | |
| Loss for the period | | – | – | (138,373) | (138,373) | (12,383) | (150,756) |
| Other comprehensive income | | – | 273 | – | 273 | – | 273 |

| | Note | Attributable to equity owners of the Company | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| | | Paid-in Capital/Share capital | Other reserves | Accumulated Losses | Total | | |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Transactions with owners of the Company** | | | | | | | |
| Disposal of FVOCI | | – | – | 180 | 180 | – | 180 |
| Capital contribution from shareholders | *29,30* | 17,602 | 3,496,617 | – | 3,514,219 | – | 3,514,219 |
| Share-based payments | *32* | – | 71,098 | – | 71,098 | 129 | 71,227 |
| Disposal of a subsidiary | | – | – | – | – | (729) | (729) |
| Equity method adjustment due to share premium of joint venture | | – | 29,143 | – | 29,143 | – | 29,143 |
| **Balance at 30 June 2026** | | 57,230 | 5,700,199 | (950,892) | 4,806,537 | 234,349 | 5,040,886 |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Note | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| **Cash flows from operating activities** | | | | | | |
| Cash (used) in/generated from operations | *36(a)* | (314,200) | (210,400) | 7,194 | (78,503) | 60,789 |
| Interest received | | 733 | 1,038 | 1,220 | 453 | 366 |
| Income tax paid | | (7) | (3,164) | (208) | – | – |
| **Net cash (used in)/generated from operating activities** | | (313,474) | (212,526) | 8,206 | (78,050) | 61,155 |
| **Cash flows from investing activities** | | | | | | |
| Purchases of property, plant and equipment and intangible assets | | (202,875) | (259,702) | (221,003) | (8,924) | (188,671) |
| Payments for investment accounted for using equity method | *19* | (4,240) | (7,714) | (88,190) | (24,990) | (67,860) |
| Payments for financial assets at fair value through other comprehensive income | *26* | – | (200) | – | – | (11,400) |
| Proceeds from disposal of property, plant and equipment and intangible assets | | 196 | 441 | 4,140 | 1,541 | 1,388 |
| Receipt of government grants related to assets | | 2,280 | 30,000 | – | – | – |
| Investment income from financial assets at fair value through profit or loss | *3.3* | 11,203 | 938 | 7,256 | 1,442 | 5,321 |
| Proceeds from disposal of financial assets at fair value through profit or loss | *3.3* | 1,402,174 | 311,370 | 1,440,000 | 270,000 | 3,113,998 |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | *3.3* | – | – | 10,000 | 10,000 | 200 |

| | Note | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|---|
| | | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Investment payments for financial assets at fair value through profit or loss | *3.3* | (1,330,000) | (160,460) | (1,440,000) | (690,000) | (6,467,900) |
| Proceeds from disposal of investments in associates | *19* | – | 1,930 | – | – | – |
| **Net cash used in investing activities** | | (121,262) | (83,397) | (287,797) | (440,931) | (3,614,924) |
| **Cash flows from financing activities** | | | | | | |
| Capital contribution from shareholders | *29, 30* | 491,951 | 537,500 | 225,000 | – | 3,514,219 |
| Capital contribution from non-controlling interest | | 21 | 1,930 | 249,410 | 254,068 | – |
| Proceeds from bank borrowings | *36(c)* | 65,000 | 302,346 | 130,000 | 55,000 | 100,250 |
| Repayments of bank borrowings | *36(c)* | (30,900) | (65,020) | (147,418) | (78,679) | (68,743) |
| Interest paid | *36(c)* | (2,003) | (2,899) | (9,986) | (5,015) | (5,524) |
| Principal and interest of lease payments | *36(c)* | (2,767) | (3,550) | (36,541) | (1,431) | (3,303) |
| Payments for listing expenses | | – | (593) | (3,994) | (1,357) | (8,085) |
| Payment of transaction costs related to equity financing | | – | (10,046) | – | – | – |
| Cash paid for the acquisition of non-controlling interests | | – | – | (4,342) | (3,542) | – |
| **Net cash generated from financing activities** | | 521,302 | 759,668 | 402,129 | 219,044 | 3,528,814 |
| **Net increase/(decrease) in cash and cash equivalents** | | 86,566 | 463,745 | 122,538 | (299,937) | (24,955) |
| Cash and cash equivalents at beginning of the year/period | | 38,025 | 124,591 | 588,336 | 588,336 | 710,874 |
| **Cash and cash equivalents at end of the year/period** | | 124,591 | 588,336 | 710,874 | 288,399 | 685,919 |

## II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1 GENERAL INFORMATION

ADASPACE TECHNOLOGY CO., LTD. (成都国星宇航科技股份有限公司, the "Company", formerly known as 成都国星宇航科技有限公司) was established in Chengdu City of Sichuan Province, the People's Republic of China (the "PRC") on 3 May 2018 as a limited liability company. On 29 January 2022, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The address of its registered office is 1st Floor, Building 4, No. 1699 Jinhe Road, High-tech Zone, China (Sichuan) Pilot Free Trade Zone, Chengdu, Sichuan Province, the PRC.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in developing an integrated space-terrestrial AI infrastructure and providing products and solutions built upon such infrastructure in the PRC. (the "Listing Business").

The Company is controlled by Beijing Xingrong Yuhang Enterprise Management Consulting Partnership (Limited Partnership) (北京星融宇航企業管理諮詢合夥企業(有限合夥)) ("Beijing Xingrong Yuhang") and Beijing New Era Space Enterprise Management Consulting Partnership (Limited Partnership) (北京新時代空間企業管理諮詢合夥企業(有限合夥)) ("Beijing New Era Space"), which are held by Dr. Lu Chuan, the founder and ultimate controlling shareholder of the Company.

The Company's subsidiaries as at 31 December 2023, 2024, and 2025 and 30 June 2026, and as at the date of this report are set out in Note 13.

### 2 SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of Historical Financial Information are set out below. These policies have been consistently applied throughout the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, unless otherwise stated.

#### 2.1 Summary of material accounting policies

##### *2.1.1 Basis of preparation*

The Historical Financial Information of the Company has been prepared in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board ("IFRS Accounting Standards").

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The Historical Financial Information has been prepared on a historical cost conversion, as modified by revaluation of certain financial assets measured at fair value.

In preparing the Historical Financial Information, the Group has consistently adopted all applicable new and amended IFRS Accounting Standards throughout all the years presented except for any new standard, amendment and interpretation to existing standards that are not yet effective.

The following new standards, amendments and interpretations to existing standards that have been issued and not yet effective and have not been early adopted by the Group during the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026:

| | New/amended standards | Effective date |
|---|---|---|
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 | Subsidiaries without Public Accountability: Disclosure | 1 January 2027 |
| Amendments to IAS 21 | Amendments to IAS 21 on Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to IFRS 10 and IAS 28 | Sale or contribution of assets between an investor and its associate or joint venture | To be determined |

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive loss.

IFRS 18 sets out requirements on presentation and disclosures in consolidated financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the consolidated statements of comprehensive loss; provide disclosures on management — defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated financial statements. The application of IFRS 18 is not expected to have material impact on the consolidated financial position of the Group but is expected to affect the presentation of the consolidated statements of comprehensive loss and disclosures in the future consolidated financial statements. The Group is currently working to identify all impacts the amendments will have on the primary financial statement and notes to the financial statements. The initial expected material impacts on Group's financial statements are as follows:

- Share of loss from an associate and a joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense from the item giving rise to the foreign exchange difference.
- New disclosure will be added: (a) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (b) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

***2.1.2 Principles of consolidation and equity accounting***

*(a) Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised loss are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, statements of financial position and statements of changes in equity respectively.

*(b) Associates and joint ventures*

Associates and joint ventures are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates and joint ventures are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

*(c) Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's and Company's share of the post-acquisition profits or loss of the investee in profit or loss, and the Group's and Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's and Company's share of loss in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group and the Company does not recognise further loss, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group or the Company and its associates and joint ventures are eliminated to the extent of the Group's or the Company's interest in these entities. Unrealised loss are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.2.10.

***2.1.3 Investments and other financial assets***

*(a) Classification*

The Group classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and

– those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gain and loss will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

*(b) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

*(c) Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other gain/(loss) — net". Impairment loss are presented as separate line item in the statements of comprehensive loss.

- Financial assets at FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or loss, interest income and loss which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gain/(loss) — net". Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the statements of comprehensive loss.

- Financial assets at FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Other gain/(loss) — net" in the year in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gain and loss on equity investments in OCI, there is no subsequent reclassification of fair value gain and loss to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in "Other income" when the Group's right to receive payments is established.

Changes in the fair value of financial assets measured at FVPL are recognised in "Other gain/(loss) — net" as applicable. Impairment loss (and reversal of impairment loss) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*(d) Impairment*

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit loss are a probability-weighted estimate of credit loss (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime loss to be recognised from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates.

Impairment on other receivables are measured as either 12-month expected credit loss or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit loss.

***2.1.4 Current and deferred income tax***

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax loss.

*(a) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

*(b) Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

***2.1.5 Revenue recognition***

Revenues are recognised when or as the control of the goods or services is provided to the customer. Depending on the terms of the contract and the laws that apply to the contract, services and goods may be transferred over time or at a point in time.

Revenue is recognised when a performance obligation is satisfied by transferring control of the promised products or services to a customer in an amount that reflects the consideration expected to be collected in exchange for those products or services. The revenue recognition of the Group is determined through the following five steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract;
- Recognition of revenue when, or as, a performance obligation is satisfied.

At contract inception, it is performed that the assessment and the identification of a performance obligation for each promise to transfer to the customer a product or a service (or bundle of products or services) that is distinct.

To identify the performance obligations, the Group consider all the goods and services promised in the contract with the customer based on the Group's customary business practices, published policies, or specific statements.

The Group determines whether control of a product or a service is transferred to a customer over time or at a point in time based on the analysis of the following three criteria. Revenue is recognised over time if any of such criteria are met that the Group:

- Provides all of the benefits received and consumed simultaneously by the customer; or
- Creates and enhances an asset that the customer controls as the Group perform; or
- Does not create an asset with an alternative use of the Group and the Group has an enforceable right to request payment for performance completed to date.

A performance obligation is satisfied at a point in time if none of the above criteria for satisfying a performance obligation over time are met.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for a product or a service that the Group has transferred to a customer when that right is conditioned on something other than the passage of time. Incremental costs incurred to obtain a contact, if recoverable, are capitalized and presented as assets and subsequently amortized when the related revenue is recognised.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a product or a service to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer a product or a service to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The application of the Group's revenue recognition policies and a description of the principal activities, organized by segment, from which the Group generate its revenue, are presented below.

*(a) Revenue from rendering satellite-based solutions*

The Group provides satellite-based solutions to customers, which primarily refers to customized satellite-based solutions leveraging satellite remote sensing data and AI algorithms supported by both our space-based and ground-based infrastructure. A project-based integrated solutions consist of a comprehensive set of activities, such as project design, software deployment, software-embedded hardware and hardware infrastructures, implementation, installation, trial and acceptance of integrated solutions, and standard warranty services. Satellite-based solutions also include the sales of satellite remote sensing data, and data processing software. These satellite-based solutions are provided through integrating the software, hardware infrastructures and services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer. Accordingly, the satellite-based solutions is accounted for as a single performance obligation.

Revenue is recognised at a point in time when the aforementioned satellite-based solutions are delivered to the customer's designated place, inspected and accepted by the customer.

*(b) Revenue from sales of satellites and rendering satellite related services*

The Group designs, manufactures and sells customized satellites based on customers' specific requirements and specification. Revenue from the sales of satellites is recognised when control of the products has transferred, being when the satellites, satellites related data and software are accepted by the customer, when the customers have full discretion over the satellites, satellites related data and software, and there is no unfulfilled obligation that could affect the customer's acceptance of the satellites, satellites related data and software. The Group provides satellite-related services to customers, including launch arrangement services and operational control service. Revenue from rendering launch arrangement services is recognised when the services has been fulfilled, and rendering operational control services is recognised over time, as the customers simultaneously receive and consume the benefits provided by the service as specified in service contract. The stand-alone selling price for the performance obligation of the sales of satellites and rendering satellite related services, launch arrangement services, and operational control services are generally observable directly.

*(c) Other services*

Other services primarily include rendering intelligent parking solutions and software and hardware agency services. Revenue from rendering intelligent parking solutions is recognised at a point in time when the customer obtains control of the combined promised goods or services. For the software and hardware agency services, the Group acts as an agent in the services considering the fact that the Group is only responsible for matching resources, not subject to inventory risk and has no discretion in establishing prices. Therefore, revenue from software and hardware agency services is measured on a net basis and the revenue is recognised when the service has been rendered.

***2.1.6 Share-based payment***

The Group operates an equity-settled share-based compensation plan, under which the Group receives service from its employees in exchange for the equity instruments of the Group. The fair value of equity-settled share-based payments for the services received from employees was measured at the grant date of the equity instruments. It was recognised as share-based payments in the profit or loss and as share-based payment reserve respectively. The total amount to be expensed is determined by reference to the fair value of the shares granted as at grant date, excluding the impacts of any service and non-market performance vesting conditions. The total expense is recognised over the vesting year, which is the year over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting year, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognised for the services received over the remainder of the vesting year. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognised over the year from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognised over the remainder of the original vesting year. Furthermore, if the entity modifies the terms or conditions of the equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the entity shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

**2.2 Summary of other accounting policies**

***2.2.1 Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who makes strategic decisions.

*2.2.2 Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets.

*2.2.3 Government grants*

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive loss over the year necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the useful lives of the related assets.

*2.2.4 Interest income*

Income from financial assets at FVPL is included in investment income and the net fair value gains on these assets in Other gain/(loss) — net (Note 10).

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statements of comprehensive loss as "other income". Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purpose (Note 11).

*2.2.5 Leases*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the Right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease year so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

***2.2.6 Employee benefits***

*(a) Short-term obligations*

Liabilities for wages and salaries are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheets.

*(b) Pension obligations*

Employees in the PRC are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these retired employees. The Group contributes on a monthly basis to these pensions. Under these plans, the Group has no further payment

obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for an employee are not available to reduce the Group's future obligations to such defined contribution pension plans even if the staff leaves.

*(c) Housing funds, medical insurances and other social insurances*

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

*(d) Bonus entitlements*

The expected cost of bonus payments is recognised as a liability when the Group has a present contractual or constructive obligation as a result of service rendered by employees and a reliable estimation of the obligation can be made.

*(e) Termination benefits*

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group can no longer withdraw the offer of those benefits.

***2.2.7 Property, plant and equipment***

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives or, in case of leasehold improvements, the shorter lease term, as follows:

| | **Years** |
|---|---|
| – Buildings | 40 years |
| – Self-owned satellites | 3 to 5 years |
| – Production equipment | 5 years |
| – Office and electronic equipment | 3 to 5 years |
| – Motor vehicles | 4 years |
| – Leasehold improvements | the shorter of the lease term or the useful life |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2.9).

Gain and loss on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gain/(loss) — net" in the consolidated statements of comprehensive loss.

Construction in progress represents unfinished construction and equipment under construction or pending for installation and is stated at cost less impairment loss. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the year of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

***2.2.8 Intangible assets***

*(a) Software*

Computer software are initially recognised and measured at costs incurred to acquire and bring them to use, amortised on a straight-line basis over their estimated useful lives, and recorded in amortization within operating expenses in profit or loss.

*(b) Data-use-right*

The Company is entitled to utilize the data generated from the satellites sold in exchange of the operational service to the customers pursuant to certain sales contract of satellites. The right to use the data, i.e. data-use-right, is capitalized indirectly based on the stand-alone fair value of operational service as agreed in relevant contracts and amortised on a straight-line basis over estimated useful lives of the satellites sold.

*(c) Research and development*

Research expenditures are charged to the profit or loss as an expense in the year the expenditures are incurred. Development costs are recognised as assets if they can be directly attributable to a newly developed products and all the following can be demonstrated:

- it is technically feasible to complete the development project so that it will be available for use;
- management intends to complete the development project, and use or sell it;
- the ability to use or sell the development project;
- it can be demonstrated how the development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and the ability to use or sell the development project are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Other development expenditures that do not meet those above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent year.

During the year ended 31 December 2023, 2024 and 2025 and 30 June 2026, there were no development costs meeting these criteria and capitalised as intangible assets.

The Group amortises intangible assets with a limited useful life using the straight-line method over the following years:

| | Years |
|---|---|
| – Software | 5 years |
| – Data-use-right | 3 to 5 years |

***2.2.9 Investment properties***

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment property.

The Group's investment properties comprise building located in the PRC, which is measured initially at their costs, including the related transaction costs and borrowing costs, where applicable.

After initial recognition, investment property is measured at cost less accumulated depreciation and any provision for impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the properties. The investment properties is depreciated over their estimate useful lives of 40 years.

Subsequent expenditure is capitalized to the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are expensed in the consolidated statements of comprehensive loss during the financial year in which they are incurred.

An investment property shall be derecognised on disposal or when investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gain or loss arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in the consolidated statements of comprehensive loss in the year of the retirement or disposal.

***2.2.10 Impairment of non-financial assets***

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

***2.2.11 Inventory***

Inventories, comprising finished goods and work-in-progress, are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method. The cost of inventory comprises raw materials, direct labor costs, other direct costs and related production overheads (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

***2.2.12 Trade and other receivables***

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.1.3 and Note 3.1 for a description of the Group's impairment policies.

***2.2.13 Cash and cash equivalents***

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

***2.2.14 Trade and other payables***

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

*2.2.15 Borrowings and borrowing costs*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are derecognized from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance income.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale. All other borrowing costs are expensed in the year in which they are incurred.

*2.2.16 Share capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

*2.2.17 Provision and contingent liabilities*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating loss.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

A contingent liability is a possible obligation that arises from past events and its existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

*2.2.18 Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the year in which the dividends are approved by the Company's shareholders or directors, where appropriate.

*2.2.19 Loss per share*

*(a) Basic loss per share*

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the company, and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

*(b) Diluted loss per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

**3 FINANCIAL RISK MANAGEMENT**

**3.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including Foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

***(a) Market risk***

*(i) Foreign exchange risk*

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective group entities' functional currency. The Group mainly operates in the PRC with most of the transactions settled in RMB.

As at 31 December 2023 2024 and 2025 and 30 June 2026, the Group's major exposure to foreign currency risk was structured deposit (Note 27) held by the Group with certain PRC commercial banks, the yield of which is linked to the euro-dollar exchange rate, and the impact of the foreign exchange risk was assessed to be insignificant.

*(ii) Cash flow and fair value interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets and liabilities, except for cash and cash equivalents (Note 28), restricted cash (Note 28), lease liabilities (Note 16) and borrowings (Note 33). Financial assets and liabilities at variable rates expose the Group to cash flow interest rate risk. Financial assets and liabilities at fixed rates expose the Group to fair value interest rate risk.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, if interest rates on cash and cash equivalents, restricted cash at banks and borrowings had been 10% higher/lower with all other variables held constant, loss after income tax for the year would have been approximately RMB150,000 higher/lower, RMB261,000 higher/lower, RMB943,000 higher/lower, and RMB549,000 higher/lower respectively, mainly as a result of higher/lower net interest expense being incurred.

***(b) Credit risk***

Credit risk is the risk of loss that a counterparty fails to or is unwilling to meet its obligations. The Group is exposed to credit risk mainly in relation to its cash and cash equivalents, restricted cash, trade receivables and other receivables, and contract assets.

*(i) Cash and cash equivalents and restricted cash*

The Group expects that there is no significant credit risk associated with cash at bank and restricted cash at bank, since they are deposited at state-owned banks and other large or medium size listed banks.

*(ii) Trade receivables and contract assets*

The Group applies the IFRS 9 simplified approach to measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit loss, trade receivables and contract assets have been grouped based on similar credit risk characteristics and collectively assessed to likelihood of recovery, taking into account the industries that the customer are operating in, their ageing category, past collection history and the credit risk of the customer. For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on historical aging data, by analyzing the movement of accounts receivable across different aging stages and were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product index ("GDP"), consumer price index ("CPI"), and increase in money supply ("M2") of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognised impairment loss.

Trade receivables include:

- Individual basis: customers who are insolvent or in operating difficulty with a relatively higher credit risk.

- Collective basis: customers who are not in operating difficulty, comprising related parties and special customers with similar credit risk and remaining third parties.

With different types of customers, the Group calculated the expected credit loss rates respectively.

In addition, the Group makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records and past experience.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group. Impairment loss on trade receivables are presented as net impairment loss within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

(a) Individual basis

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group's trade receivables from third parties of RMB4,577,000, RMB2,634,000, RMB25,433,000, and RMB31,542,000 was individually determined to be impaired and the total loss allowance were RMB2,473,000, RMB610,000, RMB25,433,000, and RMB31,542,000. The Group considered these trade receivables were in collection difficulties and management assessed that these customers are unlikely to pay credit obligations to the Group in full.

(b) Collective basis

On that basis, the Group's exposure to credit risk, ECLs for trade receivables, excluding those under individual assessment as at 31 December 2023, 2024 and 2025 and 30 June 2026 was determined as follows:

- Trade receivables — related parties

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group's net trade receivables of RMB24,399,000, RMB25,896,000, RMB381,000 and RMB581,000 are from related parties, and carrying amount of such receivables are RMB25,381,000, RMB26,929,000, RMB393,000 and RMB599,000 and the allowance provision of RMB982,000, RMB1,033,000, RMB12,000, and RMB18,000, respectively.

- Trade receivables and contract assets — remaining third parties

The ECL rate for the remaining trade receivables and contract assets based on aging as at 31 December 2023, 2024 and 2025 and 30 June 2026 is determined as follows

**As at 31 December 2023**

| | Up to 6 months | 6 to 12 months | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 3.2% | 4.3% | 10.4% | 82.3% | – | 4.0% |
| Gross carrying amount (RMB'000) | 393,438 | 69,254 | 36,851 | 831 | – | 500,374 |
| **Loss allowance (RMB'000)** | (12,467) | (2,988) | (3,827) | (684) | – | (19,966) |

**As at 31 December 2024**

| | Up to 6 months | 6 to 12 months | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 4.1% | 7.9% | 13.1% | 31.4% | 100.0% | 9.4% |
| Gross carrying amount (RMB'000) | 249,024 | 102,896 | 302,236 | 17,982 | 15 | 672,153 |
| **Loss allowance (RMB'000)** | (10,132) | (8,108) | (39,590) | (5,652) | (15) | (63,497) |

**As at 31 December 2025**

| | Up to 6 months | 6 to 12 months | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 4.1% | 7.7% | 25.3% | 35.4% | 43.4% | 17.3% |
| Gross carrying amount (RMB'000) | 339,912 | 107,152 | 34,658 | 269,099 | 15,111 | 765,932 |
| **Loss allowance (RMB'000)** | (13,839) | (8,293) | (8,766) | (95,218) | (6,557) | (132,673) |

**As at 30 June 2026**

| | Up to 6 months | 6 to 12 months | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---|---|---|---|---|---|---|
| Expected credit loss rate | 7.7% | 9.8% | 15.6% | 32.0% | 43.1% | 16.5% |
| Gross carrying amount (RMB'000) | 223,269 | 218,063 | 70,298 | 172,920 | 30,634 | 715,184 |
| **Loss allowance (RMB'000)** | (17,149) | (21,310) | (10,935) | (55,315) | (13,188) | (117,897) |

The loss allowances for trade receivables and contract assets as at 31 December 2023, 2024 and 2025 and 30 June 2025 and 2026 reconcile to the opening loss allowances as follows:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| At the beginning of the year/period | 6,501 | 23,421 | 65,140 | 65,140 | 158,118 |
| Provision/(reversal of provision) for doubtful receivables | 16,920 | 42,149 | 92,978 | 38,528 | (8,661) |
| Disposal of subsidiaries | – | (267) | – | – | – |
| Written off as uncollectible | – | (163) | – | – | – |
| At the end of the year/period | 23,421 | 65,140 | 158,118 | 103,668 | 149,457 |

*(iii) Other receivables*

Other receivables that are not credit-impaired on initial recognition are classified in stage 1 and the expected credit loss are measured as 12-month expected credit loss. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to 'stage 2' but is not yet deemed to be credit-impaired. The expected credit loss are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'stage 3' and the expected credit loss is measured as lifetime expected credit loss.

Management considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment loss on other receivables are presented as net impairment loss within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The loss allowance as at 31 December 2023, 2024 and 2025 and 30 June 2026 was determined as follows for other receivables:

**As at 31 December 2023**

| | Stage 1 12-month | Stage 2 Lifetime | Stage 3 Lifetime | Total |
|---|---|---|---|---|
| Expected credit loss rate | 5.3% | – | 100.0% | 5.4% |
| Gross carrying amount – other receivables (RMB'000) | 120,627 | – | 214 | 120,841 |
| **Loss allowance (RMB'000)** | (6,361) | – | (214) | (6,575) |

**As at 31 December 2024**

| | Stage 1 12-month | Stage 2 Lifetime | Stage 3 Lifetime | Total |
|---|---|---|---|---|
| Expected credit loss rate | 8.3% | – | 100.0% | 8.5% |
| Gross carrying amount – other receivables (RMB'000) | 92,127 | – | 189 | 92,316 |
| **Loss allowance (RMB'000)** | (7,633) | – | (189) | (7,822) |

**As at 31 December 2025**

| | Stage 1 12-month | Stage 2 Lifetime | Stage 3 Lifetime | Total |
|---|---|---|---|---|
| Expected credit loss rate | 11.9% | – | 100.0% | 13.9% |
| Gross carrying amount – other receivables (RMB'000) | 69,164 | – | 1,557 | 70,721 |
| **Loss allowance (RMB'000)** | (8,262) | – | (1,557) | (9,819) |

**As at 30 June 2026**

| | Stage 1 12-month | Stage 2 Lifetime | Stage 3 Lifetime | Total |
|---|---|---|---|---|
| Expected credit loss rate | 7.2% | – | 100.0% | 17.3% |
| Gross carrying amount – other receivables (RMB'000) | 50,134 | – | 6,103 | 56,237 |
| **Loss allowance (RMB'000)** | (3,625) | – | (6,103) | (9,728) |

The loss allowances for other receivables as at 31 December 2023, 2024, and 2025 and 30 June 2025 and 2026 reconcile to the opening loss allowances as follows:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| At the beginning of the year/period | 2,737 | 6,575 | 7,822 | 7,822 | 9,819 |
| Provision for doubtful receivables | 3,838 | 1,285 | 1,997 | 274 | (91) |
| Disposal of subsidiaries | – | (9) | – | – | – |
| Written off as uncollectible | – | (29) | – | – | – |
| At the end of the year/period | 6,575 | 7,822 | 9,819 | 8,096 | 9,728 |

*(iv) Provision for impairment loss/(reversal) on financial assets*

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* *(unaudited)* | *RMB'000* |
| Provision for doubtful receivables | | | | | |
| – Trade receivables and contract assets | 16,920 | 42,149 | 92,978 | 38,528 | (8,661) |
| – Other receivables | 3,838 | 1,285 | 1,997 | 274 | (91) |
| | 20,758 | 43,434 | 94,975 | 38,802 | (8,752) |

*(v) Maximum exposure to credit risk*

The table below shows the maximum credit risk exposure of the Group:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| *Financial assets at amortised costs and contract assets:* | | | | |
| – Cash and cash equivalents *(Note 28(a))* | 124,591 | 588,336 | 710,874 | 685,919 |
| – Restricted cash *(Note 28(a))* | 20,051 | 27,360 | 50,444 | 31,167 |
| – Trade and notes receivables *(Note 23)* | 500,860 | 628,259 | 630,467 | 597,799 |
| – Other receivables *(Note 24)* | 114,266 | 84,494 | 60,902 | 46,509 |
| – Contract assets *(Note 6.2)* | 6,051 | 8,317 | 3,560 | 94 |
| | 765,819 | 1,336,766 | 1,456,247 | 1,361,488 |
| *Financial assets at fair value:* | | | | |
| – Financial assets at FVPL *(Note 27)* | 191,370 | 40,460 | 41,520 | 3,406,674 |

The amount of the credit risk exposures set out above are same as the carrying amounts as at 31 December 2023, 2024 and 2025 and 30 June 2026.

*(c) Liquidity risk*

The Group's management regularly monitors current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding to meet its liquidity requirements in the short and long term.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining year at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| Contractual maturities of financial Liabilities | Less than 1 year | Between 1 and 2 years | Between 2 and 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 31 December 2023** | | | | | |
| Trade and other payables | 467,664 | – | – | – | 467,664 |
| Lease liabilities | 3,925 | 1,882 | 3,262 | – | 9,069 |
| Borrowings | 66,489 | 10,008 | – | – | 76,497 |
| | 538,078 | 11,890 | 3,262 | – | 553,230 |
| **As at 31 December 2024** | | | | | |
| Trade and other payables | 293,262 | – | – | – | 293,262 |
| Lease liabilities | 3,692 | 2,850 | 4,750 | – | 11,292 |
| Borrowings | 156,111 | 33,211 | 93,660 | 57,445 | 340,427 |
| | 453,065 | 36,061 | 98,410 | 57,445 | 644,981 |
| **As at 31 December 2025** | | | | | |
| Trade and other payables | 504,326 | – | – | – | 504,326 |
| Lease liabilities | 6,622 | 6,796 | 30,755 | 4,655 | 48,828 |
| Borrowings | 165,251 | 32,214 | 90,868 | 28,223 | 316,556 |
| | 676,199 | 39,010 | 121,623 | 32,878 | 869,710 |
| **As at 30 June 2026** | | | | | |
| Trade and other payables | 430,747 | – | – | – | 430,747 |
| Lease liabilities | 9,882 | 9,577 | 37,478 | 14,631 | 71,568 |
| Borrowings | 194,395 | 36,237 | 102,209 | 13,989 | 346,830 |
| | 635,024 | 45,814 | 139,687 | 28,620 | 849,145 |

**3.2 Capital management**

The Group's objectives when managing capital are to:

The Group also monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as lease liabilities, borrowings less cash and cash equivalents. Total capital is calculated as "Total equity", as shown in the consolidated statements of financial position plus net debt.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the directors of the Company consider the cost of capital and the risks associated with the issued share capital. The Group may adjust the amount of dividends paid to owners, return capital to owners, issue new shares or repurchase the Company's shares. In the opinion of the directors of the Company, the Group's capital risk is low.

As at December 31, 2023, 2024 and 2025 and 30 June 2026, the gearing ratio was as follows:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| Borrowings | 74,960 | 312,579 | 295,147 | 326,654 |
| Add: lease liabilities | 8,488 | 10,488 | 44,955 | 66,048 |
| Less: Cash and cash equivalents | (124,591) | (588,336) | (710,874) | (685,919) |
| Less: Restricted cash | (20,051) | (27,360) | (50,444) | (31,167) |
| Net cash | (61,194) | (292,629) | (421,216) | (324,384) |
| Total capital | 763,348 | 976,673 | 1,156,113 | 4,716,502 |
| Gearing ratio | NA | NA | NA | NA |

As at 31 December 2023, 2024 and 2025, and 30 June 2026, the gearing ratio is not applicable due to net cash position.

**3.3 Fair value estimation**

***(a) Fair value hierarchy***

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets is based on quoted market at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of the Group's financial assets, including cash and cash equivalents, restricted cash, trade receivables, other receivables and other current assets (excluding non-financial assets), and financial liabilities including trade and other payables (excluding non-financial liabilities), borrowings and lease liabilities approximate their fair values due to their short maturities or interest bearing at market rate.

As at 31 December 2023, 2024 and 2025 and 30 June 2025 and 2026, none of the Group's financial assets are measured at fair value using level 1 and level 2 inputs, and deposits (Note 27) and unlisted equity investments (Note 26) are measured at fair value using level 3 inputs.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

***(b) Fair value measurements using significant unobservable inputs (level 3)***

The following table presents the changes in level 3 items including structured deposits and unlisted equity investments for the years ended 31 December 2023 2024 and 2025 and the six months ended 30 June 2025 and 2026.
.

| | Deposits[(Note (i))] | Unlisted equity investments[(Note (ii))] |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| **As at 1 January 2023** | 262,174 | 3,600 |
| Additions | 1,330,000 | – |
| Disposal | (1,413,377) | – |
| Investment income *(Note 10)* | 11,203 | – |
| Fair value change recognised in profit or loss under "Other gain/(loss) – net" *(Note 10)* | 1,370 | – |
| **As at 31 December 2023** | 191,370 | 3,600 |
| **As at 1 January 2024** | 191,370 | 3,600 |
| Additions | 160,460 | 200 |
| Disposal | (312,308) | – |
| Investment income *(Note 10)* | 938 | – |
| Changes in the fair value of financial assets at fair value through other comprehensive income | – | 7,000 |
| **As at 31 December 2024** | 40,460 | 10,800 |
| **As at 1 January 2025** | 40,460 | 10,800 |
| Additions | 1,440,000 | – |
| Disposal | (1,447,256) | (10,000) |
| Investment income *(Note 10)* | 7,256 | – |
| Fair value change recognised in profit or loss under "Other gain/(loss) – net" *(Note 10)* | 1,060 | – |
| **As at 31 December 2025** | 41,520 | 800 |
| **(Unaudited)** | | |
| **As at 1 January 2025** | 40,460 | 10,800 |
| Additions | 690,000 | – |
| Disposal | (271,442) | (10,000) |
| Investment income *(Note 10)* | 1,442 | – |
| Fair value change recognised in profit or loss under "Other gain/(loss) – net" *(Note 10)* | 1,278 | – |
| **As at 30 June 2025** | 461,738 | 800 |
| **As at 1 January 2026** | 41,520 | 800 |
| Additions | 6,467,900 | 11,400 |
| Disposal | (3,119,319) | (200) |
| Investment income *(Note 10)* | 5,321 | – |
| Fair value change recognised in profit or loss under "Other gain/(loss) – net" *(Note 10)* | 11,252 | – |
| **As at 30 June 2026** | 3,406,674 | 12,000 |

(i) Deposits are structured deposit and certificates of deposit by the Group with certain PRC commercial banks (Note 27). The Group uses discounted cash flow model with expected rate of return, which was influenced by fluctuation of exchange rate to evaluate the fair value of the deposits classified as Level 3 financial assets.

(ii) Details of the unlisted equity investment are set out in Note 26.

*(c) Valuation techniques and significant inputs used to determine fair values and valuation processes*

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

| | Fair value | | | | | Range of inputs | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 31 December | | | As at 30 June | Significant unobservable inputs | As at 31 December | | | As at 30 June | Relationship of unobservable inputs to fair value |
| Description | 2023 | 2024 | 2025 | 2026 | | 2023 | 2024 | 2025 | 2026 | |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | | | | | | |
| Structured deposits . . | 191,370 | – | – | 3,364,615 | Expected rate of return | 1.66%~ 2.90% | – | – | 0.40~2.30% | The higher the expected rate of return, the higher the fair value |
| Certificates of deposit . | – | 40,460 | 41,520 | 42,059 | Expected rate of return | – | 2.62% | 2.62% | 2.62% | The higher the expected rate of return, the higher the fair value |
| Unlisted equity investments. | 3,600 | 10,800 | 800 | 12,000 | Discount for Lack of Marketability | 28%~30% | 28%~30% | 28%~30% | 28%~30% | The higher the discount for lack of marketability, the lower the fair value |

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the financial instruments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

Specific valuation techniques used to value financial instruments include:

- For structured deposits — the use of the expected rate of return for approximation for cash flow assessment in evaluating the fair values of the structured deposits.
- For Certificates of deposit — the use of the expected rate of return for approximation for cash flow assessment in evaluating the fair values of the certificates of deposit.
- For unlisted equity investments — the use of discount for lack of marketability for approximation for valuation multiples assessment in evaluating the fair values of the unlisted equity investments.

The Group performed sensitivity the analysis on expected rate of return for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026. If the expected rate of return had decreased or increased by 10% with all other variables held constant, the fair value of structured deposits would have been decreased or increased by approximately RMB37,000, Nil, Nil and RMB485,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026. If the discount for lack of marketability had decreased or increased by 10% with all other variables held constant, the fair value of unlisted equity investments would have been increased or decreased by approximately RMB100,000, RMB400,000, RMB20,000 and RMB360,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026.

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(a) Measurement of the expected credit loss allowance**

The measurement of the expected credit loss allowance for trade receivables and other receivables, is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (the likelihood of customers defaulting and the resulting loss). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 3.1 (b) Credit risk.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- *Determining criteria for significant increase in credit risk;*
- *Choosing appropriate models and assumption for the measurement of ECL;*
- *Establishing the number and relative weightings of forward-looking scenarios for each type of product and associated ECL; and*
- *Establishing groups of similar financial assets for the purpose of measuring ECL.*

Detailed information about the judgements and estimates made by the Group in the above areas is set out in Note 3.1 (b) Credit risk.

**(b) Revenue recognition — principal versus agent considerations**

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or an agent, the Group considers, individually or in combination, whether the Group (i) controls the specified good or service before it is transferred to the customer, (ii) is primarily responsible for fulfilling the contract, (iii) is subject to inventory risk, and (iv) has discretion in establishing prices.

**(c) Useful lives and residual values of self-owned satellites**

In determining the useful life and residual value of self-owned satellites, the Group has to consider various factors, such as commercial obsolescence arising from changes in the anticipated technological evolution, the market demand, expected usage of the asset, or other environmental changes. The estimation is based on the experience of the Group with similar assets that are used in similar way. If technological changes were to occur more rapidly than anticipated or in a different form than anticipated, the useful lives assigned to these satellites may need to be shortened, resulting in the recognition of increased depreciation in a future year. Similarly, if the actual useful lives of satellites are longer than the Group has estimated, the lengthened useful lives would result in a smaller depreciation expense. Adjustment of depreciation is made if the estimated useful lives and/or the residual values of self-owned satellites are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end based on the changes in circumstances, which may impact depreciation charges in the future years.

**(d) Current and deferred income taxes**

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax loss are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax loss can be utilised. The outcome of their actual utilisation may be different.

## 5 SEGMENT INFORMATION

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions.

The Group's CODM reviews consolidated results when making strategic decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable operating segment.

The major operating entities of the Group are domiciled in the PRC. Accordingly, majority of the Group's results were derived in the PRC and all the operating assets of the Group are located in the PRC during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

## 6 REVENUE

Revenue mainly comprises of proceeds from providing services and sales of products. An analysis of the Group's revenue by category for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, is as follows:

### 6.1 Disaggregation of revenue from contracts with customers

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Rendering satellite-based solutions | 460,328 | 440,947 | 443,778 | 118,086 | 94,183 |
| Sales of satellites and rendering satellite related services | 3,221 | 90,971 | 256,674 | 122,144 | 130,622 |
| Other services | 43,992 | 21,555 | 2,251 | 1,092 | 1,305 |
| | 507,541 | 553,473 | 702,703 | 241,322 | 226,110 |

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Timing of revenue recognition | | | | | |
| – At a point in time | 504,452 | 550,866 | 700,656 | 239,959 | 224,665 |
| – Over time | 3,089 | 2,607 | 2,047 | 1,363 | 1,445 |
| | 507,541 | 553,473 | 702,703 | 241,322 | 226,110 |

Revenue from customers contributing over 10% of the Group's total revenue is as follows:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Customer A | – | 173,315 | * | * | * |
| Customer B | – | – | 120,045 | 120,045 | – |
| Customer C | – | – | 97,230 | 97,230 | – |
| Customer D | – | – | 96,826 | – | * |
| Customer E | – | 92,818 | * | * | * |
| Customer F | – | – | 92,208 | – | 81,251 |
| Customer G | – | – | 87,983 | – | – |
| Customer H | * | 65,289 | – | – | * |
| Customer I | – | 61,948 | – | – | – |
| Customer J | 109,087 | – | – | – | – |
| Customer K | 66,745 | – | – | – | – |
| Customer L | – | – | – | – | 44,248 |
| Customer M | – | – | – | – | 31,858 |
| Customer N | – | – | – | – | 30,000 |
| | 175,832 | 393,370 | 494,292 | 217,275 | 187,357 |

* The revenue generated from the customer was less than 10% of the total revenue of the Group for the relevant year/period.

**6.2 Contract assets**

The Group has recognised the following assets related to contracts with customers:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Non-current contract assets relating to quality guarantee | 4,758 | 6,376 | 669 | 110 |
| Current contract assets relating to quality guarantee | 1,575 | 2,698 | 4,149 | – |
| | 6,333 | 9,074 | 4,818 | 110 |
| Loss allowance *(Note 3.1(b))* | (282) | (757) | (1,258) | (16) |
| Total contract assets | 6,051 | 8,317 | 3,560 | 94 |

Contract assets are generally the final payments of revenue contracts which are due at the end of the quality guarantee period. Contract assets are recorded as the Group has the right on these amounts of consideration conditioned on something other than the passage of time when the revenue is recognised. The contract assets are transferred to trade receivables when the rights become unconditional.

### 6.3 Contract liabilities

#### *(a) The Group*

The Group has recognised the following liabilities related to contracts with customers:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Rendering satellite-based solutions | 5,331 | 6,261 | 18,664 | 16,891 |
| Sales of satellites and rendering satellite related services | 19,539 | 42,166 | 42,879 | 195,111 |
| Other services | 18,832 | 6,515 | 13,416 | 10,631 |
| | 43,702 | 54,942 | 74,959 | 222,633 |
| Less: non-current portion | (519) | (2,028) | (873) | (118) |
| Current portion | 43,183 | 52,914 | 74,086 | 222,515 |

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying goods or services are yet to be provided.

*(i) Revenue recognised in relation to contract liabilities*

The following table shows how much of the revenue recognised in the current reporting year relates to carried-forward contract liabilities.

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period | | | | | |
| Rendering satellite-based solutions | 1,050 | 1,328 | 4,732 | 5,973 | 10,629 |
| Sales of satellites and rendering satellite related services | 566 | 17,511 | 13,433 | 40,703 | 5,110 |
| Other services | 1,767 | 15,729 | 3,475 | 6,233 | 5,019 |
| | 3,383 | 34,568 | 21,640 | 52,909 | 20,758 |

*(ii) Transaction price allocated to unsatisfied long-term performance obligations*

Transaction price allocated to the unsatisfied long-term performance obligations is as follows:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied Sales of satellites and rendering satellite related services | 1,085 | 3,538 | 2,005 | 2,712 | 401 |

The above remaining performance obligations are mainly related to satellite operational control service. Management expects that the unsatisfied obligations of RMB566,000, RMB1,510,000, RMB1,132,000 and RMB283,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026 will be recognised as revenue within next one year. The remaining amount as of 30 June 2026 will be recognised in one to three years.

All other contracts are for periods of one year or less, or they are billed based on time incurred. The Group does not disclose the transaction price allocated to these unsatisfied contracts.

***(b) The Company***

The Company has recognised the following liabilities related to contracts with customers:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Rendering satellite-based solutions | 1,817 | 1,342 | 16,929 | 12,508 |
| Sales of satellites and rendering satellite related services | 8,898 | 40,515 | 41,463 | 193,295 |
| Other services | – | 2,786 | 5,588 | 31,433 |
| | 10,715 | 44,643 | 63,980 | 237,236 |
| Less: non-current portion | (259) | (943) | (354) | – |
| Current portion | 10,456 | 43,700 | 63,626 | 237,236 |

Contract liabilities of the Company mainly arise from the advance payments made by customers while the underlying goods or services are yet to be provided.

*(i) Revenue recognised in relation to contract liabilities*

The following table shows how much of the revenue recognised in the current reporting year relates to carried-forward contract liabilities.

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period | | | | | |
| Rendering satellite-based solutions | 703 | 1,279 | 24 | 1,291 | 10,540 |
| Sales of satellites and rendering satellite related services | 283 | 7,955 | 11,781 | 39,854 | 4,192 |
| Other services | 740 | – | 111 | 2,787 | 1,380 |
| | 1,726 | 9,234 | 11,916 | 43,932 | 16,112 |

*(ii) Transaction price allocated to unsatisfied long-term performance obligations*

Transaction price allocated to the unsatisfied long-term performance obligations is as follows:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Aggregate amount of transaction price allocated to contracts that are partially or fully unsatisfied | | | | | |
| Sales of satellites and rendering satellite related services | 542 | 1,887 | 920 | 1,344 | – |

The above remaining performance obligations are mainly related to satellite operational control service. Management expects that the unsatisfied obligations of RMB283,000, RMB944,000, RMB566,000 and nil as at 31 December 2023, 2024 and 2025 and 30 June 2026 will be recognised as revenue within next one year. The remaining will be recognised in one to three years.

All other contracts are for periods of one year or less, or they are billed based on time incurred. The Company does not disclose the transaction price allocated to these unsatisfied contracts.

## 7 EXPENSES BY NATURE

The detailed analysis of cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses is as follow:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Raw materials, purchased goods and other inventories consumed | 420,703 | 253,637 | 342,197 | 108,746 | 86,375 |
| Employee benefit expenses *(Note 8)* | 158,650 | 212,954 | 227,362 | 110,747 | 129,814 |
| Satellite materials consumed | 2,290 | 27,918 | 107,544 | 49,808 | 50,920 |
| Satellite launching cost | – | 32,866 | 112,000 | 64,184 | – |
| Depreciation of property, plant and equipment *(Note 15)* | 13,588 | 24,247 | 24,939 | 10,989 | 20,634 |
| Marketing expenses | 2,072 | 4,946 | 6,753 | 507 | 1,281 |
| Entertainment expenses | 8,891 | 4,869 | 4,789 | 2,023 | 4,485 |
| Consulting fees | 5,215 | 4,773 | 6,647 | 3,253 | 3,357 |
| Travelling expenses | 8,722 | 9,011 | 9,617 | 4,623 | 3,524 |
| Utilities and office expenses | 7,187 | 6,519 | 10,579 | 5,466 | 5,167 |
| Outsourced research and development expenses | 15,728 | 61,038 | 39 | – | 35,187 |
| Expenses relating to short-term leases and low-value leases *(Note 16)* | 5,067 | 2,114 | 3,212 | 1,315 | 785 |
| Depreciation of right-of-use assets *(Note 16)* | 3,525 | 4,848 | 7,819 | 1,857 | 10,040 |
| Outsourced labour costs | 4,264 | 5,382 | 4,739 | 1,808 | 3,811 |
| Amortisation of intangible assets *(Note 18)* | 2,785 | 4,352 | 7,909 | 2,889 | 14,361 |
| Taxes and surcharges | 452 | 1,421 | 2,182 | 1,033 | 1,049 |
| Auditors' remuneration | 120 | 212 | 239 | 255 | 635 |
| Listing expenses | – | 16,598 | 6,192 | 1,780 | 14,232 |
| Onerous contract | 1,835 | (1,835) | – | – | – |
| Provision of inventories *(Note 21)* | – | 586 | 231 | 14,640 | – |
| Launch insurance costs | – | – | 6,960 | 5,365 | – |
| Miscellaneous | 2,070 | 7,332 | 6,373 | 5,187 | 5,345 |
| | 663,164 | 683,788 | 898,322 | 396,475 | 391,002 |

## 8 EMPLOYEE BENEFIT EXPENSES

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Wages, salaries and bonus | 102,318 | 112,688 | 120,144 | 58,969 | 51,636 |
| Pension costs, housing funds, medical insurances and other social insurances *(a)* | 7,722 | 8,785 | 14,351 | 5,828 | 7,095 |
| Share-based payments for employees *(Note 32)* | 48,610 | 91,481 | 92,867 | 45,950 | 71,083 |
| | 158,650 | 212,954 | 227,362 | 110,747 | 129,814 |

### (a) Employee social security plans, housing funds, medical insurances and other social insurances obligations

The Group has defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year.

These contributions are paid to the respective labour and social welfare authorities and are expensed as incurred.

### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 1, 1, 0, 0 and 1 director for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, and their emoluments are reflected in the analysis shown in Note 8(c). The emoluments payable to the remaining individuals for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 are as follows:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Wages, salaries and bonus | 2,137 | 1,665 | 5,922 | 4,684 | 2,417 |
| Pension costs, housing funds, medical insurances and other social insurances | 76 | 197 | 241 | 58 | 79 |
| Share-based payments for employees | 38,060 | 78,625 | 80,156 | 39,535 | 39,423 |
| | 40,273 | 80,487 | 86,319 | 44,277 | 41,919 |

***The emoluments fell within the following bands:***

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | | | | *(unaudited)* | |
| HKD1,000,001 to HKD1,500,000 | – | – | – | 1 | – |
| HKD1,500,001 to HKD2,000,000 | – | – | – | 1 | 2 |
| HKD2,000,001 to HKD2,500,000 | 2 | 1 | – | – | – |
| HKD2,500,001 to HKD3,000,000 | – | 1 | 1 | – | – |
| HKD3,000,001 to HKD3,500,000 | 1 | – | – | – | – |
| HKD3,500,001 to HKD4,000,000 | – | – | 1 | 1 | – |
| HKD5,000,001 to HKD5,500,000 | – | – | 1 | – | – |
| HKD13,500,001 to HKD 14,000,000 | – | – | – | – | 1 |
| HKD17,500,001 to HKD18,000,000 | – | – | – | 1 | – |
| HKD18,500,001 to HKD19,000,000 | – | – | – | – | 1 |
| HKD23,500,001 to HKD24,000,000 | – | – | – | 1 | – |
| HKD25,000,001 to HKD25,500,000 | – | – | – | – | – |
| HKD32,000,001 to HKD32,500,000 | 1 | – | – | – | – |
| HKD34,500,001 to HKD35,000,000 | – | 1 | – | – | – |
| HKD35,500,001 to HKD36,000,000 | – | – | 1 | – | – |
| HKD46,500,001 to HKD47,000,000 | – | 1 | – | – | – |
| HKD48,000,001 to HKD48,500,000 | – | – | 1 | – | – |
| | 4 | 4 | 5 | 5 | 4 |

**(c) Directors' emoluments**

The remuneration of each director and chief executive, including their role as senior management or employees before their appointment as directors respectively, for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 respectively is set out below:

| For the year ended 31 December 2023 | Fees | Salaries and bonus | Social security costs, housing benefits and employee welfare | Share-based payment | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (Note 32)* | *RMB'000* |
| **Executive Directors** | | | | | |
| Dr. Lu Chuan *(i)* | – | 1,875 | 45 | 8,254 | 10,174 |
| Dr. Wang Lei *(ii)* | – | 859 | 30 | – | 889 |
| Dr. Zhao Hongjie *(iii)* | – | 627 | 82 | – | 709 |
| Mr. Huang Ruoliang *(iv)* | – | 620 | 29 | – | 649 |
| Mr. Yan Jingyu *(v)* | – | – | – | – | – |
| Mr. Guo Yong *(viii)* | – | 881 | 30 | – | 911 |
| **Non-executive directors** | | | | | |
| Mr. Shi Fei *(vi)* | – | – | – | – | – |
| Ms. Qiu Hui *(vii)* | – | – | – | – | – |
| Ms. Wang Xin *(ix)* | – | – | – | – | – |
| | – | 4,862 | 216 | 8,254 | 13,332 |

| For the year ended 31 December 2024 | Fees | Salaries and bonus | Social security costs, housing benefits and employee welfare | Share-based payment | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (Note 32)* | *RMB'000* |
| **Executive Directors** | | | | | |
| Dr. Lu Chuan *(i)* | – | 818 | 43 | 11,970 | 12,831 |
| Dr. Wang Lei *(ii)* | – | 933 | 38 | – | 971 |
| Dr. Zhao Hongjie *(iii)* | – | 534 | 82 | – | 616 |
| Mr. Huang Ruoliang *(iv)* | – | 481 | 28 | – | 509 |
| Mr. Yan Jingyu *(v)* | – | 388 | – | – | 388 |
| Mr. Guo Yong *(viii)* | – | 379 | 28 | – | 407 |
| **Non-executive directors** | | | | | |
| Mr. Shi Fei *(vi)* | – | – | – | – | – |
| Ms. Qiu Hui *(vii)* | – | – | – | – | – |
| Ms. Wang Xin *(ix)* | – | – | – | – | – |
| Mr. Wu Tao *(x)* | – | – | – | – | – |
| Mr. Fang Guiming *(xi)* | – | – | – | – | – |
| Dr. Sheng Xitai *(xii)* | – | – | – | – | – |
| | – | 3,533 | 219 | 11,970 | 15,722 |

| For the year ended 31 December 2025 | Fees | Salaries and bonus | Social security costs, housing benefits and employee welfare | Share-based payment | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (Note 32)* | *RMB'000* |
| **Executive Directors** | | | | | |
| Dr. Lu Chuan *(i)* | – | 1,444 | 85 | 737 | 2,266 |
| Dr. Wang Lei *(ii)* | – | 1,034 | 73 | – | 1,107 |
| Dr. Zhao Hongjie *(iii)* | – | 756 | 88 | – | 844 |
| Mr. Huang Ruoliang *(iv)* | – | 1,109 | 58 | – | 1,167 |
| Mr. Guo Yong *(viii)* | – | 453 | 59 | – | 512 |
| **Non-executive directors** | | | | | |
| Ms. Qiu Hui *(vii)* | – | – | – | – | – |
| Mr. Wu Tao *(x)* | – | – | – | – | – |
| Mr. Fang Guiming *(xi)* | – | – | – | – | – |
| Dr. Sheng Xitai *(xii)* | – | – | – | – | – |
| Mr. Liu Shixiong *(xiii)* | – | – | – | – | – |
| Mr. Zhu Zhenhua *(xiv)* | – | – | – | – | – |
| | – | 4,796 | 363 | 737 | 5,896 |

| For the six months ended 30 June 2025 (unaudited) | Fees | Salaries and bonus | Social security costs, housing benefits and employee welfare | Share-based payment | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (Note 32)* | *RMB'000* |
| **Executive Directors** | | | | | |
| Dr. Lu Chuan *(i)* | – | 711 | 23 | 329 | 1,063 |
| Dr. Wang Lei *(ii)* | – | 568 | 17 | – | 585 |
| Dr. Zhao Hongjie *(iii)* | – | 373 | 43 | – | 416 |
| Mr. Huang Ruoliang *(iv)* | – | 690 | 14 | – | 704 |
| Mr. Guo Yong *(viii)* | – | 244 | 15 | – | 259 |
| **Non-executive directors** | | | | | |
| Mr. Fang Guiming *(xi)* | – | – | – | – | – |
| Ms. Qiu Hui *(vii)* | – | – | – | – | – |
| Mr. Wu Tao *(x)* | – | – | – | – | – |
| Mr. Zhu Zhenhua *(xiv)* | – | – | – | – | – |
| | – | 2,586 | 112 | 329 | 3,027 |

| For the six months ended 30 June 2026 (unaudited) | Fees | Salaries and bonus | Social security costs, housing benefits and employee welfare | Share-based payment | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (Note 32)* | *RMB'000* |
| **Executive Directors** | | | | | |
| Dr. Lu Chuan *(i)* | – | 1,149 | 64 | 39,228 | 40,441 |
| Dr. Wang Lei *(ii)* | – | 534 | 56 | – | 590 |
| Dr. Zhao Hongjie *(iii)* | – | 448 | 44 | – | 492 |
| Mr. Huang Ruoliang *(iv)* | – | 350 | 44 | – | 394 |
| Mr. Guo Yong *(viii)* | – | 211 | 44 | – | 255 |
| **Non-executive directors** | | | | | |
| Ms. Qiu Hui *(vii)* | – | – | – | – | – |
| Mr. Wu Tao *(x)* | – | – | – | – | – |
| Mr. Liu Shixiong *(xiii)* | – | – | – | – | – |
| Dr. Sheng Xitai *(xii)* | – | – | – | – | – |
| Mr. Zhu Zhenhua *(xiv)* | – | – | – | – | – |
| | – | 2,692 | 252 | 39,228 | 42,172 |

(i) Dr. Lu Chuan was appointed and served as the chairman and executive director of the Company in June 2018.

(ii) Dr. Wang Lei was appointed as the executive director and chief executive officer of the Company in June 2018.

(iii) Dr. Zhao Hongjie was appointed as the executive director and executive vice president of the Company in May 2018.

(iv) Mr. Huang Ruoliang was appointed as the executive director and chief administrative officer of the Company in August 2019.

(v) Mr. Yan Jingyu was appointed and served as the executive director of the Company from June 2018 to September 2024.

(vi) Mr. Shi Fei was appointed as the non-executive director of the Company from February 2019 to October 2024.

(vii) Ms. Qui Hui was appointed as the non-executive director of the Company in May 2021.

(viii) Mr. Gou Ying was appointed as the executive director and senior vice president of the Company in January 2022.

(ix) Ms. Wang Xin was appointed as the non-executive director of the Company from January 2023 to December 2024.

(x) Mr. Wu Tao is our non-executive Director. Mr. Wu was appointed as a Director in September 2024.

(xi) Mr. Fang Guiming was appointed as the non-executive director of the Company in November 2024 to October 2025.

(xii) Dr. Sheng Xitai was appointed as the non-executive director of the Company in October 2024.

(xiii) Mr. Liu Shixiong is our non-executive Director. Mr. Liu was appointed as a Director in October 2025.

(xiv) Mr. Zhu Zhenhua is our non-executive Director. Mr. Zhu was appointed as a Director in January 2025.

**(d) Directors' retirement and termination benefits**

No retirement or termination benefits have been paid to the Company's directors for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

**(e) Consideration provided to third parties for making available directors' services**

No consideration provided to third parties for making available directors' services subsisted at the end of the year or at any time for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

**(f) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors**

Save as disclosed in Note 40, there were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

**(g) Directors' material interests in transactions, arrangements or contract**

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

**9 OTHER INCOME**

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Government grants | 25,503 | 18,012 | 32,263 | 2,586 | 1,237 |
| Rental income – net | – | 160 | 1,869 | 1,111 | 596 |
| Additional deduction of input VAT | 1,522 | – | – | – | – |
| | 27,025 | 18,172 | 34,132 | 3,697 | 1,833 |

## 10 OTHER GAIN/(LOSS) – NET

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Investment income from financial assets at FVPL | 11,203 | 938 | 7,256 | 1,442 | 5,321 |
| Net fair value gain on financial assets at FVPL | 1,370 | – | 1,060 | 1,278 | 11,252 |
| Gain on early termination of right-of-use assets | 26 | 98 | – | – | – |
| (Loss)/gain on disposal and write-off of property, plant and equipment and intangible assets | 98 | (16,614) | 2,342 | 2,150 | (258) |
| Others | (297) | (763) | 442 | (1) | (2,502) |
| | 12,400 | (16,341) | 11,100 | 4,869 | 13,813 |

## 11 FINANCE COSTS – NET

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Finance income: | | | | | |
| – Interest income derived from bank deposits | 733 | 1,013 | 1,313 | 549 | 860 |
| – Foreign exchange gains/(losses) | – | 25 | (93) | (96) | (494) |
| | 733 | 1,038 | 1,220 | 453 | 366 |
| Finance costs: | | | | | |
| – Interest expense on bank borrowings | (2,003) | (3,192) | (9,972) | (5,001) | (5,524) |
| – Interest expense on lease liabilities *(Note 16)* | (238) | (455) | (792) | (219) | (1,250) |
| | (2,241) | (3,647) | (10,764) | (5,220) | (6,774) |
| Finance costs – net | (1,508) | (2,609) | (9,544) | (4,767) | (6,408) |

## 12 TAXATION

### (a) Income tax

Income tax provision of the Group in respect of operations in mainland China and Hong Kong has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof. The general corporate income tax rate in the PRC is 25% and the general corporate income tax rate in Hong Kong is 16.5%.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Company and certain subsidiaries of the Group in the PRC were qualified as "High and New Technology Enterprises ("HNTE")" under the relevant PRC laws and regulations and were subject to a preferential income tax rate of 15% and certain subsidiaries that qualified as "small low-profit enterprises" under the Enterprise Income Tax Law of the PRC, the taxable income is reduced by 25%, and enterprise income tax is levied at a rate of 5%.

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Current income tax | 126 | 1 | – | 191 | 1 |
| Deferred income tax *(Note 20)* | – | – | – | – | – |
| Adjustments for current tax of prior periods | – | – | – | 8 | – |
| Income tax expense | 126 | 1 | – | 199 | 1 |

The reconciliation from income tax calculated based on the applicable tax rates and total loss presented in the consolidated financial statements to the income tax credit is set out as below:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Loss before income tax | (139,174) | (177,172) | (255,945) | (191,829) | (150,755) |
| Tax calculated at applicable corporate income tax rate | (34,793) | (43,943) | (63,556) | (47,957) | (37,689) |
| Tax effect of: | | | | | |
| Effects of preferential tax rates | 11,879 | 13,718 | 29,763 | 23,694 | 14,403 |
| Additional research and development deductible expenses | (7,085) | (12,580) | (11,969) | (8,890) | (7,597) |
| Expenses not deductible for taxation purpose | 7,433 | 14,318 | 14,046 | 6,404 | 13,010 |
| Temporary differences and tax loss for which no deferred income tax asset was recognised | 22,769 | 36,302 | 34,719 | 28,369 | 17,874 |
| Previously unrecognised tax loss now recouped to reduce taxable income | (77) | (7,814) | (3,003) | (1,429) | – |
| Adjustments for current tax of prior periods | – | – | – | 8 | – |
| Income tax expense | 126 | 1 | – | 199 | 1 |

**(b) Tax loss**

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had unused tax loss of approximately RMB315,359,000, RMB443,237,000, RMB568,052,000 and RMB702,999,000 that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognised in respect of such tax loss due to the unpredictability of future taxable income.

The Group principally conducted its business in PRC, where the accumulated tax loss will normally expire within 5 years. Pursuant to the relevant regulations on extension for expirations of unused tax loss of HNTE issued in August 2018, the accumulated tax loss of the Company and certain subsidiaries qualified as HNTE will expire within 10 years.

The expiry calendar years of the related tax loss are as follow:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Expiry year: | | | | |
| 2026 | 34,026 | 12,638 | 6,515 | 6,515 |
| 2027 | 36,455 | 34,593 | 32,807 | 32,807 |
| 2028 | 38,336 | 38,336 | 35,162 | 35,162 |
| 2029 | 206,542 | 357,670 | 350,571 | 350,411 |
| 2030 and after | – | – | 142,997 | 278,104 |
| | 315,359 | 443,237 | 568,052 | 702,999 |

## 13 SUBSIDIARIES

### (a) Particulars of the subsidiaries

| Company name | Place and date of incorporation | Registered capital | Attributable equity interest of the Group | | | | | Principal activities | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | As at 31 December | | | As at 30 June | As at the date of this report | | |
| | | | 2023 | 2024 | 2025 | 2026 | | | |
| **Directly held:** | | | | | | | | | |
| Beijing Guoxing Yuhang Technology Co., Ltd. (北京國星宇航科技有限公司) | PRC, 11 Apr 2018 | RMB85,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Guanghan Xingshidai Aerospace Technology Co., Ltd. (廣漢星時代宇航科技有限公司) | PRC, 5 Aug 2019 | RMB5,000,000 | 60% | 60% | 60% | 60% | 60% | Integrated satellite technology application system | |
| Zhongxin Shuzi Technology (Sichuan) Co., Ltd. (中新數字科技(四川)有限公司) | PRC, 28 Jun 2020 | RMB30,000,000 | 51% | N/A | N/A | N/A | N/A | Integrated satellite technology application system | *(ii)* |
| Shenzhen Xingshidai Aerospace Technology Co., Ltd. (深圳星時代宇航科技有限公司) | PRC, 22 Jan 2021 | RMB10,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Haikou Guoxing Yuhang Technology Co., Ltd. (海口國星宇航科技有限公司) | PRC, 25 Jun 2021 | RMB1,000,000 | 100% | N/A | N/A | N/A | N/A | Integrated satellite technology application system | *(iii)* |
| Guangdong Guoxing Yuhang Technology Co., Ltd. (廣東國星宇航科技有限公司) | PRC, 18 Aug 2021 | RMB10,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Nanchang Guoxing Yuhang Technology Co., Ltd. (南昌國星宇航科技有限公司) | PRC, 7 Dec 2021 | RMB1,000,000 | 100% | N/A | N/A | N/A | N/A | Integrated satellite technology application system | *(iii)* |

| Company name | Place and date of incorporation | Registered capital | Attributable equity interest of the Group | | | | | Principal activities | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | As at 31 December | | | As at 30 June | As at the date of this report | | |
| | | | 2023 | 2024 | 2025 | 2026 | | | |
| Chengdu Guoxing Zhineng Aerospace Technology Co., Ltd. (成都國星智能宇航科技有限公司) | PRC, 26 Jan 2022 | RMB10,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Jiaxing Guoxing Zhihui Technology Co., Ltd. (嘉興市國星智慧科技有限公司) | PRC, 2 Dec 2022 | RMB10,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Shenzhen Guoxing Kongtian Technology Co., Ltd (深圳國星空天科技有限公司) | PRC, 2 Feb 2023 | RMB100,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Shanghai Guoxing Zhilian Aerospace Technology Co., Ltd. (上海國星智聯航天科技有限公司) | PRC, 7 Mar 2024 | RMB10,000,000 | N/A | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Chengdu Guoxing Yuhang Wenhua Fazhan Co., Ltd. (成都國星宇航文化發展有限公司) | PRC, 10 Apr 2024 | RMB16,000,000 | N/A | 60% | 100% | 100% | 100% | Advertising and information consultation | |
| Wuxi Guoxing Kongtian Zhineng Technology Co., Ltd (無錫國星空天智能科技有限公司) | PRC, 16 Oct 2024 | RMB35,000,000 | N/A | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Chengdu Wentiange Kongjian Business Management Co., Ltd (成都問天閣空間商業管理有限公司) | PRC, 16 Oct 2024 | RMB500,000 | N/A | 100% | 100% | 100% | 100% | Business Service | |
| Haikou Guoxingtian Technology Co., Ltd. (海口市國星空天科技有限公司) | PRC, 7 Jan 2025 | RMB18,000,000 | N/A | N/A | 100% | 100% | 100% | Integrated satellite technology application system | |
| Taizhou Guoxing Kongtian Zhineng Technology Co., Ltd (台州市國星空天智能科技有限公司) | PRC, 27 Dec 2024 | RMB50,000,000 | N/A | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Chengdu Guoxingtian Technology Co., Ltd. (成都國星空天科技有限公司) | PRC, 9 April 2025 | RMB500,000,000 | N/A | N/A | 51% | 51% | 51% | Integrated satellite technology application system | |
| Hangzhou Lingjing Universe Intelligent Technology Co., Ltd. (杭州靈境宇宙智能科技有限公司) | PRC, 4 Jun 2025 | RMB30,000,000 | N/A | N/A | 100% | 100% | 100% | Integrated satellite technology application system | |
| Chengdu Guoxing Wentian Intelligent Equipment Co., Ltd. (成都國星問天智能裝備有限公司) | PRC, 10 Oct 2025 | RMB2,000,000 | N/A | N/A | 51% | N/A | N/A | Integrated satellite technology application system | *(v)* |

| Company name | Place and date of incorporation | Registered capital | Attributable equity interest of the Group | | | | As at the date of this report | Principal activities | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | As at 31 December | | | As at 30 June | | | |
| | | | 2023 | 2024 | 2025 | 2026 | | | |
| Chengdu Guoxing Chuanglian Technology Co., Ltd. (成都國星創聯科技有限公司) . . . . . | PRC, 25 Aug 2025 | RMB5,000,000 | N/A | N/A | 100% | 100% | 100% | Integrated satellite technology application system | |
| Shenzhen Earth Eye Technology Co., Ltd. (深圳地球之眼科技有限公司) . . . . . | PRC, 20 Mar 2026 | RMB10,000,000 | N/A | N/A | N/A | 51% | 51% | Integrated satellite technology application system | |

| Company name | Place and date of incorporation | Registered capital | Attributable equity interest of the Group | | | | As at the date of this report | Principal activities | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | As at 31 December | | | As at 30 June | | | |
| | | | 2023 | 2024 | 2025 | 2026 | | | |
| **Indirectly held:** | | | | | | | | | |
| Chengdu Xingshidai Yuhang Technology Co., Ltd. (成都星時代宇航科技有限公司) . . | PRC, 29 Jun 2018 | RMB184,000,000 | 100% | 100% | 100% | 100% | 100% | Satellite Design and manufacture | |
| Sichuan Xingshidai Zhineng Satellite Technology Co., Ltd. (四川省星時代智能衛星科技有限公司) . . . | PRC, 30 Sep 2020 | RMB10,000,000 | 70% | 70% | 100% | 100% | 100% | Satellite Design and manufacture | |
| Maanshan Xingkong Yuhang Technology Co., Ltd. (馬鞍山星空宇航科技有限公司) . . | PRC, 9 Aug 2022 | RMB1,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Huizhou Xingshidai Technology Co., Ltd. (惠州星時代技術有限公司). . . . . | PRC, 12 Aug 2022 | RMB1,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Wuhu Xingshidai Aerospace Technology Co., Ltd. (蕪湖星時代宇航科技有限公司) . . | PRC, 16 Dec 2022 | RMB1,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Chengdu Guoxing Gaowen Technology Co., Ltd. (成都國星高文科技有限公司) . . . | PRC, 30 Mar 2023 | RMB2,000,000 | 51% | 51% | N/A | N/A | N/A | Integrated satellite technology application system | *(iv)* |
| Chengdu Guoxing Explore Technology Co., Ltd. 成都國星探索科技有限公司 . . . | PRC, 21 Apr 2023 | RMB1,000,000 | 51% | N/A | N/A | N/A | N/A | Integrated satellite technology application system | *(iii)* |
| Shenzhen Guoxing Zhihui technology Co., Ltd (深圳市國星智慧科技有限公司) . . . . | PRC, 21 Sep 2023 | RMB10,000,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Chengdu Guoxing Ronghai Technology Co., Ltd. (成都國星融海科技有限公司) . . . | PRC, 19 Oct 2023 | RMB20,000,000 | 51% | 51% | 51% | 51% | 51% | Integrated satellite technology application system | |

| Company name | Place and date of incorporation | Registered capital | Attributable equity interest of the Group | | | | As at the date of this report | Principal activities | Note |
|---|---|---|---|---|---|---|---|---|---|
| | | | As at 31 December | | | As at 30 June | | | |
| | | | 2023 | 2024 | 2025 | 2026 | | | |
| Dongguan Guoxing Kexuecheng Zhihui Technology Co., Ltd. (東莞國星科學城智慧科技有限公司) | PRC, 24 Oct 2023 | RMB10,000,000 | 66% | N/A | N/A | N/A | N/A | Integrated satellite technology application system | *(iii)* |
| Chongqing Guoxing Kongtian Technology Co., Ltd. (重慶國星空天科技有限公司) | PRC, 30 Oct 2023 | RMB5,000,000 | 100% | 100% | N/A | N/A | N/A | Integrated satellite technology application system | *(iv)* |
| Neijiang Guoxing Kongtian Technology Co., Ltd. (內江國星空天科技有限公司) | PRC, 22 Nov 2023 | RMB10,000,000 | 51% | 51% | 51% | 51% | 51% | Integrated satellite technology application system | |
| ADASPACE (HK) Limited (國星宇航(香港)有限公司) | Hong Kong, 7 Dec 2023 | USD100,000 | 100% | 100% | 100% | 100% | 100% | Integrated satellite technology application system | |
| Shenzhen Kongtian Chuangxin Technology Co., Ltd. (深圳空天創新科技有限公司) | PRC, 27 Mar 2024 | RMB1,000,000 | N/A | 90% | 90% | 90% | 90% | Integrated satellite technology application system | |
| Shenzhen Kongtian Zhineng Chuangxin Technology Co., Ltd. (深圳空天智能創新科技有限公司) | PRC, 3 Apr 2024 | RMB800,000 | N/A | 75% | 75% | 75% | 75% | Integrated satellite technology application system | |
| Chengdu Guoxing Yuhang Lvyou Co., Ltd. (成都國星宇航旅遊有限公司) | PRC, 12 Aug 2024 | RMB300,000 | N/A | 100% | 100% | 100% | 100% | Advertising and information consultation | |
| Chengdu Guoxing Kongjian Technology Co., Ltd (成都國星空間科技有限公司) | PRC, 27 Aug 2024 | RMB1,000,000 | N/A | 95% | 95% | N/A | N/A | Integrated satellite technology application system | *(vi)* |
| Chengdu Guoxing Zhiyu Technology Co., Ltd. (成都國星智宇科技有限公司) | PRC, 25 Mar 2025 | RMB10,000,000 | N/A | N/A | 80% | N/A | N/A | Integrated satellite technology application system | *(vi)* |
| Tai'an Xingsuan Technology Co., Ltd. (泰安市星算科技有限公司) | PRC, 22 Oct 2025 | RMB10,000,000 | N/A | N/A | 100% | 100% | 100% | Integrated satellite technology application system | |
| Ya'an Guoxing Zhichuang Technology Co., Ltd. 雅安國星智創科技有限公司 | PRC, 13 May 2026 | RMB84,000,000 | N/A | N/A | N/A | 100% | 100% | Integrated satellite technology application system | |

The English names of certain subsidiaries referred herein represent the directors' best effort at translating the Chinese names of these companies as no English names have been registered.

(i) All subsidiaries are not required to issue audited financial statements during the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 according to the statutory requirements of their respective places of incorporation.

(ii) Since 1 April 2024, as a result of capital contribution injected by a non-controlling shareholder of Zhongxin Shuzi Technology (Sichuan) Co., Ltd., the percentage of equity interests in Zhongxin Shuzi Technology (Sichuan) Co., Ltd. held by the Company was diluted from 51% to 31%. Therefore, the Company can no longer control Zhongxin Shuzi Technology (Sichuan) Co., Ltd. and did not account for it as a subsidiary since then.

(iii) As at 31 December 2024, Haikou Guoxing Yuhang Technology Co., Ltd, Nanchang Guoxing Yuhang Technology Co., Ltd, Chengdu Guoxing Explore Technology Co., Ltd, and Dongguan Guoxing Kexuecheng Zhihui Technology Co., Ltd have been deregistered.

(iv) As at 31 December 2025, Chengdu Guoxing Gaowen Technology Co., Ltd, and Chongqing Guoxing Kongtian Technology Co., Ltd have been deregistered.

(v) Since 29 June 2026, as a result of capital contribution injected by a non-controlling shareholder of Chengdu Guoxing Wentian Intelligent Equipment Co., Ltd., the percentage of equity interests in Chengdu Guoxing Wentian Intelligent Equipment Co., Ltd. held by the Company was diluted from 51% to 25.5%. Therefore, the Company can no longer control Chengdu Guoxing Wentian Intelligent Equipment Co., Ltd. and did not account for it as a subsidiary since then. The capital injection resulted in a gain of RMB603,000.

(vi) As at 30 June 2026, Chengdu Guoxing Kongjian Technology Co., Ltd and Chengdu Guoxing Zhiyu Technology Co., Ltd. have been deregistered.

**(b) Investment in subsidiaries**

***The Company***

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Investment in subsidiaries | | | | |
| – Equity investments | 17,020 | 50,406 | 514,908 | 603,716 |
| – Deemed investments relating to share-based payment *(i)* | 43,218 | 87,836 | 142,534 | 158,272 |
| | 60,238 | 138,242 | 657,442 | 761,988 |

(i) The Company granted share awards directly to employees of its subsidiaries within the Group, and the Company did not charge subsidiaries for the transaction. In the consolidated financial statements, the transaction was treated as an equity-settled share-based payment. While in the separate financial statements of the Company, it was recorded as an increase in the investment in subsidiaries.

**(c) Non-controlling interests**

Set out below is summarised financial information for Sichuan Xingshidai Zhineng Satellite Technology Co., Ltd. ("Sichuan Xingshidai") and Chengdu Guoxingtian Technology Co., Ltd. ("Chengdu Guoxingtian") that have non-controlling interests that are material to the Group. The amount disclosed for Sichuan Xingshidai and Chengdu Guoxingtian are before inter-company eliminations. During the years ended 31 December 2023 and 2024, the non-controlling interests of Sichuan Xingshidai is material to the Group. During the year ended 31 December 2025 and the six months ended 30 June 2025 and 2026, the non-controlling interests of Chengdu Guoxingtian is material to the Group.

*(i) Summarised balance sheets*

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Current assets | 46,246 | 80,735 | 553,365 | 287,321 |
| Current liabilities | (65,614) | (97,314) | (140,244) | (21,610) |
| Net current (liabilities)/assets | (19,368) | (16,579) | 413,121 | 265,711 |
| Non-current assets | 8,916 | 3,605 | 90,905 | 241,945 |
| Non-current liabilities | – | – | – | (21,326) |
| Net non-current assets | 8,916 | 3,605 | 90,905 | 220,619 |
| Net (liabilities)/assets | (10,452) | (12,974) | 504,026 | 486,330 |
| Accumulated non-controlling interests | (3,136) | (3,892) | 246,973 | 238,302 |

*(ii) Summarised statements of comprehensive loss*

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Revenue | 5,283 | 48,146 | 187,579 | 5 | 16,016 |
| Loss for the year/period | (7,651) | (2,598) | 4,026 | (1,638) | (17,696) |
| Other comprehensive income | – | – | – | – | – |
| Total comprehensive loss | (7,651) | (2,598) | 4,026 | (1,638) | (17,696) |
| Loss allocated to non-controlling interests | (2,295) | (779) | 1,973 | (803) | (8,671) |

*(iii) Summarised cash flows statements*

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Cash flow used in operating activities | (20,917) | (16,558) | (10,420) | (2,008) | 10,972 |
| Cash flow used in investing activities | (2,613) | (264) | (153,881) | (401,080) | (102,579) |
| Cash flow generated from financing activities | 27,537 | 16,724 | 500,000 | 500,000 | – |
| Net increase/(decrease) in cash and cash equivalents | 4,007 | (98) | 335,699 | 96,912 | (91,607) |

Management considered that the other non-wholly owned subsidiaries with non-controlling interests are not significant to the Group, therefore, no summarised financial information of these non-wholly owned subsidiaries is presented separately.

## 14 Loss per share

### (a) Basic loss per share

The basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of ordinary shares issued or deemed to be issued during the years/period ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Loss attributable to ordinary shareholders of the Company (RMB'000) | (138,087) | (171,077) | (253,451) | (189,648) | (138,373) |
| Weighted average number of outstanding ordinary shares (retrospectively stated) | 334,730,090 | 353,824,820 | 388,915,040 | 383,094,420 | 481,172,320 |
| Basic loss per share (RMB) | (0.41) | (0.46) | (0.65) | (0.49) | (0.29) |

The weighted average number of ordinary shares before the share subdivision is further adjusted for the proportionate change in the number of ordinary shares as if the share subdivision had occurred at the beginning of the Track Record Period (as defined in note 29(v)) had been effective since 19 January 2025.

### (b) Diluted loss per share

Diluted loss per share were the same as the basic loss per share as there were no potentially dilutive ordinary shares outstanding during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

## 15 PROPERTY, PLANT AND EQUIPMENT

### (a) The Group

| | Self-owned satellites | Office and electronic equipment | Production equipment | Motor vehicles | Buildings | Lease hold improvements | Construction in progress ("CIP") | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 1 January 2023** | | | | | | | | |
| Cost | – | 12,740 | 2,725 | 1,125 | – | 22,746 | 11,886 | 51,222 |
| Accumulated depreciation | – | (9,486) | (363) | (328) | – | (9,450) | – | (19,627) |
| Net book amount | – | 3,254 | 2,362 | 797 | – | 13,296 | 11,886 | 31,595 |
| **Year ended 31 December 2023** | | | | | | | | |
| Opening net book amount | – | 3,254 | 2,362 | 797 | – | 13,296 | 11,886 | 31,595 |
| Additions | – | 5,716 | – | 5,080 | 1,193 | 2,067 | 343,707 | 357,763 |
| Transfer | 16,142 | – | – | – | – | – | (16,142) | – |
| Disposals | – | (90) | – | (9) | – | – | – | (99) |
| Depreciation *(Note 7)* | (2,242) | (2,235) | (545) | (726) | (9) | (7,831) | – | (13,588) |
| Closing net book amount | 13,900 | 6,645 | 1,817 | 5,142 | 1,184 | 7,532 | 339,451 | 375,671 |

| | Self-owned satellites | Office and electronic equipment | Production equipment | Motor vehicles | Buildings | Lease hold improvements | Construction in progress ("CIP") | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 31 December 2023** | | | | | | | | |
| Cost | 16,142 | 18,341 | 2,725 | 6,004 | 1,193 | 24,813 | 339,451 | 408,669 |
| Accumulated depreciation | (2,242) | (11,696) | (908) | (862) | (9) | (17,281) | – | (32,998) |
| Net book amount | 13,900 | 6,645 | 1,817 | 5,142 | 1,184 | 7,532 | 339,451 | 375,671 |
| **Year ended 31 December 2024** | | | | | | | | |
| Opening net book amount | 13,900 | 6,645 | 1,817 | 5,142 | 1,184 | 7,532 | 339,451 | 375,671 |
| Additions | – | 5,208 | 17,694 | – | 9,985 | 5,418 | 44,567 | 82,872 |
| Transfer | – | 1,398 | – | – | 365,101 | – | (366,499) | – |
| Transfer to investment properties *(Note 17)* | – | – | – | – | (46,602) | – | – | (46,602) |
| Disposal/Write-off | (10,313) | (327) | – | – | – | (104) | (6,125) | (16,869) |
| Depreciation *(Note 7)* | (3,587) | (3,176) | (1,784) | (1,720) | (7,073) | (6,907) | – | (24,247) |
| Closing net book amount | – | 9,748 | 17,727 | 3,422 | 322,595 | 5,939 | 11,394 | 370,825 |
| **As at 31 December 2024** | | | | | | | | |
| Cost | – | 13,985 | 20,419 | 5,413 | 325,703 | 30,127 | 11,394 | 407,041 |
| Accumulated depreciation | – | (4,237) | (2,692) | (1,991) | (3,108) | (24,188) | – | (36,216) |
| Net book amount | – | 9,748 | 17,727 | 3,422 | 322,595 | 5,939 | 11,394 | 370,825 |
| **As at 1 January 2025** | | | | | | | | |
| Cost | – | 13,985 | 20,419 | 5,413 | 325,703 | 30,127 | 11,394 | 407,041 |
| Accumulated depreciation | – | (4,237) | (2,692) | (1,991) | (3,108) | (24,188) | – | (36,216) |
| Net book amount | – | 9,748 | 17,727 | 3,422 | 322,595 | 5,939 | 11,394 | 370,825 |
| **Year ended 31 December 2025** | | | | | | | | |
| Opening net book amount | – | 9,748 | 17,727 | 3,422 | 322,595 | 5,939 | 11,394 | 370,825 |
| Additions | – | 549 | 17,489 | – | 21,111 | 29,092 | 79,431 | 147,672 |
| Transfer | – | 2,768 | 55,564 | 1,135 | 148 | – | (59,615) | – |
| Transfer to investment properties *(Note 17)* | – | – | – | – | (22,952) | – | – | (22,952) |
| Disposal/Write-off | – | (577) | – | (1,262) | (521) | (1,755) | – | (4,115) |
| Depreciation *(Note 7)* | – | (3,868) | (4,970) | (1,360) | (8,818) | (5,923) | – | (24,939) |
| Closing net book amount | – | 8,620 | 85,810 | 1,935 | 311,563 | 27,353 | 31,210 | 466,491 |
| **As at 31 December 2025** | | | | | | | | |
| Cost | – | 16,522 | 93,472 | 3,892 | 322,330 | 52,334 | 31,210 | 519,760 |
| Accumulated depreciation | – | (7,902) | (7,662) | (1,957) | (10,767) | (24,981) | – | (53,269) |
| Net book amount | – | 8,620 | 85,810 | 1,935 | 311,563 | 27,353 | 31,210 | 466,491 |
| **As at 1 January 2025** | | | | | | | | |
| Cost | – | 13,985 | 20,419 | 5,413 | 325,703 | 30,127 | 11,394 | 407,041 |
| Accumulated depreciation | – | (4,237) | (2,692) | (1,991) | (3,108) | (24,188) | – | (36,216) |
| Net book amount | – | 9,748 | 17,727 | 3,422 | 322,595 | 5,939 | 11,394 | 370,825 |
| **Six months ended 30 June 2025 (unaudited)** | | | | | | | | |
| Opening net book amount | – | 9,748 | 17,727 | 3,422 | 322,595 | 5,939 | 11,394 | 370,825 |
| Additions | – | – | – | – | 113 | 19,594 | 9,934 | 29,641 |
| Transfer | – | 632 | 1,100 | 838 | 148 | – | (2,718) | – |
| Transfer to investment properties *(Note 17)* | – | – | – | – | (22,623) | – | – | (22,623) |

| | Self-owned satellites | Office and electronic equipment | Production equipment | Motor vehicles | Buildings | Lease hold improvements | Construction in progress ("CIP") | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Disposal/Write-off | – | (29) | – | – | (521) | (1,486) | (273) | (2,309) |
| Depreciation *(Note 7)* | – | (1,894) | (2,199) | (636) | (4,003) | (2,257) | – | (10,989) |
| Closing net book amount | – | 8,457 | 16,628 | 3,624 | 295,709 | 21,790 | 18,337 | 364,545 |
| **As at 30 June 2025 (unaudited)** | | | | | | | | |
| Cost | – | 14,529 | 21,519 | 6,251 | 302,324 | 43,106 | 18,337 | 406,066 |
| Accumulated depreciation | – | (6,072) | (4,891) | (2,627) | (6,615) | (21,316) | – | (41,521) |
| Net book amount | – | 8,457 | 16,628 | 3,624 | 295,709 | 21,790 | 18,337 | 364,545 |
| **As at 1 January 2026** | | | | | | | | |
| Cost | – | 16,522 | 93,472 | 3,892 | 322,330 | 52,334 | 31,210 | 519,760 |
| Accumulated depreciation | – | (7,902) | (7,662) | (1,957) | (10,767) | (24,981) | – | (53,269) |
| Net book amount | – | 8,620 | 85,810 | 1,935 | 311,563 | 27,353 | 31,210 | 466,491 |
| **Six months ended 30 June 2026** | | | | | | | | |
| Opening net book amount | – | 8,620 | 85,810 | 1,935 | 311,563 | 27,353 | 31,210 | 466,491 |
| Additions | – | 1,420 | 126,901 | – | – | 443 | 28,321 | 157,085 |
| Transfer | – | – | 1,327 | – | – | 33,465 | (34,792) | – |
| Disposal/Write off | – | (359) | (854) | – | – | (29) | – | (1,242) |
| Depreciation *(Note 7)* | – | (1,730) | (13,735) | (451) | (4,027) | (7,005) | – | (26,948) |
| Closing net book amount | – | 7,951 | 199,449 | 1,484 | 307,536 | 54,227 | 24,739 | 595,386 |
| **As at 30 June 2026** | | | | | | | | |
| Cost | – | 16,787 | 220,454 | 3,892 | 322,330 | 86,213 | 24,739 | 674,415 |
| Accumulated depreciation | – | (8,836) | (21,005) | (2,408) | (14,794) | (31,986) | – | (79,029) |
| Net book amount | – | 7,951 | 199,449 | 1,484 | 307,536 | 54,227 | 24,739 | 595,386 |

**(b) The Company**

| | Self-owned satellites | Office and electronic equipment | Motor vehicles | Buildings | Leasehold improvements | Construction in progress ("CIP") | Total |
|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 1 January 2023** | | | | | | | |
| Cost | – | 1,125 | – | – | 3,324 | 5,470 | 9,919 |
| Accumulated depreciation | – | (357) | – | – | (1,653) | – | (2,010) |
| Net book amount | – | 768 | – | – | 1,671 | 5,470 | 7,909 |
| **Year ended 31 December 2023** | | | | | | | |
| Opening net book amount | – | 768 | – | – | 1,671 | 5,470 | 7,909 |
| Additions | – | 187 | 752 | – | 1,243 | 332,917 | 335,099 |
| Transfer | 12,836 | – | – | – | – | (12,836) | – |
| Disposals | – | – | – | – | – | – | – |
| Depreciation *(Note 7)* | (1,783) | (211) | (168) | – | (1,226) | – | (3,388) |
| Closing net book amount | 11,053 | 744 | 584 | – | 1,688 | 325,551 | 339,620 |
| **As at 31 December 2023** | | | | | | | |
| Cost | 12,836 | 1,312 | 752 | – | 4,567 | 325,551 | 345,018 |
| Accumulated depreciation | (1,783) | (568) | (168) | – | (2,879) | – | (5,398) |

| | Self-owned satellites | Office and electronic equipment | Motor vehicles | Buildings | Leasehold improvements | Construction in progress ("CIP") | Total |
|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Net book amount | 11,053 | 744 | 584 | – | 1,688 | 325,551 | 339,620 |
| **Year ended 31 December 2024** | | | | | | | |
| Opening net book amount | 11,053 | 744 | 584 | – | 1,688 | 325,551 | 339,620 |
| Additions | – | 4,637 | – | 8,824 | 286 | 40,479 | 54,226 |
| Transfer | – | 929 | – | 365,101 | – | (366,030) | – |
| Transfer to investment properties *(Note 17)* | – | – | – | (373,925) | – | – | (373,925) |
| Disposals | (8,201) | (230) | – | – | – | – | (8,431) |
| Depreciation *(Note 7)* | (2,852) | (449) | (188) | – | (1,700) | – | (5,189) |
| Closing net book amount | – | 5,631 | 396 | – | 274 | – | 6,301 |
| **As at 31 December 2024** | | | | | | | |
| Cost | – | 6,202 | 752 | – | 4,853 | – | 11,807 |
| Accumulated depreciation | – | (571) | (356) | – | (4,579) | – | (5,506) |
| Net book amount | – | 5,631 | 396 | – | 274 | – | 6,301 |

| | Self-owned satellites | Office and electronic equipment | Production equipment | Motor vehicles | Buildings | Lease hold improvements | Construction in progress ("CIP") | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 1 January 2025** | | | | | | | | |
| Cost | – | 6,202 | – | 752 | – | 4,853 | – | 11,807 |
| Accumulated depreciation | – | (571) | – | (356) | – | (4,579) | – | (5,506) |
| Net book amount | – | 5,631 | – | 396 | – | 274 | – | 6,301 |
| **Year ended 31 December 2025** | | | | | | | | |
| Opening net book amount | – | 5,631 | – | 396 | – | 274 | – | 6,301 |
| Additions | – | 548 | 17,405 | – | 14,158 | 1,040 | 1,713 | 34,864 |
| Transfer | – | 1,148 | – | 555 | – | – | (1,703) | – |
| Disposals | – | (10) | – | – | – | – | – | (10) |
| Depreciation | – | (1,863) | – | (229) | (168) | (211) | – | (2,471) |
| Closing net book amount | – | 5,454 | 17,405 | 722 | 13,990 | 1,103 | 10 | 38,684 |
| **As at 31 December 2025** | | | | | | | | |
| Cost | – | 7,869 | 17,405 | 1,307 | 14,158 | 1,326 | 10 | 42,075 |
| Accumulated depreciation | – | (2,415) | – | (585) | (168) | (223) | – | (3,391) |
| Net book amount | – | 5,454 | 17,405 | 722 | 13,990 | 1,103 | 10 | 38,684 |
| **As at 1 January 2025** | | | | | | | | |
| Cost | – | 6,202 | – | 752 | – | 4,853 | – | 11,807 |
| Accumulated depreciation | – | (571) | – | (356) | – | (4,579) | – | (5,506) |
| Net book amount | – | 5,631 | – | 396 | – | 274 | – | 6,301 |
| **Six months ended 30 June 2025 (unaudited)** | | | | | | | | |
| Opening net book amount | – | 5,631 | – | 396 | – | 274 | – | 6,301 |
| Additions | – | – | – | – | – | 10,660 | 3,227 | 13,887 |
| Transfer | – | 338 | – | 555 | – | – | (893) | – |
| Transfer to investment properties *(Note 17)* | – | – | – | – | – | – | – | – |

| | Self-owned satellites | Office and electronic equipment | Production equipment | Motor vehicles | Buildings | Lease hold improvements | Construction in progress ("CIP") | Total |
|---|---|---|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Disposals | – | (10) | – | – | – | – | – | (10) |
| Depreciation | – | (872) | – | (78) | – | (65) | – | (1,015) |
| Closing net book amount | – | 5,087 | – | 873 | – | 10,869 | 2,334 | 19,163 |
| **As at 30 June 2025 (unaudited)** | | | | | | | | |
| Cost | – | 6,511 | – | 1,307 | – | 10,946 | 2,334 | 21,098 |
| Accumulated depreciation | – | (1,424) | – | (434) | – | (77) | – | (1,935) |
| Net book amount | – | 5,087 | – | 873 | – | 10,869 | 2,334 | 19,163 |
| **As at 1 January 2026** | | | | | | | | |
| Cost | – | 7,869 | 17,405 | 1,307 | 14,158 | 1,326 | 10 | 42,075 |
| Accumulated depreciation | – | (2,415) | – | (585) | (168) | (223) | – | (3,391) |
| Net book amount | – | 5,454 | 17,405 | 722 | 13,990 | 1,103 | 10 | 38,684 |
| **Six months ended 30 June 2026** | | | | | | | | |
| Opening net book amount | – | 5,454 | 17,405 | 722 | 13,990 | 1,103 | 10 | 38,684 |
| Additions | – | 1,063 | 977 | – | – | 138 | 18 | 2,196 |
| Transfer | – | – | – | – | – | – | – | – |
| Disposals | – | (241) | – | – | – | – | – | (241) |
| Depreciation | – | (1,061) | (1,834) | (152) | – | (239) | – | (3,286) |
| Closing net book amount | – | 5,215 | 16,548 | 570 | 13,990 | 1,002 | 28 | 37,353 |
| **As at 30 June 2026** | | | | | | | | |
| Cost | – | 8,595 | 18,382 | 1,307 | 14,158 | 1,464 | 28 | 43,934 |
| Accumulated depreciation | – | (3,380) | (1,834) | (737) | (168) | (462) | – | (6,581) |
| Net book amount | – | 5,215 | 16,548 | 570 | 13,990 | 1,002 | 28 | 37,353 |

**(c) Depreciation expenses were charged to the following categories in the consolidated statements of comprehensive loss:**

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Cost of sales | 2,541 | 4,162 | 1,014 | 325 | 4,302 |
| Research and development expenses | 179 | 2,982 | 8,102 | 3,923 | 5,541 |
| General and administrative expenses | 10,781 | 16,656 | 15,378 | 6,741 | 10,564 |
| Selling and marketing expenses | 87 | 447 | 445 | – | 227 |
| Capitalised in inventories and CIP | – | – | – | – | 6,314 |
| | 13,588 | 24,247 | 24,939 | 10,989 | 26,948 |

No property, plant and equipment was restricted or pledged as security for liabilities as at 31 December 2023, 2024 and 2025 and 30 June 2026.

**(d) Impairment testing for non-financial assets**

According to accounting policy on impairment of non-financial assets disclosed in Note 2.2.10, management prepared impairment assessment for those non-financial assets with indicators. The Group operates a single operating segment and management considers the Group as one cash-generating unit ("CGU") for the impairment purpose. The recoverable amounts of those non-financial assets are determined on the fair value less costs of disposal of the CGU. The recent round of financing indicated an implied fair value of the Group is significantly higher than the carrying amount of the CGU.

Based on the results of the abovementioned assessments as conducted by management, there was no impairment loss of property, plant and equipment, right-of-use assets and intangible asset recognised as at 31 December 2023, 2024 and 2025 and 30 June 2026.

**16 LEASES**

**(a) Amounts recognised in the consolidated balance sheets**

The consolidated balance sheets show the following amounts relating to leases:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Right-of-use assets** | | | | |
| – Land use rights | 2,360 | 16,367 | 15,747 | 15,437 |
| – Leased property | 8,243 | 9,315 | 72,332 | 85,749 |
| | 10,603 | 25,682 | 88,079 | 101,186 |
| **Lease liabilities** | | | | |
| Current | 3,647 | 3,331 | 6,214 | 8,070 |
| Non-current | 4,841 | 7,157 | 38,741 | 57,978 |
| | 8,488 | 10,488 | 44,955 | 66,048 |

**(b) Amounts recognised in the consolidated income statements**

The consolidated income statements show the following amounts relating to leases:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Depreciation charge of right-of-use assets *(Note 7)* | | | | | |
| – Land use rights | 132 | 619 | 619 | 310 | 310 |
| – Leased property | 3,393 | 4,229 | 7,200 | 1,547 | 9,730 |
| | 3,525 | 4,848 | 7,819 | 1,857 | 10,040 |
| Interest expense *(Note 11)* | 238 | 455 | 792 | 219 | 1,250 |
| Expense relating to short-term leases* *(Note 7)* | 5,067 | 2,114 | 3,212 | 1,315 | 785 |

The movements of the right-of-use assets for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were as follows:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Opening net book value | 7,102 | 10,603 | 25,682 | 25,682 | 88,079 |
| Additions | 8,188 | 20,723 | 70,216 | 1,740 | 23,147 |
| Early termination | (1,162) | (508) | – | – | – |
| Disposal of subsidiary | – | (288) | – | – | – |
| Depreciation charge *(Note 7)* | (3,525) | (4,848) | (7,819) | (1,857) | (10,040) |
| Closing net book value | 10,603 | 25,682 | 88,079 | 25,565 | 101,186 |

**(c) Amounts recognised in the consolidated statements of cash flows**

The total cash outflow for leases for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 was approximately RMB7,834,000, RMB5,664,000, RMB39,753,000, RMB5,388,000 and RMB4,088,000, out of which RMB2,767,000, RMB3,550,000, RMB36,541,000, RMB1,431,000 and RMB3,303,000 was related to financing activities.

## 17 INVESTMENT PROPERTIES

| | Group | Company |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| **Year ended 31 December 2024** | | |
| Opening net book amount | – | – |
| Transfer from property, plant and equipment *(Note 15)* | 46,602 | 373,925 |
| Addition | 1,602 | 2,763 |
| Depreciation | (324) | (7,362) |
| Closing net book amount | 47,880 | 369,326 |
| **As at 31 December 2024** | | |
| Cost | 48,204 | 376,688 |
| Accumulated depreciation | (324) | (7,362) |
| Impairment | – | – |
| Net book amount | 47,880 | 369,326 |
| Fair value | 49,000 | 366,000 |
| **Year ended 31 December 2025** | | |
| Opening net book amount | 47,880 | 369,326 |
| Transfer from property, plant and equipment *(Note 15)* | 22,952 | – |
| Addition | 23 | 6,974 |
| Decrease | (153) | (672) |
| Depreciation | (1,548) | (9,649) |
| Closing net book amount | 69,154 | 365,979 |
| **As at 31 December 2025** | | |
| Cost | 71,026 | 382,990 |
| Accumulated depreciation | (1,872) | (17,011) |
| Net book amount | 69,154 | 365,979 |
| Fair value | 74,000 | 372,000 |

| | Group | Company |
|---|---|---|
| | *RMB'000* | *RMB'000* |
| **Six months ended 30 June 2025 (unaudited)** | | |
| Opening net book amount | 47,880 | 369,326 |
| Transfer from property, plant and equipment | 22,623 | – |
| Addition | – | 113 |
| Decrease | (152) | (673) |
| Depreciation | (835) | (4,820) |
| Closing net book amount | 69,516 | 363,946 |
| **As at 30 June 2025 (unaudited)** | | |
| Cost | 70,675 | 376,127 |
| Accumulated depreciation | (1,159) | (12,181) |
| Net book amount | 69,516 | 363,946 |
| Fair value | 74,200 | 373,000 |
| **Six months ended 30 June 2026** | | |
| Opening net book amount | 69,154 | 365,979 |
| Transfer from property, plant and equipment | – | – |
| Addition | – | – |
| Decrease | – | – |
| Depreciation | (1,044) | (5,027) |
| Closing net book amount | 68,110 | 360,951 |
| **As at 30 June 2026** | | |
| Cost | 71,025 | 382,989 |
| Accumulated depreciation | (2,915) | (22,038) |
| Net book amount | 68,110 | 360,951 |
| Fair value | 73,600 | 370,000 |

**(i) Amounts recognised in profit or loss for investment properties**

| | As at 31 December | | Six months ended 30 June | |
|---|---|---|---|---|
| | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Rental income from operating leases | 484 | 3,914 | 2,192 | 1,461 |
| Direct operating expenses from property that generated rental income | (324) | (2,045) | (1,081) | (866) |

The investment properties are leased to tenants under operating leases with rentals payable quarterly. Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term.

The investment properties are stated at cost less accumulated depreciation. The investment properties are located in Chengdu, Sichuan Province, and the fair value of which, as at 30 June 2026, for disclosure purpose, was derived using the comparison approach with reference to comparable market transactions.

## 18 INTANGIBLE ASSETS

### (a) The Group

| | Data-use-right | Software | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 1 January 2023** | | | |
| Cost | 1,698 | 6,678 | 8,376 |
| Accumulated amortization | (47) | (2,141) | (2,188) |
| Net book amount | 1,651 | 4,537 | 6,188 |
| **Year ended 31 December 2023** | | | |
| Opening net book amount | 1,651 | 4,537 | 6,188 |
| Additions | – | 8,170 | 8,170 |
| Amortization charge *(Note 7)* | (566) | (2,219) | (2,785) |
| Closing net book amount | 1,085 | 10,488 | 11,573 |
| **As at 31 December 2023** | | | |
| Cost | 1,698 | 14,848 | 16,546 |
| Accumulated amortization | (613) | (4,360) | (4,973) |
| Net book amount | 1,085 | 10,488 | 11,573 |
| **Year ended 31 December 2024** | | | |
| Opening net book amount | 1,085 | 10,488 | 11,573 |
| Additions | 2,547 | 10,938 | 13,485 |
| Disposals | – | (197) | (197) |
| Amortization charge *(Note 7)* | (1,061) | (3,291) | (4,352) |
| Closing net book amount | 2,571 | 17,938 | 20,509 |
| **As at 31 December 2024** | | | |
| Cost | 4,245 | 25,353 | 29,598 |
| Accumulated amortization | (1,674) | (7,415) | (9,089) |
| Net book amount | 2,571 | 17,938 | 20,509 |
| **Year ended 31 December 2025** | | | |
| Opening net book amount | 2,571 | 17,938 | 20,509 |
| Additions | 259 | 67,761 | 68,020 |
| Amortization charge *(Note 7)* | (1,392) | (6,517) | (7,909) |
| Closing net book amount | 1,438 | 79,182 | 80,620 |
| **As at 31 December 2025** | | | |
| Cost | 2,806 | 93,114 | 96,028 |
| Accumulated amortization | (1,368) | (13,932) | (15,408) |
| Net book amount | 1,438 | 79,182 | 80,620 |
| **As at 1 January 2025** | | | |
| Cost | 4,245 | 25,353 | 29,598 |
| Accumulated amortization | (1,674) | (7,415) | (9,089) |
| Net book amount | 2,571 | 17,938 | 20,509 |
| **Six months ended 30 June 2025 (unaudited)** | | | |
| Opening net book amount | 2,571 | 17,938 | 20,509 |
| Additions | – | 538 | 538 |
| Disposals | – | – | – |
| Amortization charge *(Note 7)* | (566) | (2,323) | (2,889) |
| Closing net book amount | 2,005 | 16,153 | 18,158 |

| | Data-use-right | Software | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 30 June 2025 (unaudited)** | | | |
| Cost | 3,396 | 25,891 | 29,287 |
| Accumulated amortization | (1,391) | (9,738) | (11,129) |
| Net book amount | 2,005 | 16,153 | 18,158 |
| **As at 1 January 2026** | | | |
| Cost | 2,806 | 93,114 | 95,920 |
| Accumulated amortization | (1,368) | (13,932) | (15,300) |
| Net book amount | 1,438 | 79,182 | 80,620 |
| **Six months ended 30 June 2026** | | | |
| Opening net book amount | 1,438 | 79,182 | 80,620 |
| Additions | – | 54,045 | 54,045 |
| Disposals | (377) | – | (377) |
| Amortization charge *(Note 7)* | (1,061) | (13,300) | (14,361) |
| Closing net book amount | – | 119,927 | 119,927 |
| **As at 30 June 2026** | | | |
| Cost | – | 147,159 | 147,159 |
| Accumulated amortization | – | (27,232) | (27,232) |
| Net book amount | – | 119,927 | 119,927 |

**(b) The Company**

| | Data-use-right | Software | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 1 January 2023** | | | |
| Cost | 849 | 350 | 1,199 |
| Accumulated amortization | (24) | (233) | (257) |
| Net book amount | 825 | 117 | 942 |
| **Year ended 31 December 2023** | | | |
| Opening net book amount | 825 | 117 | 942 |
| Additions | – | – | – |
| Amortization charge | (283) | (70) | (353) |
| Closing net book amount | 542 | 47 | 589 |
| **As at 31 December 2023** | | | |
| Cost | 849 | 350 | 1,199 |
| Accumulated amortization | (307) | (303) | (610) |
| Net book amount | 542 | 47 | 589 |
| **Year ended 31 December 2024** | | | |
| Opening net book amount | 542 | 47 | 589 |
| Additions | 1,699 | 10,938 | 12,637 |
| Amortization charge | (495) | (594) | (1,089) |
| Closing net book amount | 1,746 | 10,391 | 12,137 |
| **As at 31 December 2024** | | | |
| Cost | 2,548 | 11,288 | 13,836 |
| Accumulated amortization | (802) | (897) | (1,699) |
| Net book amount | 1,746 | 10,391 | 12,137 |

| | Data-use-right | Software | Total |
|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* |
| **Year ended 31 December 2025** | | | |
| Opening net book amount | 1,746 | 10,391 | 12,137 |
| Additions | 259 | 64,582 | 64,841 |
| Amortization charge | (1,109) | (2,332) | (3,441) |
| Closing net book amount | 896 | 72,641 | 73,537 |
| **As at 31 December 2025** | | | |
| Cost | 1,958 | 75,870 | 77,828 |
| Accumulated amortization | (1,062) | (3,229) | (4,291) |
| Net book amount | 896 | 72,641 | 73,537 |
| **As at 1 January 2025** | | | |
| Cost | 2,548 | 11,288 | 13,836 |
| Accumulated amortization | (802) | (897) | (1,699) |
| Net book amount | 1,746 | 10,391 | 12,137 |
| **Six months ended 30 June 2025 (unaudited)** | | | |
| Opening net book amount | 1,746 | 10,391 | 12,137 |
| Additions | – | 538 | 538 |
| Amortization charge | (425) | (1,112) | (1,537) |
| Closing net book amount | 1,321 | 9,817 | 11,138 |
| **As at 30 June 2025 (unaudited)** | | | |
| Cost | 2,548 | 11,826 | 14,374 |
| Accumulated amortization | (1,227) | (2,009) | (3,236) |
| Net book amount | 1,321 | 9,817 | 11,138 |
| **As at 1 January 2026** | | | |
| Cost | 1,958 | 75,870 | 77,828 |
| Accumulated amortization | (1,062) | (3,229) | (4,291) |
| Net book amount | 896 | 72,641 | 73,537 |
| **Six months ended 30 June 2026** | | | |
| Opening net book amount | 896 | 72,641 | 73,537 |
| Additions | – | 5,946 | 5,946 |
| Disposals | (896) | – | (896) |
| Amortization charge | – | (9,272) | (9,272) |
| Closing net book amount | – | 69,315 | 69,315 |
| **As at 30 June 2026** | | | |
| Cost | – | 81,816 | 81,816 |
| Accumulated amortization | – | (12,501) | (12,501) |
| Net book amount | – | 69,315 | 69,315 |

**(c)** Amortisation expenses were charged to the following categories in the consolidated statements of comprehensive loss:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Cost of sales | 1,717 | 3,026 | 4,936 | 1,245 | 110 |
| General and administrative expenses | 1,068 | 854 | 299 | 182 | 8,262 |
| Research and development expenses | – | 472 | 2,674 | 1,462 | 5,528 |
| Selling and marketing expenses | – | – | – | – | 461 |
| | 2,785 | 4,352 | 7,909 | 2,889 | 14,361 |

## 19 INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Investment in associates and joint ventures accounted for using the equity method | 3,530 | 7,178 | 94,129 | 187,279 |

The movement of the investment in associates and joint ventures accounted for using the equity method is set out below.

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| **Beginning of year/period** | – | 3,530 | 7,178 | 7,178 | 94,129 |
| Addition | 4,240 | 8,223 | 88,190 | 24,990 | 67,860 |
| Equity method adjustment | – | – | – | – | 29,143 |
| Share of loss | (710) | (2,645) | (1,039) | (1,673) | (3,853) |
| Deregistration | – | (1,930) | (200) | – | – |
| **End of year/period** | 3,530 | 7,178 | 94,129 | 30,495 | 187,279 |

Set out below are the particulars of the associates and joint ventures as at 31 December 2023, 2024 and 2025 and 30 June 2026.

| Company name | Place of incorporation and operation and date of incorporation | Principal activities | Attributable equity interests to the Group | | | |
|---|---|---|---|---|---|---|
| | | | As at 31 December | | | As at 30 June |
| | | | 2023 | 2024 | 2025 | 2026 |
| Tai'an Taiyue Guoxing Zhihui Technology Co., Ltd. (泰安市泰岳國星智慧科技有限公司) | PRC, 31 Oct 2022 | Integrated satellite technology application system | 49% | 49% | 49% | 49% |
| Yueyang Guoxing Zhihui Technology Co., Ltd. (岳陽市國星智慧科技有限公司) *(i)* | PRC, 26 Dec 2022 | Integrated satellite technology application system | 55% | – | – | – |
| Qingdao Guoxing Hainuo Zhihui Technology Co., Ltd. (青島國星海諾智慧科技有限公司) *(i)* | PRC, 7 June 2023 | Integrated satellite technology application system | 51% | 51% | 51% | 51% |
| Tai'an Guoxing Dongyue Zhihui Technology Co. Ltd (泰安市國星東岳智慧科技有限公司) *(i)* | PRC, 17 Jan 2024 | Integrated satellite technology application system | – | 51% | 51% | 51% |
| Zhongxin Shuzi Technology (Sichuan) Co., Ltd. (中新數字科技(四川)有限公司) | PRC, 28 Sep 2020 | Integrated satellite technology application system | * | 31% | 31% | 31% |
| Chengdu Guoxing Haohan Technology Culture Co., Ltd. (成都國星浩瀚科技文化有限公司) | PRC, 10 Mar 2025 | Advertising and information consultation | – | – | 49% | 49% |
| Wuxi XingSuan Technology Co., Ltd. (無錫市星算科技有限公司) | PRC, 5 Sep 2025 | Integrated satellite technology application system | – | – | 49% | 49% |
| Taizhou Jisu Guanglian Aerospace Technology Co., Ltd. (台州極速光鏈航天科技有限公司) | PRC, 26 Sep 2025 | Integrated satellite technology application system | – | – | 45% | 45% |
| Chengdu Guoxing Wentian Intelligent Equipment Co., Ltd. (成都國星問天智能裝備有限公司) | PRC, 10 Oct 2025 | Integrated satellite technology application system | – | – | – | 25.50% |
| Shanghai Dongfang Tian Suan Technology Co., Ltd. (上海東方天算科技有限公司) *(ii)* | PRC, 11 Dec 2025 | Integrated satellite technology application system | – | – | – | 12.37% |

The directors of the Company considered that the associates and the joint ventures as at 31 December 2023, 2024, and 2025 and 30 June 2026 have no significant operation and thus a summary of financial information of the associates was not disclosed.

(i) Although the Group holds over 50% of the voting rights in Yueyang Guoxing Zhihui Technology Co., Ltd., Qingdao Guoxing Hainuo Zhihui Technology Co., Ltd., and Tai'an Guoxing Dongyue Zhihui Technology Co., Ltd, the operating activities of the three companies are jointly controlled by their respective shareholders, and the Group does not have control over these three companies. The Group therefore determined that these three companies are joint ventures to the Group.

Yueyang Guoxing Zhihui Technology Co., Ltd. was deregistered in December 2024.

* Since 1 April 2024, as a result of disposal of equity interests of Zhongxin Shuzi Technology (Sichuan) Co., Ltd. by the Company to a third party, the percentage of equity interests in Zhongxin Shuzi Technology (Sichuan) Co., Ltd. held by the Company decreased from 51% to 31%. Therefore, the Company can no longer control Zhongxin Shuzi Technology (Sichuan) Co., Ltd. and considered it as an associate.

(ii) The Group holds 12.37% of the voting rights in Shanghai Dongfang Tian Suan Technology Co., Ltd ("Dongfang Tiansuan"), and resolutions require the approval of shareholders representing more than two-thirds of the voting rights. The Group's founder serves as the board of director for Dongfang Tiansuan, participating in and guiding key business decisions and voting on behalf of the Group. Accordingly, the Group has been able to exercise significant influence over Dongfang Tiansuan and it is therefore determined as an associate of the Group.

As at 31 December 2023, 2024, 2025 and 30 June 2026, there was no significant contingent liability and commitment relating to the Group's interest in the associates and the joint ventures.

## 20 DEFERRED INCOME TAX ASSETS

Deferred income tax is calculated in full on temporary differences under the liability method using the tax rates which are expected to apply at the time of reversal of the temporary differences.

The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheets:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Deferred income tax assets:** | | | | |
| – to be recovered within 12 months | 625 | 529 | 3,144 | 3,462 |
| – to be recovered after more than 12 months | 917 | 1,276 | 11,698 | 12,950 |
| | 1,542 | 1,805 | 14,842 | 16,413 |
| **Deferred income tax liabilities:** | | | | |
| – to be recovered within 12 months | 625 | 529 | 3,144 | 3,462 |
| – to be recovered after more than 12 months | 917 | 1,276 | 11,698 | 12,950 |
| | 1,542 | 1,805 | 14,842 | 16,413 |
| **Net deferred income tax assets** | **–** | **–** | **–** | **–** |

The movement in deferred income tax assets and liabilities during each of the years, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

| **Deferred income tax assets** | **Lease liability** |
|---|---|
| | *RMB'000* |
| **As at 1 January 2023** | 712 |
| Charged to profit or loss | 830 |
| **As at 31 December 2023** | 1,542 |
| **As at 1 January 2024** | 1,542 |
| Credited to profit or loss | 263 |
| **As at 31 December 2024** | 1,805 |
| **As at 1 January 2025** | 1,805 |
| Credited to profit or loss | 13,037 |

| Deferred income tax assets | Lease liability |
|---|---|
| | *RMB'000* |
| **As at 31 December 2025** | 14,842 |
| **As at 1 January 2025** | 1,805 |
| Credited to profit or loss | (40) |
| **As at 30 June 2025 (unaudited)** | 1,765 |
| **As at 1 January 2026** | 14,842 |
| Credited to profit or loss | 1,571 |
| **As at 30 June 2026** | 16,413 |

| Deferred income tax liabilities | Right-of-use assets |
|---|---|
| | *RMB'000* |
| **As at 1 January 2023** | 712 |
| Credited to profit or loss | 830 |
| **As at 31 December 2023** | 1,542 |
| **As at 1 January 2024** | 1,542 |
| Charged to profit or loss | 263 |
| **As at 31 December 2024** | 1,805 |
| **As at 1 January 2025** | 1,805 |
| Charged to profit or loss | 13,037 |
| **As at 31 December 2025** | 14,842 |
| **As at 1 January 2025** | 1,805 |
| Charged to profit or loss | (40) |
| **As at 30 June 2025 (unaudited)** | 1,765 |
| **As at 1 January 2026** | 14,842 |
| Charged to profit or loss | 1,571 |
| **As at 30 June 2026** | 16,413 |

## 21 INVENTORIES

### (a) The Group

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Cost:** | | | | |
| Finished goods | 23,143 | 2,775 | 2,354 | 76 |
| Work in Progress | 18,881 | 36,290 | 26,557 | 114,966 |
| Subtotal | 42,024 | 39,065 | 28,911 | 115,042 |
| Less: provision for finished goods | – | (586) | (232) | (1) |
| | 42,024 | 38,479 | 28,679 | 115,041 |

The cost of inventories recognised as cost of sales amounted to approximately RMB432,406,000, RMB336,897,000, RMB557,349,000, RMB201,363,000 and RMB135,844,000 for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 respectively.

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Finished goods | 16,917 | – | – | – |
| Work in progress | 11,821 | 675 | 17,642 | 104,879 |
| | 28,738 | 675 | 17,642 | 104,879 |

## 22 FINANCIAL INSTRUMENTS BY CATEGORY

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Assets as per balance sheet** | | | | |
| *Financial assets at amortised costs:* | | | | |
| – Cash and cash equivalents *(Note 28(a))* | 124,591 | 588,336 | 710,874 | 685,919 |
| – Restricted cash *(Note 28(a))* | 20,051 | 27,360 | 50,444 | 31,167 |
| – Trade and notes receivables *(Note 23)* | 500,860 | 628,259 | 630,467 | 597,799 |
| – Other receivables *(Note 24)* | 114,266 | 84,494 | 60,902 | 46,509 |
| | 759,768 | 1,328,449 | 1,452,687 | 1,361,394 |
| *Financial assets at fair value:* | | | | |
| – Financial assets at FVOCI *(Note 26)* | 3,600 | 10,800 | 800 | 12,000 |
| – Financial assets at FVPL *(Note 27)* | 191,370 | 40,460 | 41,520 | 3,406,674 |
| | 194,970 | 51,260 | 42,320 | 3,418,674 |
| **Liabilities as per balance sheet** | | | | |
| *Financial liabilities at amortised costs:* | | | | |
| – Trade and other payables | 467,664 | 293,262 | 504,325 | 430,747 |
| – Lease liabilities *(Note 16)* | 8,488 | 10,488 | 44,955 | 66,048 |
| – Borrowings *(Note 33)* | 74,960 | 312,579 | 295,147 | 326,654 |
| | 551,112 | 616,329 | 844,427 | 823,449 |

## 23 TRADE AND NOTES RECEIVABLES

### (a) The Group

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Note receivables | – | – | 387 | 25 |
| Trade receivables due from third parties | 498,618 | 665,713 | 786,547 | 746,616 |
| Trade receivables due from related parties *(Note 40)* | 25,381 | 26,929 | 393 | 599 |
| | 523,999 | 692,642 | 787,327 | 747,240 |
| Less: provision for loss allowance of receivables | (23,139) | (64,383) | (156,860) | (149,441) |
| **Trade and notes receivables – net** | 500,860 | 628,259 | 630,467 | 597,799 |

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the fair values of trade and notes receivables of the Group approximated their carrying amounts. As at 31 December 2023, 2024 and 2025 and 30 June 2026, all the carrying amounts of trade and notes receivables were denominated in RMB.

As at 31 December 2025 and 30 June 2026, aging of notes receivables based on the transaction date is within one year.

Aging analysis of trade and notes receivables at the respective balance sheet dates, based on the transaction date, are as follows:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 6 months | 396,703 | 249,011 | 340,642 | 223,651 |
| 6 to 12 months | 67,839 | 104,271 | 107,204 | 218,304 |
| 1 to 2 years | 48,368 | 301,926 | 55,141 | 77,189 |
| Over 2 years | 11,089 | 37,434 | 284,340 | 228,096 |
| **Trade receivables, gross** | **523,999** | **692,642** | **787,327** | **747,240** |

The Group did not hold any collateral as security over these trade and notes receivables.

The Group applies the simplified approach to provide for expected credit loss prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit loss, trade receivables have been grouped based on shared credit risk characteristics and the aging days. The expected credit loss also incorporate forward-looking information. Movements on the provision for impairment of trade receivables are disclosed in Note 3.1(b).

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Note receivables | – | – | – | 25 |
| Trade receivables due from third parties | 243,800 | 357,254 | 376,606 | 480,802 |
| Trade receivables due from related parties | 19,849 | 92,635 | 306,295 | 178,858 |
| **Trade receivables – gross** | **263,649** | **449,889** | **682,901** | **659,685** |
| Less: provision for loss allowance of receivables | (10,782) | (32,079) | (96,944) | (110,723) |
| **Trade receivables – net** | **252,867** | **417,810** | **585,957** | **548,962** |

As at 31 December 2025 and 30 June 2026, aging of note receivables based on the transaction date is within one year.

Aging analysis of trade receivables at the respective balance sheet dates, based on the transaction date, are as follows:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 6 months | 213,371 | 137,941 | 364,477 | 372,360 |
| 6 to 12 months | 40,793 | 107,373 | 103,868 | 33,000 |
| 1 to 2 years | 9,485 | 198,883 | 37,992 | 68,267 |
| Over 2 years | – | 5,692 | 176,564 | 186,058 |
| **Trade receivables – gross** | **263,649** | **449,889** | **682,901** | **659,685** |

## 24 OTHER RECEIVABLES

**(a) The Group**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current** | | | | |
| Deposits | 216 | 65 | 9,201 | 8,919 |
| **Current** | | | | |
| Other receivables due from related parties *(Note 40)* | 152 | 4,709 | – | – |
| Advances on behalf of customers as an agency | 73,208 | 53,995 | 26,742 | 14,559 |
| Deposits | 39,879 | 31,720 | 31,977 | 30,783 |
| Staff advances and borrowings | 4,964 | 461 | 1,644 | 775 |
| Others | 2,422 | 1,366 | 1,157 | 1,201 |
| Subtotal | 120,625 | 92,251 | 61,520 | 47,318 |
| Less: provision for loss allowance of receivables | (6,575) | (7,822) | (9,819) | (9,728) |
| | 114,266 | 84,494 | 60,902 | 46,509 |

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the fair values of other receivables of the Group, approximated their carrying amounts.

To measure the expected credit loss, other receivables have been grouped based on shared credit risk characteristics and the aging days. The expected credit loss also incorporate forward-looking information. Movements on the provision for impairment of other receivables are disclosed in Note 3.1(b).

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current** | | | | |
| Deposits | 4,259 | 60 | 75 | – |
| Other receivables from subsidiaries | 234,275 | 444,695 | 488,216 | 511,487 |
| Subtotal | 238,534 | 444,755 | 488,291 | 511,487 |
| **Current** | | | | |
| Other receivables from subsidiaries | 274,753 | 248,468 | 333,367 | 278,616 |
| Advances on behalf of customers as an agency | 48,267 | 35,146 | 14,869 | 6,088 |
| Staff advances and borrowings | 1,225 | 322 | 130 | 65 |
| Deposits | 324 | 1,461 | 2,040 | 1,535 |
| Others | 1,647 | 123 | 451 | 106 |
| Subtotal | 326,216 | 285,520 | 350,857 | 286,410 |
| Less: provision for loss allowance of receivables | (3,783) | (4,572) | (4,691) | (6,171) |
| | 560,967 | 725,703 | 834,457 | 791,726 |

## 25 PREPAYMENT AND OTHER CURRENT ASSETS

**(a) The Group**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current** | | | | |
| Prepayments for property and plant | 6,394 | 17,646 | 14,100 | 22,747 |
| Prepayment for leasehold improvements and construction | 2,415 | 6,975 | 30,000 | 30,000 |
| Subtotal | 8,809 | 24,621 | 44,100 | 52,747 |
| **Current** | | | | |
| Prepayments for goods and service | 36,373 | 91,389 | 201,988 | 92,207 |
| Prepaid taxes and surcharges and deductible input VAT | 7,276 | 18,817 | 14,178 | 45,738 |
| Prepaid listing expenses | – | 1,867 | 5,531 | 12,305 |
| Prepaid rental expense | 101 | 41 | 21 | – |
| Subtotal | 43,750 | 112,114 | 221,718 | 150,250 |
| | 52,559 | 136,735 | 265,818 | 202,997 |

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current** | | | | |
| Prepayments for leasehold improvements | 2,415 | 6,975 | – | – |
| Subtotal | 2,415 | 6,975 | – | – |
| **Current** | | | | |
| Prepayments for goods and service | 16,431 | 83,960 | 90,516 | 63,134 |
| Prepaid taxes and surcharges and deductible input VAT | 2,491 | 13,944 | 15 | 1,594 |
| Prepaid listing expenses | – | 1,867 | 5,531 | 12,305 |
| Prepaid rental expense | 51 | 1 | 1 | – |
| Subtotal | 18,973 | 99,772 | 96,063 | 77,033 |
| | 21,388 | 106,747 | 96,063 | 77,033 |

## 26 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

**(a) The Group**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Unlisted securities *(i) (Note 3.3)* | 3,600 | 10,800 | 800 | 12,000 |

(i) The Group's unlisted investments represented investments in shares of certain private entities and all of them are operating business in the PRC.

| Company name | Place/date of incorporation | Attributable equity interests to the Group | | | | Carrying amount (RMB'000) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | As at 31 December | | | As at 30 June | As at 31 December | | | As at 30 June |
| | | 2023 | 2024 | 2025 | 2026 | 2023 | 2024 | 2025 | 2026 |
| Sichuan Space-park Technology Co., Ltd. (四川省停碳科技有限公司) *(a)* | The PRC, 19 July 2021 | 10% | 10% | – | – | 3,000 | 10,000 | – | – |
| Sichuan New Vision Chuangwei Ultra HD Technology Co., Ltd. (四川新視創偉超高清科技有限公司) *(b)* | The PRC, 9 May 2019 | 1.9% | 1.9% | 1.9% | 1.9% | 600 | 600 | 600 | 2,000 |
| Lianzhong Hangtu (Chengdu) Technology Co., Ltd. (聯眾航圖(成都)科技有限公司) *(c)* | The PRC, 15 July 2024 | – | 16.7% | 16.7% | – | – | 200 | 200 | – |
| Hainan Deyan No. 3 Investment Partnership (Limited Partnership) (海南德彥三號投資合夥企業(有限合夥)) *(d)* | The PRC, 9 Feb, 2026 | – | – | – | 33.33% | – | – | – | 10,000 |
| | | | | | | 3,600 | 10,800 | 800 | 12,000 |

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Unlisted securities *(ii)* | 3,000 | 10,200 | 200 | – |

(ii) The Company's unlisted investments represented investments in shares of certain private entities and all of them are operating business in the PRC.

| | | Attributable equity interests to the Group | | | | Carrying amount (RMB'000) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | As at 31 December | | | As at 30 June | As at 31 December | | | As at 30 June |
| Company name | Place/date of incorporation | 2023 | 2024 | 2025 | 2026 | 2023 | 2024 | 2025 | 2026 |
| Sichuan Space-park Technology Co., Ltd. (四川省停碳科技有限公司) *(a)* | The PRC, 19 July 2021 | 10% | 10% | – | – | 3,000 | 10,000 | – | – |
| Lianzhong Hangtu (Chengdu) Technology Co., Ltd. (聯眾航圖(成都)科技有限公司) *(c)* | The PRC, 15 July 2024 | – | 16.7% | 16.7% | – | – | 200 | 200 | – |
| | | | | | | 3,000 | 10,200 | 200 | – |

(a) In July 2021, the Company entered into an agreement to invest in 10% equity interests of Sichuan Space-park Technology Co., Ltd. with a total consideration of RMB3,000,000. The consideration was paid in full in August 2021. The Group has no significant influence over Sichuan Space-park Technology Co., Ltd. Hence, the investment is accounted for as financial assets at FVOCI with changes in the fair value recorded in the consolidated statements of comprehensive loss. In January 2025, the Company entered in an agreement with 內江高新科新融商股權投資基金合夥企業(有限合夥) regarding the transfer of 10% of the equity in Sichuan Space-park Technology Co., Ltd., amounting to RMB10,000,000, and recognized a fair value gain in other comprehensive income of RMB7,000,000.

(b) In May 2019, Sichuan Xingshidai Intelligent Satellite Technology Co., Ltd. into an agreement to invest in 1.9048% equity interests of Sichuan New Vision Chuangwei Ultra HD Technology Co., Ltd. with a total consideration of RMB600,000. The consideration was paid in full in July 2022. The Group has no significant influence over Sichuan New Vision Chuangwei Ultra HD Technology Co., Ltd. Hence, the investment is accounted for as financial assets at FVOVI with changes in the fair value recorded in the consolidated statements of comprehensive loss.

(c) In July 2024, the Company entered into an agreement to invest in 16.7% equity interests of Lianzhong Hangtu (Chengdu) Technology Co., Ltd.. The consideration was paid in full in October 2024. The Group has no significant influence over Lianzhong Hangtu (Chengdu) Technology Co., Ltd. Hence, the investment is accounted for as financial assets at FVOCI with changes in the fair value recorded in the consolidated statements of comprehensive loss. In February 2026, the Company entered in an agreement with 成都好飛興眾創新科技合夥企業(有限合夥) regarding the transfer of 16.7% of the equity in Lianzhong Hangtu (Chengdu) Technology Co., Ltd., amounting to RMB400,000, and recognized a fair value gain in other reserve of RMB200,000.

(d) In May 2026, the Company entered into an agreement to invest in 33.33% equity interests of Hainan Deyan No. 3 Investment Partnership (Limited Partnership). The consideration was paid in full in May 2026. The Group is the Limited Partner that cannot participate in operational decision-making and has no significant influence over Hainan Deyan Investment Co., Ltd. Hence, the investment is accounted for as financial assets at FVOCI with changes in the fair value recorded in the consolidated statements of comprehensive loss.

## 27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### (a) The Group

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Current** | | | | |
| Structured deposits *(Note 3.3)* | 191,370 | – | – | 3,364,615 |
| Certificates of deposit *(Note 3.3)* | – | 40,460 | 41,520 | 42,059 |
| | 191,370 | 40,460 | 41,520 | 3,406,674 |

### (b) Company

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Current** | | | | |
| Structured deposits *(Note 3.3)* | 191,370 | – | – | 3,261,507 |
| Certificates of deposit *(Note 3.3)* | – | 40,460 | 41,520 | 42,059 |
| | 191,370 | 40,460 | 41,520 | 3,303,566 |

## 28 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

### (a) The Group

*Cash and cash equivalents*

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash at banks and on hand | 144,642 | 615,696 | 761,318 | 717,086 |
| Less: restricted cash | (20,051) | (27,360) | (50,444) | (31,167) |
| | 124,591 | 588,336 | 710,874 | 685,919 |

Cash and cash equivalents were denominated in the RMB.

*Restricted cash*

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Restricted government granted subsidy | 13,730 | 9,100 | 5,100 | 5,100 |
| Guarantee deposits for bank acceptance notes | 6,295 | 14,456 | 45,084 | 24,663 |
| Restricted by court due to litigations | – | 642 | 259 | 1,403 |
| Restricted due to subsidiary's deregistration | – | 3,161 | – | – |
| Others | 26 | 1 | 1 | 1 |
| | 20,051 | 27,360 | 50,444 | 31,167 |

Restricted cash were denominated in the RMB.

**(b) The Company**

*Cash and cash equivalents*

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash at banks and on hand | 80,019 | 536,106 | 238,410 | 515,957 |
| Less: restricted cash | (16,051) | (19,320) | (40,985) | (26,046) |
| | 63,968 | 516,786 | 197,425 | 489,911 |

Cash and cash equivalents were denominated in the RMB.

*Restricted cash*

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Restricted government granted subsidy | 9,730 | 5,100 | 5,100 | 5,100 |
| Guarantee deposits for bank acceptance notes | 6,295 | 13,870 | 35,884 | 20,945 |
| Restricted by court due to litigations | – | 349 | – | – |
| Others | 26 | 1 | 1 | 1 |
| | 16,051 | 19,320 | 40,985 | 26,046 |

Restricted cash were denominated in the RMB.

**29 SHARE CAPITAL**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| **Registered and issued:** | | | | |
| Number of shares (in thousand) | 35,160 | 38,309 | 39,628 | 57,230 |
| **Fully paid:** | | | | |
| Number of shares (in thousand) | 35,160 | 38,309 | 39,628 | 57,230 |
| Share capital (in RMB'000) | 35,160 | 38,309 | 39,628 | 57,230 |

Movements on the paid-in capital/share capital are as follow:

| | Number of Shares |
|---|---|
| | *(in thousand)* |
| **As at 1 January 2023** | 30,963 |
| Capital contribution from series C investors *(iv)* | 4,197 |
| **As at 31 December 2023** | 35,160 |
| **As at 1 January 2024** | 35,160 |
| Capital contribution from series C1 investors *(iv)* | 58 |
| Capital injection from Series D investors *(iv)* | 3,091 |
| **As at 31 December 2024** | 38,309 |
| **As at 1 January 2025 and 30 June 2025 (unaudited)** | 38,309 |
| Capital contribution from series C1 investors *(iv)* | – |
| Capital injection from Series D1 investors *(iv)* | 1,319 |
| **As at 31 December 2025** | 39,628 |
| **As at 1 January 2026** | 39,628 |
| Capital contribution from series E investors *(iv)* | 17,602 |
| **As at 30 June 2026** | 57,230 |

(i) The Company was established on 3 May 2018 in the PRC as a limited liability company with registered capital of RMB1,000,000 by Beijing New Era Space. On 31 July 2018, Beijing New Era Space transferred its 70% equity interest in the Company to Beijing Xingrong Yuhang.

(ii) Prior to the Company converted into a joint stock company, the Company completed several rounds of financing including Series Angel, Series Pre-A, Series A, Series B in the way of registered capital increase of the Company and capital transfer from Beijing Xingrong Yuhang and Beijing New Era Space to investors. The transactions resulted in increases in paid-in capital and capital reserves. The Group has not provided any guarantee in respect of the repurchase right granted by Beijing Xingrong Yuhang and Beijing New Era Space, and has not entered into any side agreements in this regard. As the Group has no obligation under the repurchase right granted by Beijing Xingrong Yuhang and Beijing New Era Space, no liability in respect of such right has been recorded during the Track Record Period.

Paid-in capital are generated from investors' capital injection. The excess of total consideration raised over paid-in capital was credited to the Company's capital reserve (Note 30).

(iii) On 10 January 2022, the Company was converted from a limited liability company into a joint stock limited liability company with a share capital of RMB30,000,000. The Company issued and allotted 30,000,000 ordinary shares with par value of RMB1 each to the respective then shareholders of the Company in accordance with the proportion of their paid-in capital to the Company as at 10 January 2022. As a result, share capital of the Company increased by approximately RMB27,765,000.

(iv) During the year ended 31 December 2022, 707,000 shares were issued and allotted to Series B1 investors for a consideration of RMB50,000,000, of which RMB707,000 were recognised as share capital, and RMB49,293,000 were recognised as capital reserves.

During the years ended 31 December 2022 and 2023, 4,453,000 shares were issued and allotted to Series C investors for a consideration of RMB521,951,000, of which RMB4,453,000 were recognised as share capital, and RMB517,498,000 were recognised as capital reserves.

During the year ended 31 December 2024, 3,149,000 shares were issued and allotted to Series C1 and Series D investors for a consideration of RMB522,303,000 of which RMB3,149,000 were recognised as share capital, and RMB519,154,000 were recognised as capital reserves.

During the year ended 31 December 2025, 1,319,000 shares were issued and allotted to Series D1 investors for a consideration of RMB225,000,000 of which RMB1,319,000 were recognised as share capital, and RMB223,681,000 were recognised as capital reserves.

During the period 30 June 2026, 17,602,000 shares were issued and allotted to Series E investors for a consideration of RMB3,514,219,000 of which RMB17,602,000 were recognised as share capital, and RMB3,496,617,000 were recognised as capital reserves.

(v) Pursuant to the resolutions of the Shareholders dated 22 April 2026, the Shares were split on a one-for-ten basis on 14 October 2026, and the nominal value of the Shares was changed from RMB1.0 each to RMB0.1 each (namely, the Share Subdivision). Immediately after the Share Subdivision, the registered share capital of the Company is RMB57,229,874 with 572,298,740 Shares in a nominal value of RMB0.1 each (without taking into consideration the new Shares to be issued for the Global Offering), which are subscribed by all the then Shareholders in proportion to their respective equity interests in the Company on 14 October 2026.

## 30 OTHER RESERVES

The following table shows a breakdown of the balance sheet line item "other reserves" and its movement during the respective years.

### (a) The Group

| | Capital reserve | Share-based payment reserve | Translation reserve | Fair value change | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 1 January 2023** | 574,037 | 74,483 | – | – | 648,520 |
| Capital contribution from series C investors | 487,754 | – | – | – | 487,754 |
| Share-based payments | – | 48,416 | – | – | 48,416 |
| **As at 31 December 2023** | 1,061,791 | 122,899 | – | – | 1,184,690 |
| **As at 1 January 2024** | 1,061,791 | 122,899 | – | – | 1,184,690 |
| Capital contribution from series C1 investors | 9,942 | – | – | – | 9,942 |
| Capital injection from Series D investors | 509,212 | – | – | – | 509,212 |
| Share-based payments | – | 91,196 | – | – | 91,196 |
| Translation reserve | – | – | (31) | – | (31) |
| Fair value change recognised in other comprehensive income | – | – | – | 7,000 | 7,000 |
| **As at 31 December 2024** | 1,580,945 | 214,095 | (31) | 7,000 | 1,802,009 |
| **As at 1 January 2025** | 1,580,945 | 214,095 | (31) | 7,000 | 1,802,009 |
| Capital injection from Series D investors | 223,681 | – | – | – | 223,681 |
| Share-based payments | – | 92,310 | – | – | 92,310 |
| Translation reserve | – | – | 40 | – | 40 |
| Transfer of fair value change upon disposal of financial assets | – | – | – | (7,000) | (7,000) |
| Acquisition of non-controlling interests | (7,972) | – | – | – | (7,972) |
| **As at 31 December 2025** | 1,796,654 | 306,405 | 9 | – | 2,103,068 |
| **(Unaudited)** | | | | | |
| **As at 1 January 2025** | 1,580,945 | 214,095 | (31) | 7,000 | 1,802,009 |
| Share-based payments | – | 45,894 | – | – | 45,894 |

| | Capital reserve | Share-based payment reserve | Translation reserve | Fair value change | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Translation reserve | – | – | 32 | – | 32 |
| Transfer of fair value change upon disposal of financial assets | – | – | – | (7,000) | (7,000) |
| Acquisition of non-controlling interests | (7,740) | – | – | – | (7,740) |
| **As at 30 June 2025** | 1,573,205 | 259,989 | 1 | – | 1,833,195 |
| **As at 1 January 2026** | 1,796,654 | 306,405 | 9 | – | 2,103,068 |
| Capital injection from Series E investors | 3,496,617 | – | – | – | 3,496,617 |
| Share-based payments | – | 71,098 | – | – | 71,098 |
| Translation reserve | – | – | 273 | – | 273 |
| Equity method adjustment due to share premium of joint venture | – | 29,143 | – | – | 29,143 |
| **As at 30 June 2026** | 5,293,271 | 406,646 | 282 | – | 5,700,199 |

**(b) The Company**

| | Capital reserve | Share-based payment reserve | Translation reserve | Fair value change | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **As at 1 January 2023** | 574,037 | 74,483 | – | – | 648,520 |
| Capital contribution from series C investors | 487,754 | – | – | – | 487,754 |
| Share-based payments | – | 48,416 | – | – | 48,416 |
| **As at 31 December 2023** | 1,061,791 | 122,899 | – | – | 1,184,690 |
| **As at 1 January 2024** | 1,061,791 | 122,899 | – | – | 1,184,690 |
| Capital contribution from series C1 investors | 9,942 | – | – | – | 9,942 |
| Capital injection from Series D investors | 509,212 | – | – | – | 509,212 |
| Share-based payments | – | 91,196 | – | – | 91,196 |
| Transfer of fair value change upon disposal of financial assets | – | – | – | 7,000 | 7,000 |
| **As at 31 December 2024** | 1,580,945 | 214,095 | – | 7,000 | 1,802,040 |
| **As at 1 January 2025** | 1,580,945 | 214,095 | – | 7,000 | 1,802,040 |
| Capital injection from Series D investors | 223,681 | – | – | – | 223,681 |
| Share-based payments | – | 92,310 | – | – | 92,310 |
| Transfer of fair value change upon disposal of financial assets | – | – | – | (7,000) | (7,000) |
| Others | 133 | – | – | – | 133 |
| **As at 31 December 2025** | 1,804,759 | 306,405 | – | – | 2,111,164 |

| | Capital reserve | Share-based payment reserve | Translation reserve | Fair value change | Total |
|---|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **(Unaudited)** | | | | | |
| **As at 1 January 2025** | 1,580,945 | 214,095 | – | 7,000 | 1,802,040 |
| Capital injection from Series D investors | – | – | – | – | – |
| Share-based payments | – | 45,894 | – | – | 45,894 |
| Transfer of fair value change upon disposal of financial assets | – | – | – | (7,000) | (7,000) |
| Others | 126 | – | – | – | 126 |
| **As at 30 June 2025** | 1,581,071 | 259,989 | – | – | 1,841,060 |
| **As at 1 January 2026** | 1,804,759 | 306,405 | – | – | 2,111,164 |
| Capital injection from Series D investors | 3,496,617 | – | – | – | 3,496,617 |
| Share-based payments | – | 71,098 | – | – | 71,098 |
| Equity method adjustment due to share premium of joint venture | – | 29,143 | – | – | 29,143 |
| **As at 30 June 2026** | 5,301,376 | 406,646 | – | – | 5,708,022 |

## 31 DIVIDEND

No dividend has been paid or declared by the Company for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

No dividend or distribution has been declared, made or paid by the Company or any of the subsidiaries comprising the Group subsequent to 30 June 2026.

## 32 SHARE-BASED PAYMENTS

### (a) Share award schemes

Starting from 2019, the Group has adopted the share award scheme with the purpose of providing incentive for certain senior management members, employees, and third party vendors contributing to the Group (the "Incentive targets"). Incentive targets were entitled to be granted share awards in the form of equity interests in Beijing Xingrong Yuhang and Beijing New Era Space (the "employee shareholding platform"), as rewards for their services and in exchange for their professional expertise to the Group.

All the granted shares were vested upon fulfilling the service conditions or performance conditions. If incentive targets cease to be employed by the Group within this period, the awarded shares would be forfeited, except in limited circumstances that are approved by Dr. Lu Chuan on a case-by-case basis, and forfeited shares would be purchased back by Dr. Lu Chuan at the request of the employee shareholding platform, at the price prescribed in the share transfer agreement. Once the vesting conditions of restricted shares are met, ordinary shares are considered duly and validly issued to the holder, and free of restrictions on transfer.

Set out below are the movement in the number of awarded shares under the Share Incentive Plans:

| | Weighted average grant date fair value per restricted share | Number of shares |
|---|---|---|
| | *RMB* | |
| **As at 1 January 2023** | 59.59 | 5,423,734 |
| Granted | 144.49 | 1,709,893 |
| Forfeited | 55.97 | (146,349) |
| Granted to Dr. Lu Chuan *(i)* | 109.55 | 75,345 |
| **As at 31 December 2023** | 80.75 | 7,062,623 |
| **As at 1 January 2024** | 80.75 | 7,062,623 |
| Granted | 144.49 | 201,993 |
| Forfeited | 91.73 | (261,266) |
| Granted to Dr. Lu Chuan *(i)* | 162.79 | 73,530 |
| **As at 31 December 2024** | 83.02 | 7,076,880 |
| **As at 1 January 2025** | 83.02 | 7,076,880 |
| Granted | 132.54 | 171,105 |
| Forfeited | 32.02 | (7,873) |
| Granted to Dr. Lu Chuan *(i)* | 165.42 | 7,880 |
| **As at 31 December 2025** | 84.33 | 7,247,992 |
| **(Unaudited)** | | |
| **As at 1 January 2025** | 83.02 | 7,076,880 |
| Granted | 141.00 | 152,902 |
| Forfeited | 60.18 | (1,999) |
| Granted to Dr. Lu Chuan *(i)* | 159.55 | 2,065 |
| **As at 30 June 2025** | 84.27 | 7,229,848 |
| **As at 1 January 2026** | 84.33 | 7,247,992 |
| Granted | 129.44 | 99,961 |
| Forfeited | 74.28 | (251,937) |
| Granted to Dr. Lu Chuan *(i)* | 159.87 | 245,379 |
| **As at 30 June 2026** | 87.81 | 7,341,395 |

(i) During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group granted share awards to employees, and Dr. Lu Chuan purchased back the shares required by the employee shareholding platform when awarded shares were forfeited. The fair value of purchased back shares were determined with reference to the fair value of the underlying ordinary shares of the Company on the respective dates of purchase. The difference between the fair value and the purchase price was treated as incentive for Dr. Lu Chuan. There was no vesting conditions on the aforementioned shares purchased back by Dr. Lu Chuan, therefore these shares were not restricted shares.

**(b) Fair value of awarded shares**

The fair value of restricted shares at the grant date was determined by reference to the fair value of the underlying ordinary shares of the Company on the respective dates of grant.

Restricted shares of the Company outstanding at the end of the year have the following vesting year and exercise prices:

| | | | Number of restricted shares | | | |
|---|---|---|---|---|---|---|
| Grant date | Vesting year | Exercise price | As at December 31, 2023 | As at December 31, 2024 | As at December 31, 2025 | As at 30 June, 2026 |
| 07/12/2020 | 5 years' service or upon Initial Public Offerings ("**IPO**"), whichever later | 7.26 | 595,186 | 516,615 | 387,727 | 189,907 |
| 08/03/2022 | 5 years' service or upon IPO, whichever later | 10.48 | 1,999 | 1,999 | 1,999 | 1,999 |
| 09/03/2022 | 5 years' service or upon IPO, whichever later | 10.48 | 9,997 | 9,997 | 9,997 | 9,997 |
| 14/03/2022 | 5 years' service or upon IPO, whichever later | 10.48 | 49,983 | 23,992 | 12,996 | 10,996 |
| 18/05/2022 | 5 years' service or upon IPO, whichever later | 10.48 | 132,750 | 90,964 | 86,967 | 86,967 |
| 29/11/2022 | 5 years' service or upon IPO, whichever later | 13.94 | 1,530,208 | 1,530,208 | 1,530,208 | 1,530,208 |
| 23/12/2023 | 5 years' service or upon IPO, whichever later | 26.16 | – | 1,709,893 | 1,569,852 | 1,509,861 |
| 12/11/2024 | 5 years' service or upon IPO, whichever later | 26.16 | – | – | 191,997 | 191,997 |
| 12/11/2024 | 3 years' service or upon IPO, whichever later (i) | 26.16 | – | – | 9,996 | 9,996 |
| 08/01/2025 | 5 years' service or upon IPO, whichever later | 25.83 | – | – | 44,436 | 44,436 |
| 20/01/2025 | 5 years' service or upon IPO, whichever later | 31.36 | – | – | 103,297 | 103,297 |
| 02/04/2025 | 5 years' service or upon IPO, whichever later | 25.82 | – | – | 5,169 | 5,169 |
| 11/4/2025 | 5 years' service or upon IPO, whichever later | 109.87 | – | – | 18,203 | 18,203 |
| 26/5/2026 | 5 years' service or upon IPO, whichever later | 41.92 | – | – | – | 99,961 |

(i) As at 31 December 2024, certain restricted shares were granted to a third party consultant who is independent of the Company in exchange for her contribution to the Company, the service is expert consultant for aerospace study tour business development, and the amount of the share-based payments were charged in consulting fees.

**(c) Expenses arising from share-based payment transactions**

The amounts of share-based payments were charged to the following categories in the consolidated statements of comprehensive loss:

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Shares granted to incentive targets: | | | | | |
| Selling and marketing expenses | 407 | 328 | 1,611 | 728 | 810 |
| General and administrative expenses | 34,763 | 33,897 | 42,784 | 21,576 | 11,957 |
| Research and development expenses | 5,186 | 45,333 | 47,457 | 23,790 | 19,232 |
| Shares purchased back by Dr. Lu Chuan: | | | | | |
| General and administrative expenses | 8,254 | 11,970 | 1,304 | 329 | 39,228 |
| | 48,610 | 91,528 | 93,156 | 46,094 | 71,227 |

**33 BORROWINGS**

**(a) The Group**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current:** | | | | |
| Long-term borrowings, unsecured | 9,940 | 164,868 | 137,590 | 140,051 |
| **Current:** | | | | |
| Current portion of long-term borrowings, unsecured | 20 | 37,618 | 27,478 | 31,528 |
| Short term bank borrowings, unsecured | 55,000 | 110,093 | 130,079 | 155,075 |
| Short term bank borrowings, secured *(i)* | 10,000 | – | – | – |
| **Total borrowings:** | 74,960 | 312,579 | 295,147 | 326,654 |

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the weighted interest rates of bank borrowing were 3.30%, 3.42%, 3.22% and 2.96% respectively.

(i) As at 31 December 2023, the Group's short term bank borrowings of RMB10,000,000 was pledged by the Group's certain patent rights.

The maturity of borrowings of the Group is as follows:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 65,020 | 147,711 | 157,557 | 186,603 |
| 1 to 2 years | 9,940 | 27,478 | 27,478 | 31,528 |
| 2 to 5 years | – | 82,434 | 82,634 | 94,784 |
| Over 5 years | – | 54,956 | 27,478 | 13,739 |
| | 74,960 | 312,579 | 295,147 | 326,654 |

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Non-current:** | | | | |
| Long-term borrowings, unsecured | 9,940 | 164,868 | 137,590 | 140,051 |
| **Current:** | | | | |
| Current portion of long-term borrowings, unsecured | 20 | 37,429 | 27,478 | 31,528 |
| Short term bank borrowings, unsecured | 55,000 | 105,088 | 100,072 | 140,072 |
| **Total borrowings:** | 64,960 | 307,385 | 265,140 | 311,651 |

## 34 DEFERRED GOVERNMENT GRANTS

**(a) The Group**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Deferred government grants | 2,993 | 48,909 | 41,968 | 41,606 |

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group received cash subsidies of RMB27,904,000, RMB63,928,000, RMB25,322,000, RMB2,418,000 and RMB875,000 respectively, from the local government with conditions to be fulfilled. During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group satisfied part of the conditions. As a result, the Group recognised approximately RMB25,503,000, RMB18,012,000, RMB32,263,000, RMB2,586,000 and RMB1,237,000 as "Other income" (Note 9), respectively, during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, and the remaining balance was recorded in deferred government grants.

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Deferred government grants | 2,993 | 48,909 | 40,468 | 40,106 |

## 35 TRADE AND OTHER PAYABLES

**(a) The Group**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Notes payables | 7,045 | 16,289 | 98,711 | 73,893 |
| Trade payables – related parties | 3,509 | 684 | 1 | 13,241 |
| Trade payables – third parties | 246,929 | 219,476 | 358,495 | 278,438 |
| Other payables – related parties | 50 | 47 | – | – |
| Other payables – purchase of property, plant and equipment | 177,423 | 18,607 | 23,895 | 37,720 |
| Other payables – purchase on behalf of customers as an agency | 25,525 | 17,283 | 15,475 | 13,761 |
| Other payables – accrued listing expenses | – | 12,402 | 3,676 | 9,828 |
| Other payables – others | 10,094 | 8,906 | 4,576 | 4,369 |
| Staff salaries and welfare payables | 17,344 | 17,007 | 19,603 | 16,738 |
| Accrued taxes other than income tax | 14,545 | 31,956 | 36,517 | 28,048 |
| | 502,464 | 342,657 | 560,949 | 476,036 |

As at 31 December 2023, 2024 and 2025 and 30 June 2026, all trade and other payables of the Group were non-interest bearing, and their carrying amounts, excluding the provision for litigations, staff salaries and welfare payables and accrued taxes other than income tax which are not financial liabilities, approximated their fair values due to their short maturities.

Aging of notes payables based on the date of recognition at 31 December 2023, 2024 and 2025 and 30 June 2026 is within one year.

Aging analysis of the trade payables based on the date of recognition at the respective balance sheet dates were as follows:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 221,888 | 109,414 | 286,738 | 160,523 |
| 1-2 years | 25,188 | 94,984 | 23,679 | 72,558 |
| 2-3 years | 869 | 13,057 | 42,311 | 18,120 |
| Over 3 years | 2,493 | 2,705 | 5,768 | 40,478 |
| | 250,438 | 220,160 | 358,496 | 291,679 |

**(b) The Company**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Notes payables | 17,045 | 16,033 | 89,309 | 70,176 |
| Trade payables – related parties | 29,445 | 111,342 | 226,367 | 209,783 |
| Trade payables – third parties | 130,370 | 139,901 | 270,598 | 191,432 |
| Other payables – related parties | 3,113 | 67,956 | 248,640 | 313,016 |
| Other payables – purchase of property, plant and equipment | 176,885 | 8,962 | 933 | 3,061 |
| Other payables – purchase on behalf of customers as an agency | 8,029 | 9,223 | 9,223 | 7,301 |
| Other payables – accrued listing expenses | – | 12,402 | 3,676 | 9,828 |
| Other payables – others | 5,767 | 7,488 | 2,650 | 2,862 |
| Staff salaries and welfare payables | 6,847 | 3,373 | 2,172 | 3,623 |
| Accrued taxes other than income tax | 616 | 13,040 | 16,626 | 19,681 |
| | 378,117 | 389,720 | 870,194 | 830,763 |

Aging of notes payables base on the date of recognition at 31 December 2023, 2024 and 2025 and 30 June 2026 is within one year.

Aging analysis of the trade payables base on the date of recognition at the respective balance sheet dates were as follows:

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Within 1 year | 133,926 | 147,957 | 459,849 | 312,822 |
| 1-2 years | 25,449 | 90,635 | 7,173 | 55,763 |
| 2-3 years | 175 | 12,229 | 27,016 | 6,935 |
| Over 3 years | 265 | 422 | 2,927 | 25,695 |
| | 159,815 | 251,243 | 496,965 | 401,215 |

**36 CASH GENERATED FROM OPERATIONS**

**(a) Reconciliation of loss before income tax to net cash generated from/(used in) operations**

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Loss before income tax for the year | (139,174) | (177,172) | (255,945) | (191,829) | (150,755) |
| Adjustments for: | | | | | |
| – Depreciation of property, plant and equipment *(Note 15)* | 13,588 | 24,247 | 24,939 | 10,989 | 26,948 |
| – Amortization of right-of-use assets *(Note 16)* | 3,525 | 4,848 | 7,819 | 1,857 | 10,040 |

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| – Amortization of intangible assets *(Note 18)* | 2,785 | 4,352 | 7,909 | 2,889 | 14,361 |
| – Amortization of investment property *(Note 17)* | – | – | 1,548 | 835 | 1,044 |
| – Loss/(gain) on disposal and write-off of property, plant and equipment and intangible assets *(Note 10)* | (98) | 16,614 | (2,342) | (2,150) | 258 |
| – Gain on early termination of right-of-use assets *(Note 10)* | (26) | (98) | – | – | – |
| – Provision for loss allowance of receivables *(Note 3.1)* | 20,758 | 43,434 | 94,975 | 38,802 | (8,752) |
| – Provision/(write-down) of inventories | – | 586 | (355) | 14,640 | (231) |
| – Share of loss of investments accounted for using equity method *(Note 19)* | 710 | 2,645 | 1,039 | 1,673 | 3,853 |
| – Share-based payments *(Note 32)* | 48,610 | 91,528 | 93,156 | 46,344 | 71,227 |
| – Finance costs *(Note 11)* | 1,508 | 2,609 | 9,544 | 4,767 | 6,408 |
| – Net fair value gain of financial assets at FVPL *(Note 10)* | (1,370) | – | (1,060) | (1,278) | (11,252) |
| – Investment income from financial assets at FVPL *(Note 10)* | (11,203) | (938) | (7,256) | (1,442) | (5,321) |
| – Gains from disposal of investments in a subsidiary | – | 320 | – | – | – |
| Subtotal | 78,787 | 190,147 | 229,916 | 117,926 | 108,583 |
| Changes in working capital: | | | | | |
| – Restricted bank deposits | (20,051) | (7,309) | (23,085) | (3,465) | 19,277 |
| – Trade receivables | (393,770) | (178,373) | (94,724) | 51,044 | 39,812 |
| – Other receivables | (92,704) | 28,180 | 21,596 | 25,694 | 14,484 |
| – Prepayments and other current assets | (4,607) | (67,889) | (105,817) | (35,719) | 76,545 |
| – Inventories | (30,516) | 2,959 | 10,154 | (65,555) | (86,132) |
| – Contract asset | (710) | (18,555) | (15,224) | 7,855 | (3,936) |
| – Deferred government grants | 121 | 15,916 | (6,941) | (168) | (362) |
| – Trade and other payables | 249,340 | (6,997) | 227,247 | (30,946) | (104,401) |
| – Contract liabilities | 39,084 | 8,693 | 20,017 | 46,660 | 147,674 |
| Cash generated from/(used in) operations | (314,200) | (210,400) | 7,194 | (78,503) | 60,789 |

**(b) Major non-cash transactions**

The major non-cash investing and financing transactions during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 mainly include the additions of the right-of-use assets and lease liabilities described in Note 16.

**(c) Net debt reconciliation**

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Cash at banks and on hand | 144,642 | 615,696 | 761,318 | 717,086 |
| Lease liabilities | (8,488) | (10,488) | (44,955) | (66,048) |
| Bank borrowings | (74,960) | (312,579) | (295,147) | (326,654) |
| Net debt | 61,194 | 292,629 | 421,216 | 324,384 |

| | Cash and cash equivalents and restricted cash | Lease liabilities | Bank borrowings | Total |
|---|---|---|---|---|
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| As at 1 January 2023 | 38,025 | (4,572) | (45,860) | (12,407) |
| Cash flows | 106,617 | 2,767 | (32,097) | 77,287 |
| Interest expenses | – | (238) | (2,003) | (2,241) |
| Other non-cash movements | – | (6,445) | 5,000 | (1,445) |
| As at 31 December 2023 | 144,642 | (8,488) | (74,960) | 61,194 |
| As at 1 January 2024 | 144,642 | (8,488) | (74,960) | 61,194 |
| Cash flows | 471,054 | 3,550 | (234,427) | 240,177 |
| Interest expenses | – | (455) | (3,192) | (3,647) |
| Other non-cash movements | – | (5,095) | – | (5,095) |
| As at 31 December 2024 | 615,696 | (10,488) | (312,579) | 292,629 |
| As at 1 January 2025 | 615,696 | (10,488) | (312,579) | 292,629 |
| Cash flows | 145,622 | 36,541 | 27,404 | 209,567 |
| Interest expenses | – | (792) | (9,972) | (10,764) |
| Other non-cash movements | – | (70,216) | – | (70,216) |
| As at 31 December 2025 | 761,318 | (44,955) | (295,147) | 421,216 |
| As at 1 January 2025 | 615,696 | (10,488) | (312,579) | 292,629 |
| Cash flows | (296,472) | 1,431 | 28,694 | (266,347) |
| Interest expenses | – | (219) | (5,001) | (5,220) |
| Other non-cash movements | – | (1,739) | – | (1,739) |
| As at 30 June 2025 | 319,224 | (11,015) | (288,886) | 19,323 |
| As at 1 January 2026 | 761,318 | (44,955) | (295,147) | 421,216 |
| Cash flows | (44,232) | 3,303 | (25,983) | (66,912) |
| Interest expenses | – | (1,250) | (5,524) | (6,774) |
| Other non-cash movements | – | (23,146) | – | (23,146) |
| As at 30 June 2026 | 717,086 | (66,048) | (326,654) | 324,384 |

## 37 COMMITMENTS

### (a) Capital commitments

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| Property, plant and equipment | 62,596 | 48,767 | 346,860 | 283,819 |
| Investments accounted for using equity method | 4,430 | 82,078 | 251,588 | 185,738 |

Other than the contractual obligations set forth above and disclosure set forth elsewhere in this prospectus, the Group do not have any other long-term debt obligations, operating lease commitments, capital commitments or other long-term liabilities.

### (b) Operating lease commitments

No operating lease has been contracted for at 31 December 2023, 2024, and 2025 and 30 June 2026 but not yet incurred.

## 38 CONTINGENCIES

The Group did not have any material contingent liabilities as at 31 December 2023, 2024 and 2025 and 30 June 2026.

## 39 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) On 3 January 2025, the Chengdu Xingshidai Yuhang Technology Co., Ltd. paid a consideration of RMB3,542,000 to purchase 30% of the equity interests in Sichuan Xingshidai Zhineng Satellite Technology Co., Ltd. from minority shareholders; on 14 October 2025, the Company paid a consideration of RMB800,000 to purchase 8% of the equity interests in Chengdu Guoxing Yuhang Wenhua Fazhan Co., Ltd. from minority shareholders.

The effect on the equity attributable to the owners of the Group during the year of 2025 is summarised as follows:

| | As at 31 December 2025 |
|---|---|
| | *RMB'000* |
| Carrying amount of non-controlling interests acquired | (3,630) |
| Consideration paid to non-controlling interests | (4,342) |
| Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity | (7,972) |

There were no transactions with non-controlling interests during the year of 2023, 2024 and the six month of 2026.

(b) During the year ended 31 December 2025, the non-controlling interests of the Group made capital contributions in cash amount to RMB249,410,000.

## 40 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

**(a) The directors of the Company are of the view that the following parties/companies were related parties that had transaction or balances with the Group during the years/period ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026:**

| Name | Relationships with the Group |
|---|---|
| Zhongxin Shuzi Technology (Sichuan) Co., Ltd. | Associate since 1 April 2024 *(Note (13))* |
| Sichuan Space-park Technology Co., Ltd. | Entity controlled by ultimate controlling shareholder |
| Nanjing Lingtan New Energy Technology Co., Ltd. | Entity controlled by ultimate controlling shareholder |
| Shenzhen Ultra Time Explore Technology Co., Ltd. | Entity controlled by ultimate controlling shareholder |
| Tai'an Guoxing Dongyue Zhihui Technology Co., Ltd | Joint venture *(Note (19))* |
| Yueyang Guoxing Zhihui Technology Co., Ltd. | Joint venture *(Note (19))* |
| Chengdu Guoxing Haohan Technology Culture Co., Ltd. | Joint venture *(Note (19))* |
| Wuxi XingSuan Technology Co., Ltd. | Joint venture *(Note (19))* |
| Chengdu Guoxing Wentian Intelligent Equipment Co., Ltd. | Joint venture *(Note (19))* |
| Taizhou Speed Light Chain Aerospace Science and Technology Co., Ltd. | Joint venture *(Note (19))* |

**(b) Transactions with related parties**

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| **Rendering services** | | | | | |
| Sichuan Space-park Technology Co., Ltd. | 4,621 | 3,236 | – | – | – |
| Nanjing Lingtan New Energy Technology Co., Ltd. | 1,828 | – | – | – | – |
| Shenzhen Ultra Time Explore Technology Co., Ltd. | – | 83 | – | – | – |
| Zhongxin Shuzi Technology (Sichuan) Co., Ltd. | – | – | 405 | 272 | 205 |
| Yueyang Guoxing Zhihui Technology Co., Ltd. | – | 104 | – | – | – |
| Chengdu Guoxing Haohan Technology Culture Co., Ltd. | – | – | 71 | – | 108 |
| | 6,449 | 3,423 | 476 | 272 | 313 |

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| **Purchase of goods and services** | | | | | |
| Sichuan Space-park Technology Co., Ltd. | 14,322 | 227 | – | – | – |
| Shenzhen Ultra Time Explore Technology Co., Ltd. | – | 77 | – | – | – |
| Chengdu Guoxing Haohan Technology Culture Co., Ltd. | – | – | 1 | – | – |
| Taizhou Speed Light Chain Aerospace Science and Technology Co., Ltd. | – | – | – | – | 18,916 |
| | 14,322 | 304 | 1 | – | 18,916 |
| **Advances on behalf of customers as an agency** | | | | | |
| Sichuan Space-park Technology Co., Ltd. | – | 3,743 | – | – | – |

The prices for the above service fees were determined in accordance with the terms mutually agreed by the contract parties.

**(c) Year-end balances with related parties**

***(i) Trade balances with related parties***

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Trade receivables** | | | | |
| Sichuan Space-park Technology Co., Ltd. | 23,371 | 24,919 | – | – |
| Zhongxin Shuzi Technology (Sichuan) Co., Ltd. | – | – | 51 | 223 |
| Nanjing Lingtan New Energy Technology Co., Ltd. | 2,010 | 2,010 | – | – |
| Chengdu Guoxing Haohan Technology Culture Co., Ltd. | – | – | 342 | 376 |
| | 25,381 | 26,929 | 393 | 599 |
| **Contract liabilities** | | | | |
| Tai'an Guoxing Dongyue Zhihui Technology Co., Ltd. | – | – | 31,521 | 36,024 |
| Chengdu Guoxing Wentian Intelligent Equipment Co., Ltd. | – | – | – | 654 |
| Wuxi XingSuan Technology Co., Ltd. | – | – | – | 155,057 |
| | – | – | 31,521 | 191,735 |

| | | | | |
|---|---|---|---|---|
| **Prepayments** | | | | |
| Sichuan Space-park Technology Co., Ltd. | 62 | – | – | – |
| **Trade payables** | | | | |
| Taizhou Speed Light Chain Aerospace Science and Technology Co., Ltd. | – | – | – | 13,241 |
| Sichuan Space-park Technology Co., Ltd. | 3,509 | 684 | – | – |
| Chengdu Guoxing Haohan Technology Culture Co., Ltd. | – | – | 1 | – |
| | 3,509 | 684 | 1 | 13,241 |

The above trade balances with related parties were mainly denominated in RMB. They were unsecured, non-interest bearing and trade in nature.

***(ii) Non-trade balances with related parties***

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Other receivables** | | | | |
| Sichuan Space-park Technology Co., Ltd. | 152 | 4,499 | – | – |
| Tai'an Guoxing Dongyue Zhihui Technology Co. Ltd | – | 210 | – | – |
| | 152 | 4,709 | – | – |

As at 31 December 2023, 2024, and 2025, and 30 June 2026, the carrying amount of other receivables were RMB152,000, RMB4,709,000, nil, and nil, and the allowance provision were RMB4,000, RMB143,000, nil and nil respectively.

| | As at 31 December | | | As at 30 June |
|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000* |
| **Other payables** | | | | |
| Sichuan Space-park Technology Co., Ltd. | 48 | 12 | – | – |
| Zhongxin Shuzi Technology (Sichuan) Co., Ltd. | – | 33 | – | – |
| Shenzhen Ultra Time Explore Technology Co., Ltd. | 2 | 2 | – | – |
| | 50 | 47 | – | – |

**(d) Key management compensation**

Compensations for key management other than those for directors is set out below.

| | Year ended 31 December | | | Six months ended 30 June | |
|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2025 | 2026 |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB'000 (unaudited)* | *RMB'000* |
| Wages, salaries and bonus | 2,925 | 3,956 | 10,589 | 5,379 | 4,925 |
| Pension costs, housing funds, medical insurances and other social insurances | 93 | 266 | 405 | 152 | 287 |
| Share-based payments for employees | 803 | 1,922 | 2,480 | 1,605 | 1,210 |
| | 3,821 | 6,144 | 13,474 | 7,136 | 6,422 |

**41 SUBSEQUENT EVENTS**

Saved as disclosed in notes 29(v) to the Historical Financial Information, there are no other material subsequent event undertaken by the Company or by the Group after 30 June 2026.

## III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026 and up to the date of this report.

*The information set out in this Appendix does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I to this prospectus, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountant's Report set out in Appendix I to this prospectus.*

## A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group is prepared in accordance with Rule 4.29 of the Listing Rules, and is set out below to illustrate the effect of the Global Offering on the net tangible assets of the Group attributable to equity holders of the Company as of June 30, 2026 as if the Global Offering had taken place on June 30, 2026.

The unaudited pro forma statement of adjusted net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the net tangible assets of the Group had the Global Offering been completed as at June 30, 2026 or at any future dates following the Global Offering.

| | **Audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at June 30, 2026** | **Estimated net proceeds from the Global Offering** | **Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company as at June 30, 2026** | **Unaudited pro forma adjusted consolidated net tangible assets per Share** | |
|---|---|---|---|---|---|
| | *(Note 1)* | *(Note 2)* | | *(Note 3)* | *(Note 5)* |
| | *RMB'000* | *RMB'000* | *RMB'000* | *RMB* | *HK$* |
| Based on an Offer Price of HK$24.90 per Share | 4,718,558 | 595,066 | 5,313,624 | 8.82 | 10.30 |
| Based on an Offer Price of HK$33.20 per Share | 4,718,558 | 801,612 | 5,520,170 | 9.16 | 10.70 |

*Notes:*

(1) The audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at June 30, 2026 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of the Group attributable to equity holders of the Company as at June 30, 2026 of approximately RMB4,806,537,000, with adjustment for intangible assets attributable to equity holders of the Company as at June 30, 2026 of approximately RMB87,979,000.

(2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK$24.90 per Offer Share and HK$33.20 per Offer Share, being lower and higher end of the indicative Offer Price range, respectively, and 30,121,000 Offer Shares expected to be issued under the

Global Offering, after deduction of the underwriting fees and other related expenses paid/payable by the Company (excluding listing expenses of RMB37,022,000 which have been accounted for in the Group's consolidated statements of comprehensive loss prior to June 30, 2026), and takes no account of any Shares which may fall to be issued upon the exercise of the Offer Size Adjustment Option or the Over-allotment Option or any Shares which may be issued or repurchased by the Company pursuant to the general mandates.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 602,419,740 Shares were in issue, assuming that the Global Offering and the Share Subdivision had been completed on June 30, 2026.

(4) By comparing the valuation of the Group's property interests of RMB370,000,000 as set out in Appendix III to this prospectus and the unaudited net book value of the property as of June 30, 2026, the net revaluation surplus is approximately RMB9,049,000, which has not been included in the above consolidated net tangible assets attributable to equity holders of the Company as of June 30, 2026. The revaluation of the Group's property interests will not be incorporated in the Group's financial information. If the revaluation surplus is to be included in the Group's financial information, an additional depreciation charge of approximately RMB126,000 per annum relating to the property interests would be recorded.

(5) For the purpose of this unaudited pro forma adjusted consolidated net tangible assets, the amounts stated in Renminbi are converted into Hong Kong dollars at a rate of RMB0.85621 to HK$1.00. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2026.

## B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

*The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*



### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Adaspace Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Adaspace Technology Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2026 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated 5 November 2026, in connection with the proposed initial public offering of the shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at 30 June 2026 as if the proposed initial public offering had taken place at 30 June 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the six months ended 30 June 2026, on which an accountant's report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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**Our Independence and Quality Management**

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at 30 June 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Opinion**

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**PricewaterhouseCoopers**
*Certified Public Accountants*
Hong Kong, 5 November 2026

*The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this prospectus received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2026 of the property interest of the Company.*




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Company Licence No.: C-030171

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公司牌照號碼：C-030171

5 November 2026

The Board of Directors
**Adaspace Technology Co., Ltd.**
1/F, Building 4
No. 1699 Jinhe Road
China (Sichuan) Pilot Free Trade Zone
Chengdu
The People's Republic of China

Dear Sirs,

In accordance with your instructions to value the property in which Adaspace Technology Co., Ltd. (成都国星宇航科技股份有限公司, the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") have interest in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 30 September 2026 (the "**valuation date**").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion".

The property was acquired by the Company in bare shell condition in 2023. As at the valuation date, the Company has carried out decoration and renovation of the property since its acquisition. Portions of the property have been transformed into exhibition hall, portions of the property have been transformed into clean laboratory, and the remaining portions have been transformed into decorated office areas partly held for self-occupation and partly held for

investment by the Group. Due to the Company's business being related to aerospace technology, the decoration style of this property is quite unique. For example, the exhibition hall simulates the internal layout of a spacecraft and is divided into display area, control center workspace, leisure area, etc.; the clean laboratory is a constant temperature, constant humidity, Class 100,000 clean room, with work areas including satellite assembly area, satellite thermal system and energy system development area, as well as satellite component development and environmental testing area; most of the office areas are decorated with blue partition glass, blue carpets and celestial images. There are few sales or rental properties in the market that have similar decoration conditions to this property. Therefore, we adopted a two-step approach to value the property. Firstly, we have valued the property interest assuming in bare shell condition by income approach by taking into account the net rental income of the property derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market. Secondly, we have considered the costs of decoration and renovation in addition to the value calculated by the income approach. We have taken into account the cost information on the decoration and renovation construction contracts entered between the Company and third parties as at the valuation date, and the physical state of decoration in our valuation.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings and all other relevant matters.

We have been shown copies of title documents including property Sales Contract, Real Estate Title Certificate, Tenancy Agreements and other title documents relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material

encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC Legal Advisor — Haiwen & Partners, concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the property was carried out on 10 July 2025 by Cyndi Huang, who is a Chartered Surveyor and a China Real Estate Appraiser and has more than 14 years' experience in the valuation of properties in the PRC.

Climate change, sustainability, resilience, and ESG are increasingly influencing investment approaches as they may affect prospects for rental and capital growth, and susceptibility to obsolescence. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk, particularly as occupiers become more conscious of ESG impacts on operational workspace, which could impact on vacancy and rental levels. This view is supported by RICS in their recently published guidance note "ESG and sustainability in commercial property valuation (4th Edition)."

While some of the sustainability and ESG initiatives are considered subjective and intangible, they cannot always be demonstrated with quantifiable evidence. Based on our research and local market knowledge, there is not yet any direct and tangible evidence of ESG being reflected in specific investment behaviours and/or pricing considerations for assets of a similar nature to the subject property, although it is acknowledged that ESG criteria is forming part of an increasing number of investment mandates. However more tangible benefits such as energy efficiency are realisable in operational costs. We have not undertaken full asset and market investigations in this regard. Whilst there is currently no direct and tangible evidence to suggest that the market is making pricing adjustments for ESG, we will continue to monitor market movements and sentiment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our summary of values and valuation certificate are attached below for your attention.

Yours faithfully,
For and on behalf of
**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**
**Eddie T. W. Yiu**
*MRICS MHKIS R.P.S. (GP)*
*Senior Director*

*Note:* Eddie T.W. Yiu is a Chartered Surveyor who has 32 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

## SUMMARY OF VALUES

**Group I — Property interest held for self-occupation by the Group in the PRC**

| No. | Property | Market value in existing state as at 30 September 2026 |
|---|---|---|
| | | *RMB* |
| 1. | 48 units of Building 4, Zone E Phase II of Artificial Intelligence Innovation Center located at No. 1699 Jinhe Road High-tech Zone Chengdu Sichuan Province The PRC (人工智能創新中心二期E區4棟48個單元) | 301,000,000 |
| | **Sub-total:** | **301,000,000** |

**Group II — Property interest held for investment by the Group in the PRC**

| No. | Property | Market value in existing state as at 30 September 2026 |
|---|---|---|
| | | *RMB* |
| 2. | 12 units of Building 4, Zone E Phase II of Artificial Intelligence Innovation Center located at No. 1699 Jinhe Road High-tech Zone Chengdu Sichuan Province The PRC (人工智能創新中心二期E區4棟12個單元) | 68,000,000 |
| | **Sub-total:** | **68,000,000** |
| | **Grand total:** | **369,000,000** |

## VALUATION CERTIFICATE

| Property | Description and tenure | Particulars of occupancy | Market value in existing state as at 30 September 2026 |
|---|---|---|---|
| | | | *RMB* |
| 60 units of Building 4, Zone E, Phase II of Artificial Intelligence Innovation Center located at No. 1699 Jinhe Road High-tech Zone, Chengdu, Sichuan Province, The PRC (人工智能創新中心二期E區4棟60個單元) | Phase II of Artificial Intelligence Innovation Center is an office use development which comprises Zones D, E and F. These zones are adjacent to Xincheng Avenue. Zone E is located at the southwest corner of the intersection of Xincheng Avenue and Xincheng South 1st Road, in the Xinchuan area of Chengdu High-tech Zone, about 2 kilometers away from the hub of Xinchuan. Building 4 is located in the north-eastern part of Zone E. The locality is a newly developed area where public facilities such as municipal facilities and amenities are under further development. There are several residential projects around Phase II of Artificial Intelligence Innovation Center. Most of them are developed by Chengdu High-Tech Investment Group Co., Ltd.<br><br>The property comprises a unit of Level 1 and 59 units on the entire floors of Level 2 to 16 of Building 4, Zone E. Completed in 2023, Building 4 is an 18-storey office and research building with 16 stories aboveground and 2 stories underground. The total gross floor area of the property is approximately 25,045.11 sq.m. and is partly categorized as held for self-occupation by the Group (Group I) and partly held for investment by the Group (Group II) (see note 9). The details of which as at the valuation date are set out in note 2.<br><br>The property was acquired by the Company in bare shell condition in 2023. As at the valuation date, the Company had carried out decoration and renovation of the property since its acquisition. Portions of the property have been transformed into exhibition hall, portions of the property have been transformed into clean laboratory, and most of the remaining portions have been transformed into decorated office areas.<br><br>The land use rights of the property have been granted for the term expiring on 4 February 2061 for commercial and service uses. | As at the valuation date, the property was entirely rented to one of the Company's wholly-owned subsidiaries.<br><br>28 units of Group I of the property with a total gross floor area of approximately 11,747.92 sq.m. were occupied by the Group for self-use, whilst the remaining 20 units of Group I of the property with a total gross floor area of approximately 8,426.40 sq.m. were vacant.<br><br>Portions of the units on Level 7 (Building 4) of Group II of the property with a total gross floor area of approximately 302.00 sq.m. were subleased to one of the Company's associate companies for office use, portions of the units on Level 9 (Building 4) of Group II of the property with a total gross floor area of approximately 929.88 sq.m. were occupied by three companies for office use, whilst the remaining units of Group II of the property with a total gross floor area of approximately 3,638.91 sq.m. were vacant. | 369,000,000 |

*Notes:*

1. Pursuant to a Property Sale Contract dated 19 December 2023, the property with a total gross floor area of approximately 25,045.11 sq.m. was contracted to be purchased by the Company at a total consideration of RMB320,577,408.

2. Pursuant to a Real Estate Title Certificate — Chuan (2026) Cheng Du Shi Bu Dong Chan Quan Di No. 0180273 dated 24 June 2026, 60 units with a total gross floor area of approximately 25,045.11 sq.m. are owned by the Company. The relevant land use rights of the units with a total apportioned site area of approximately 1,704.69 sq.m. have been granted to the Company for the term expiring on February 2061 for commercial and service uses. The details of the usage, floor and GFA of the property are set out as below:

| Usage | Floor | GFA | No. of Units |
|---|---|---|---|
| | | *(sq.m.)* | |
| Office | L1 to L4 | 5,033.10 | 12 |
| Research office | L5 to L16 | 20,012.01 | 48 |
| **Total:** | | **25,045.11** | **60** |

3. Pursuant to 9 Decoration/Renovation Construction Contracts, 3 Decoration Design Contracts, a Decoration Supervision Contract, a Consulting Service Contract, an Intelligent Building System Installation Contract and a Computer Room Construction Contract entered into between the Company and several third parties, the total decoration and renovation costs (inclusive of decoration consulting, design and supervision) of the property was RMB80,280,000.

4. According to a Tenancy Agreement, the property with a total gross floor area of approximately 25,045.11 sq.m. is entirely rented to Chengdu Xingshidai Yuhang Technology Co., Ltd. (成都星時代宇航科技有限公司, "Chengdu Xingshidai", a wholly-owned subsidiary of the Company) for a term of five years with the expiry date on 31 December 2028 at a monthly rent of RMB500,902.20, exclusive of management fees, water and electricity charges. According to this agreement, Chengdu Xingshidai has the rights to sublet the property to external parties during the lease term.

5. According to a Tenancy Agreement, portions of the units on Level 7 (Building 4) of the property with a gross floor area of approximately 302.00 sq.m. are subleased by Chengdu Xingshidai to Zhongxin Shuzi Technology (Sichuan) Co. Ltd. (中新數字科技(四川)有限公司, an associate company of the Company) for a term of one year with the expiry date on 19 September 2026 at a monthly rent of RMB23,556.00 exclusive of management fees, water and electricity charges. As at the valuation date, notwithstanding the expiry of the aforementioned lease, the Company advised that the lease is being renewed on substantially the same terms and conditions as the expired lease. Pending completion of the renewal process, the tenant remains in occupation of the leased portions of the property.

6. Pursuant to a Fixed Asset Loan Agreement — 2024 Nian Gu Dai Zi No. 005 dated 25 November 2024, the Company borrowed RMB192,346,444.80 from Chengdu Gaoxin Sub-branch of China Construction Bank Corporation for the acquisition of the property. The loan term extends from December 2024 to December 2031.

7. Pursuant to a Real Estate Registration Certificate (Advance Notice of Mortgage Registration) — Chuan (2024) Cheng Du Shi Bu Dong Chan Zheng Ming Di No. 0224006 dated 30 December 2024, the Company (as obligor) has secured a loan from Chengdu Gaoxin Sub-branch of China Construction Bank Corporation (as rights holder). The principal secured loan amounts to RMB192,346,444.80, with the loan performance period extending from 31 December 2024 to 31 December 2031.

8. Our valuation has been made on the following basis and analysis:

   a. in valuing the property, we have considered the actual rents in the existing tenancy agreements and also compared similar properties located in the same business circle and/or nearby within reasonable walking distance. We adopted market rents when calculating (i) the reversionary rental income after the expiry of the existing tenancy agreements for occupied area, and (ii) the rental income of vacant area;

   b. as at the valuation date, the monthly unit rents of the comparable properties ranged from RMB52 to RMB60 per sq.m. for office/research office units, appropriate adjustments and analysis are considered to the differences in several aspects including nature, location, decoration, layout, year of completion and other characters between the comparables and the property to arrive at the market rent. We summed up the adjustment factors to reach the total adjustment. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Based on the analysis of the comparables, the monthly market unit rent of the property as at the valuation date is approximately RMB61 per sq.m.

   c. based on our research, the stabilized market yields of similar office/research office properties are in the range of 4.0% to 4.5%. Considering the location and characteristics of the property, we have applied a market yield of 4.25% for office/research office units in the valuation.

9. As at the valuation date, 48 units of the property with a total gross floor area of approximately 20,174.32 sq.m. were held for self-occupation by the Group. The other 12 units of the property with a total gross floor area of approximately 4,870.79 sq.m. were held for investment by the Group. Therefore, the property was classified into two groups by the purpose of holding. The details and market value of these two groups of the property as at the valuation date are set out as below:

| Group | Floor | GFA | No. of Units | Market value in existing state as at 30 September 2026 |
|---|---|---|---|---|
| | | *(sq.m.)* | | *RMB* |
| I – Held for self-occupation by the Group (Property No. 1) | L1 to L6, L10 to L16 | 20,174.32 | 48 | **301,000,000** |
| II – Held for investment by the Group (Property No. 2) | L7 to L9 | 4,870.79 | 12 | **68,000,000** |
| **Total:** | | **25,045.11** | **60** | **369,000,000** |

10. We have been provided with a legal opinion regarding the property interest by the Company's PRC Legal Advisor, which contains, *inter alia*, the following:

a. According to the information furnished by the Company, the mortgage registration in respect of the property was completed on 29 October 2026; and

b. As at the Latest Practicable Date, the property has obtained a complete and valid title certificate, is free from any property disputes, and is not subject to seizures or asset freezing.

## PRC TAXATION

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current law and practice and has not taken into account the expected change or amendment to the relevant laws or policies. 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 advisor 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 the Latest Practicable Date, which is subject to change and may have retrospective effect.

### Taxation on Dividends

#### *Individual Investors*

Under the provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), last amended on August 31, 2018, and the Regulations on Implementation 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》), last amended on December 18, 2018 (collectively referred to as the "IIT Law"), dividends disbursed by Chinese enterprises are subject to a flat individual income tax rate of 20%. For foreign individuals who are not residents of China, dividends received from a Chinese enterprise are generally taxed at 20%, unless there are specific exemptions granted by the State Council's tax authority or reductions under an applicable tax treaty.

According to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家税務總局關於發佈<非居民納税人享受協定待遇管理辦法>的公告》), which came into effect on 1 January 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, claiming benefits, retention of the relevant materials for future inspection". Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and accept follow-up administration by the tax authorities. For withholding at source and designated withholding, a non-resident taxpayer asserting that it satisfies the criteria for claiming treaty benefits and need to claim such benefits shall complete an "Information Report on Non-resident Taxpayers Claiming Treaty Benefits" truthfully, submit to the withholding agent voluntarily, gather and retain the relevant materials pursuant to the relevant provisions.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents, including both natural persons and legal entities. The tax levied shall not exceed 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and meets certain conditions as the beneficial owner of the equity, the tax imposed shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), in effect since December 6, 2019, introduces specific criteria determining entitlement to treaty benefits. According to this protocol, treaty benefits will not be granted if, upon careful consideration of all relevant facts and conditions, it is reasonably determined that obtaining these benefits was a primary purpose of the arrangement or transactions, thereby providing direct or indirect benefits under the Arrangement. Exceptions are made when such benefits align with the Arrangement's relevant objectives and goals.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81). Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.

***Enterprise Investors***

Pursuant to the provisions outlined in the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》), enacted by the National People's Congress of the PRC (NPC) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and in alignment with the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on December 6, 2007, and effective from January 1, 2008, amended in 2024 (collectively referred to as the "EIT Law"), it is established that a non-resident enterprise is generally liable to a 10% enterprise income tax on income sourced within the PRC. Such income includes dividends and bonuses received from a PRC resident enterprise. This taxation applies to non-resident enterprises that lack a physical establishment or premises in the PRC. Alternatively, if an establishment or premise exists within the PRC, but the PRC-sourced income is unrelated to said establishment or premise, it is subject to the aforementioned taxation.

The withholding tax for non-resident enterprises is mandated to be deducted at the source, whereby the entity making the payment assumes the role of the withholding agent. Consequently, the withholding agent is obligated to withhold the income tax from the payment or due payment each time it is disbursed or becomes due.

The Circular of the State Taxation Administration (STA) on Issues Relating to the Withholding and Remitting of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家税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税有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the STA and implemented on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including HKSCC Nominees) shall be subject to withholding enterprise income tax at a rate of 10%.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) signed on August 21, 2006, the PRC Government is authorized to impose taxes on dividends disbursed by a PRC company to Hong Kong residents, including both individuals and legal entities, not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax shall not surpass 5% of the total dividends if the Hong Kong resident qualifies as the beneficial owner of the equity, and specific conditions are met.

Furthermore, the Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), effective from December 6, 2019, introduces additional criteria for qualifying for treaty benefits. While other provisions may exist within the Arrangement, treaty benefits shall not be granted for relevant gains if, based on all relevant facts and conditions, it is reasonably determined that one of the main purposes of the arrangement or transactions, which result in direct or indirect benefits under the Arrangement, is to obtain such treaty benefits. This exception applies unless the grant of benefits aligns with the objectives and goals outlined in the Arrangement.

It is important to note that the application of the dividend clause of tax agreements is contingent upon compliance with PRC tax laws and regulations, including the guidelines provided in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

***Tax Treaties***

Non-resident investors residing in jurisdictions that have established treaties or arrangements for the avoidance of double taxation with the PRC may qualify for a reduction in the PRC enterprise income tax levied on dividends received from PRC companies. Currently, the PRC has entered into Avoidance of Double Taxation Treaties or Arrangements with several countries and regions, including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States.

Non-PRC resident enterprises eligible for preferential tax rates under these relevant taxation treaties or arrangements are required to submit an application to the PRC tax authorities for a refund of the enterprise income tax that exceeds the agreed tax rate. The approval of the refund application is subject to the evaluation and decision of the PRC tax authorities.

**Taxation on Share Transfer**

***Value-Added Tax and Local Surcharges***

Under the guidelines outlined in the Notice on the Full Implementation of the Pilot Program for 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》) (Cai Shui [2016] No. 36) (referred to as "Circular 36"), effective from May 1, 2016, and subsequently amended on July 11, 2017, December 25, 2017, and March 20, 2019, individuals and entities conducting service transactions within the PRC are obligated to pay Value-Added Tax (VAT). "Sales of services within the PRC" are defined as transactions where either the service provider or the recipient is situated within the PRC.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may avoid VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

***Income Taxes***

*Individual investors*

Under the IIT Law, gains arising from the transfer of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. However, in accordance with the Circular of the Ministry of Finance (MOF) and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) (Cai Shui Zi [1998] No. 61), issued jointly by the MOF and STA on March 30, 1998, gains obtained by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997.

However, on December 31, 2009, the MOF, the STA, and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167). This circular, effective from January 1, 2010, stipulates that individuals' income derived from the transfer of listed shares acquired through public offerings and trading on the Shanghai Stock Exchange and the Shenzhen Stock Exchange remains exempt from individual income tax. This exemption applies to shares not subject to sales restrictions, as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) (Cai Shui [2010] No. 70), jointly issued by the three aforementioned departments and effective from November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

*Enterprise investors*

In accordance with the Enterprise Income Tax (EIT) Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC, non-resident enterprises are typically subject to a 10% enterprise income tax on income sourced within the PRC. This includes gains realized from the disposal of equity interests in a PRC resident enterprise. However, this taxation applies only if the non-resident enterprise does not maintain a physical establishment or premises in the PRC, or if it does have such establishments in the PRC, but its PRC-sourced income is not genuinely connected with those establishments.

The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It's important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements on the avoidance of double taxation.

***Stamp Duty***

In compliance with the PRC Stamp Duty Law (《中華人民共和國印花税法》), as issued by the SCNPC on June 10, 2021, and enforced from July 1, 2022 (referred to as the "Stamp Duty Law"), all entities and individuals involved in securities transactions within the PRC are obligated to pay stamp duty as per the regulations outlined in the Stamp Duty Law. Consequently, the stipulations concerning stamp duty applied to the transfer of shares of PRC-listed companies do not extend to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

***Estate duty***

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

**Major Taxes on the Company in the PRC**

Please refer to the section headed "Regulatory Overview" of this prospectus.

**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 PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》, the "Regulations on the Management of Foreign Exchange"), which was promulgated by the State Council on January 29, 1996 and effective on April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange as amended on January 14, 1997 and August 5, 2008, the PRC will not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》, the "Settlement Regulations"), which was promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital 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》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and effective on the same date, the PRC began 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 from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The 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.

On August 5, 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and 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; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or 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 banks or effect exchange and payment at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice on Issues Concerning the Administration of Funds Raised by Domestic Enterprises Listed Overseas 《關於境內企業境外上市資金管理有關問題的通知》 (Yin Fa [2025] No. 252), issued by the People's Bank of China and the SAFE on December 24, 2025, and implemented on April 1, 2026, domestic enterprises listing overseas should apply for overseas listing registration with a bank in their place of registration within 30 working days from the first trading day of the overseas listing or after the completion of over-allotment. Funds raised by domestic enterprises through overseas listings shall, in principle, be promptly repatriated to China. If the funds are retained overseas for overseas direct investment, overseas securities investment, overseas lending or other business activities, approval or filing documents from the competent business authority shall be obtained before the completion of the overseas listing or the completion of the over-allotment, and relevant cross-border fund management regulations shall be followed. The use of proceeds raised in overseas listing projects shall be consistent with the relevant content listed in the prospectus and other publicly disclosed documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the prospectus or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of 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》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015 and took effect on June 1, 2015, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under 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》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

## PRC LAWS AND REGULATIONS

### The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (the "Constitution") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of 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 NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses

of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《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, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

**The PRC Judicial System**

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 amendment) (《中華人民共和國人民檢察院組織法(2018修正)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the

Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The people's court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people's court are final. The parties may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. The first judgments or rulings of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "PRC Civil Procedure Law") adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending

against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

Where a party applies for enforcement of a legally effective judgement or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgement or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

**The Company Law of the PRC, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies**

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "PRC Company Law") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures"), which came into effect on March 31,

2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC Promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the "Guidelines for the Articles of Association"). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

***General Provisions***

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is 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 limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

***Incorporation***

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association. If a joint stock limited company is to be established by means of raising, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

A prospectus shall be published and a subscription letter shall be prepared when the promoters offer shares to the public. The subscriber shall fill in the number of shares subscribed for, amount and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter

is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the share capital for a public offering has been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company. The Board of Directors shall, within 30 days after the end of the establishment meeting of a company, authorize a representative to file an application for registration of establishment with the company registration authority.

***Share Capital***

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, stock rights or creditor's rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

***Increase In Share Capital***

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a shareholders' meeting. The Articles of Association or the shareholders' meeting may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall

be subject to a resolution made by the shareholders' meeting. Where the Board of Directors is authorized and decides to issue shares, and thus results in a change in the registered capital or the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the Articles of Association of the company. Where the Articles of Association or the shareholders' meeting of a company authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the directors. In addition, where a domestic enterprise issuing and listing overseas, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures and submit a filing report, legal opinions and other relevant materials, giving a true, accurate and complete account of shareholders' information and other information.

***Reduction of Share Capital***

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

(I) the company shall prepare a balance sheet and an inventory of properties;

(II) make a resolution at a shareholders' meeting to reduce the registered capital;

(III) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

(IV) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and

(V) the company must apply to the company registration authority for a change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is otherwise prescribed by the Articles of Association of the company.

If a company still has losses after making up for them in accordance with the relevant provisions of the PRC Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, the item (III) and item (IV) mentioned above shall not apply, but the resolution to reduce the registered capital shall be made by the shareholders' meeting within 30 days from the date of the announcement in the newspapers or

on the National Enterprise Credit Information Publicity System. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the PRC Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors, supervisors and senior management shall bear the liability for compensation.

***Repurchase of Shares***

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

(I) reduction of the registered capital of the company;

(II) merger with another company that holds its shares;

(III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;

(IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;

(V) use of shares for conversion of convertible corporate bonds issued by the listed company; and

(VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II)

or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds of all the directors.

Any director, supervisor or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensations.

***Transfer of Shares***

The shares held by a shareholder of a company may be transferred to other shareholders or to persons other than the shareholders of the company. Where the Articles of Association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the Articles of Association. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of shares, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. Directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof during the term of office as determined when they assume

the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. They shall not transfer the shares they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

***Shareholders***

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

(I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;

(II) to petition the people's court to revoke any resolution of a shareholders' meeting, a shareholders' meeting or a meeting of the Board of Directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the Articles of Association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;

(III) to transfer his/her shares legally;

(IV) to attend or appoint a proxy to attend shareholders' meeting and exercise the voting rights;

(V) to inspect and copy the Articles of Association of the company, share register, the minutes of shareholders' meeting, board resolutions, resolutions of the Board of Supervisors and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;

(VI) to receive dividends in respect of the number of shares held;

(VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and

(VIII) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the Articles of Association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

***Shareholders' meeting***

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise its powers:

(I) to elect or replace the directors and supervisors and to decide on their remunerations;

(II) to consider and approve the reports of the Board of Directors;

(III) to consider and approve the reports of the Board of Supervisors;

(IV) to consider and approve the company's profit distribution and loss recovery proposals;

(V) to decide on any increase or reduction of the company's registered capital;

(VI) to decide on the issue of corporate bonds;

(VII) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

(VIII) to amend the Articles of Association of the company; and

(IX) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following:

(I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;

(II) the total outstanding losses of the company amounted to one-third of the company's total capital stock;

(III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting;

(IV) the Board of Directors deems necessary;

(V) the Board of Supervisors so proposes; or

(VI) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is convened by the Board of Directors and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the Board of Directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner; if the Board of Supervisors fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the Board of Directors and the Board of Supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the Board of Directors ten days before the shareholders' meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholder's

meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

An accumulative voting system may be adopted for the election of directors and supervisors 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 or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

Under the PRC Company Law, the passing of any resolution at the shareholders' meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholders' meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholders' meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

***Board of Directors***

A joint stock limited company shall have a board. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the Board of Directors and have one director to exercise the functions and powers of the Board of Directors as prescribed by the PRC Company Law. If the Board of Directors of a company has more than three members, it may include an employees' representative of the company. Where a company has 300 or more employees, the Board of Directors shall include the employees' representatives of the company unless the Board of Supervisors has been established and includes employees' representatives of the company. The employees' representatives in the Board of Directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means.

The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum. Where a director resigns, he/she shall notify the company in written form, and the resignation shall become effective on the day when the company receives the notice.

However, under any of the circumstances as mentioned in the preceding paragraph, the director shall continue performing his/her duties.

Under the PRC Company Law, the Board of Directors may exercise the following powers:

(I) to convene shareholders' meeting and report on its work to the shareholders' meeting;

(II) to implement the resolutions passed by the shareholders at the shareholders' meeting;

(III) to decide on the Company's operational plans and investment proposals;

(IV) to formulate the Company's proposals for profit distribution and for recovery of losses;

(V) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;

(VI) to formulate proposals for the merger, division, dissolution of the Company or change in the form of the Company;

(VII) to decide on the setup of the Company's internal management organs;

(VIII) to decide on appointment or dismissal the manager of the Company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the Company's deputy general manager and financial officer and his/her remuneration matters;

(IX) to formulate the Company's basic management system; and

(X) other authority stipulated in the Articles of Association or granted by the shareholders' meeting.

Any restrictions on the functions and powers of the Board of Directors set out in the Articles of Association may not be asserted against any bona fide third party.

Under the PRC Company Law, a company may, under the Articles of Association, set up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. It may not have a Board of Supervisors or supervisors. The audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the Board of Directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the Articles of Association, unless it is otherwise provided under the PRC Company Law. A company may set up other committees in the Board of Directors under the Articles of Association.

Meeting of the Board of Directors shall be convened at least twice a year. Notice of meeting shall be given to all Directors and Supervisors 10 days before the meeting. Interim board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Board of Supervisors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The Board of Directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the Board of Directors.

No meeting of the Board of Directors may be held unless more than half of the directors are present. A resolution made by the Board of Directors shall be adopted by more than half of all the directors. For voting on a resolution of the Board of Directors, each director shall have one vote. The Board of Directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the Board of Directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the Board of Directors. Where a resolution of the Board of Directors is in violation of any law, administrative regulation, Article of Association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Under the PRC Company Law, the following person may not serve as a director of the company:

(I) devoid of or with restricted civil conduct ability;

(II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence;

(III) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a directors, factory manager or business manager and has been held accountable for the insolvency;

(IV) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and

(V) being listed as a dishonest person subject to enforcement by the people's court due to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

Under the PRC Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

***Board of Supervisors***

A joint stock limited company shall have a Board of Supervisors composed of three members or more. However, a joint stock limited company (i) with a relatively small scale or relatively small number of shareholders may dispense with the Board of Supervisors, but may have one supervisor, who shall exercise the functions and powers of the Board of Supervisors, and (ii) may not have a Board of Supervisors or supervisors if it sets up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers

of the Board of Supervisors. The Board of Supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the Company's staff, of which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the Articles of Association. Representatives of the Company's staff at the Board of Supervisors shall be democratically elected by the Company's staff at the staff representative assembly, general staff meeting or otherwise.

The Board of Supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the Board of Supervisors shall be elected by more than half of all the supervisors. Directors and senior management shall not act concurrently as supervisors. The chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meeting. Where the chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, the vice chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meeting. Where the vice chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over the Board of Supervisors meeting.

The supervisors serve three-year terms. A supervisor may serve consecutive terms if re-elected upon the expiration of his/her term. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The Board of Supervisors may exercise its powers:

(I) to review the company's financial position;

(II) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the Articles of Association or resolutions of the shareholders' meeting;

(III) when the acts of a director or senior management are detrimental to the company's interests, to require the director and senior management to correct these relevant acts;

(IV) to propose the convening of extraordinary shareholders' meeting and to convene and preside over shareholders' meeting when the board fails to perform the duty of convening and presiding over shareholders' meeting under the PRC Company Law;

(V) to submit proposals to the shareholders' meeting;

(VI) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and

(VII) to exercise any other authority stipulated in the Articles of Association.

Supervisors may be present at board meeting and make inquiries or proposals in respect of the resolutions of the Board of Directors. The Board of Supervisors may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

***Manager and Senior Management***

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The manager shall attend the meeting of the Board of Directors as a non-voting member.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the Board of Directors of a listed company and other personnel as stipulated in the Articles of Association.

***Duties of Directors, Supervisors, General Managers and Other Senior Management***

Directors, supervisors and senior management shall comply with laws, administrative regulations and the Articles of Association.

Directors, supervisors and senior management shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. The directors, supervisors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

The provisions of the preceding paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but actually executes the affairs of the company.

In the meantime, directors, supervisors and senior management are prohibited from:

(I) embezzling the property or misappropriating the funds of the company;

(II) depositing company funds into accounts under their own names or the names of other individuals;

(III) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;

(IV) accept commissions from transactions between others and the company for their own benefits;

(V) unauthorized divulgence of confidential information of the company; and

(VI) other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes laws, administrative regulations or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. The Board of Supervisors may demand the directors or senior management to submit reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the Board of Supervisors, none of them may impede the exercise of powers by the Board of Supervisors or supervisors.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the Board of Supervisors to initiate proceedings in the people's court.

Where the supervisors violate the laws, administrative regulations or the Articles of Association in performance of duties resulting in any loss to the company, the aforementioned shareholder(s) may request in writing that the Board of Directors institute litigation at a people's court. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Board of Supervisors or the Board of Directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

If a director, supervisor or senior management of a wholly-owned subsidiary of the company violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company or shareholders of a joint stock limited company individually and jointly holding 1% or more of the total shares of the company for 180 consecutive days or more may request the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

***Finance, Accounting and Profit Distribution***

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholder's meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. 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 shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profit shall not be distributed for a company's shares held by this company.

Where a company distributes profits to shareholders in violation of the relevant provisions of the PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors, supervisors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve 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. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the PRC Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

***Appointment and Dismissal of Auditors***

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting, the Board of Directors or the Board of Supervisors in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the shareholders' meeting, the Board of Directors or the Board of Supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

***Amendment to Articles of Association***

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's Articles of Association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association approved by the resolution of the shareholder's meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for

approval; if they involve company registration matters, the modification registrations hall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

***Dissolution and Liquidation***

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

(I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;

(II) the shareholders' meeting has resolved to dissolve the company;

(III) the company is dissolved by reason of its merger or division;

(IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

(V) Where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstance as mentioned in Items (I) or (II) of the paragraph above and it has not distributed the assets to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two thirds or more of the voting rights of the shareholders who attend the meeting of the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in item (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date

of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation committee may exercise following powers during the liquidation:

(I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;

(II) to inform creditors by notice or announcement;

(III) to deal with and settle any outstanding business of relevant company;

(IV) to pay all outstanding taxes and the taxes arising during the liquidation process;

(V) to settle claims and debts;

(VI) to distribute the company's remaining assets after its debts have been paid off; and

(VII) to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his 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 has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation committee shall register the creditor's claims. In the claims declaration period, the liquidation committee shall not make repayment to the creditors.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' 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 described above.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon a commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

***Overseas Listing***

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

(I) the listing and financing fall under specific prohibiting in the laws, administrative regulations, and relevant national provisions;

(II) the overseas offering and listing may constitute endangers to national security as reviewed and determined by competent authorities under the State Council in accordance with law;

(III) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;

(IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;

(V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

(I) change in controlling rights;

(II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;

(III) changing the listing status or transferring the listing board;

(IV) voluntary or compulsory termination of a listing.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises, which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

***Merger and Division***

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have

accrued prior to the division shall be jointly borne by the separated companies other than in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

**The PRC Securities Law, Regulations and Regulatory Regimes**

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the "PRC Securities Law") took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

**Arbitration and Enforcement of Arbitral Awards**

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "PRC Arbitration Law") was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017 and September 12, 2025. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that (I) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People's Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《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》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

## SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND THE PRC COMPANY LAW

As a joint stock limited company established in the PRC that is seeking an initial listing of shares on the stock exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing in accordance with the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

### Corporate Existence

According to the PRC Company Law, a joint stock limited company may be incorporated by promotion or raising.

### Share Capital

Under the PRC Securities Law, an application for listing shall comply with the listing rules of the stock exchange.

According to the PRC Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or

administrative regulation. The non-monetary property as capital contributions shall be assessed and verified, which may not be overvalued or undervalued. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

**Restrictions on Shareholding and Transfer of Shares**

Under the PRC law, the Unlisted Shares, which are denominated and subscribed for in Renminbi, can only be subscribed for and traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency, may only be subscribed for, and traded by, investors from countries and regions outside the PRC or other qualified PRC institutional investors. If the H Shares are eligible securities under the Southbound Trading Link, they are also available for subscription and trading by domestic investors in the PRC pursuant to the rules and restrictions of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

According to the PRC Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. The directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of company shares held by directors, supervisors or senior executives may be specified in the articles of association.

**Notice of Shareholders' Meeting**

According to the PRC Company Law, notice of annual shareholders' meeting must be given not less than 20 days before the meeting, while notice of an interim shareholders' meeting must be given not less than 15 days before the meeting.

**Quorum for Shareholders' meeting**

The PRC Company Law does not specify any quorum requirement for a shareholders' meeting.

**Voting at Shareholder's meeting**

According to the PRC Company Law, a resolution made by the shareholders' meeting shall be adopted by the shareholders representing more than half of the voting rights.

A resolution made by the shareholders' meeting on modifying the articles of association, increasing or decreasing the registered capital, as well as merger, division, dissolution or change of corporate form of the company shall be adopted by the shareholders representing more than two thirds of the voting rights.

**Variation of Class Rights**

According to the PRC Company Law, where any of the matters occurs to a company that issues classified shares and may affect the rights of the classified shareholders, it shall not only be decided by the shareholders' meeting, but also be adopted by shareholders representing two thirds of the voting rights who are present at the classified shareholders' meeting.

**Directors**

According to the PRC Company Law, where any director directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association. Where any of the near relatives of the directors, or any of the enterprises directly or indirectly controlled by the directors, or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, concludes a contract or conducts a transaction with the company, the aforesaid provisions shall apply. Where a director is removed prior to the expiration of term of office without any justifiable reason, the director may require the company to make compensation.

The PRC Company Law, unlike the Companies Ordinance, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

**Board of Supervisors**

According to the PRC Company Law, if a joint stock limited company has a board of supervisors, the directors and senior management of the company are subject to the supervision of the board of supervisors.

**Derivative Action by Minority Shareholders**

According to the PRC Company Law, where any director, supervisor or senior management violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the people's court. If the supervisors violate the relevant provisions of the Company Law, the above shareholders may request in writing the board of directors to initiate litigation at the people's court. Upon receipt of such written request from the shareholders, if the board of supervisors or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

The Guidelines for the articles of association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

**Protection of Minorities**

The PRC Company Law provides that where a company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of the company may request the people's court to dissolve the company.

The Guidelines for the articles of association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

**Financial Disclosure**

According to the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its shareholders' meeting. In addition, a joint stock limited company of which the public offering Shares are offered should publish its financial report.

According to the PRC Company Law, a company shall at the end of each accounting year prepare a financial report which shall be audited by the accounting firm in accordance with the laws.

**Information on Directors and Shareholders**

The PRC Company Law gives shareholders the right to inspect and copy the Articles of Association, minutes of the shareholders' meeting, resolutions of meetings of the board of directors or board of supervisors, and financial and accounting reports.

**Corporate Reorganization**

According to the PRC Company Law, the merger, demerger, dissolution or change to the forms of a joint stock limited company has to be approved by shareholders at shareholder's meeting.

**Statutory Deductions**

According to the PRC Company Law, a company shall draw 10% of the profits as its statutory reserve fund before it distributes any profits after taxation. When the aggregate amount of the company's statutory reserve fund reaches 50% of the company's registered capital, the company may no longer make allocations from the statutory reserve fund. After a company has made an allocation to its statutory reserve fund from its after-tax profit, it may make an allocation to its discretionary reserve fund from its after-tax profit upon a resolution approved at the shareholders' meeting.

**Remedies of Company**

According to the PRC Company Law, if a director, supervisor or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or senior management should be responsible to the company for such damages.

**Dividend**

Under the PRC Company Law, the residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the articles of association.

**Fiduciary Duties**

Under the PRC Company Law, directors, supervisors, managers and other senior management personnel of a company have the duty of loyalty and diligence to the company. Such persons shall abide by the articles of association of the company, perform their duties honestly and diligently, safeguard the interests of the company, and shall not use their position and authority in the company for their personal gain.

**Closure of Register of Members**

According to the PRC Company Law, the register of shareholders shall not be modified within 20 days before any shareholders' meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

*This Appendix sets out summaries of the main clauses of our Articles of Association adopted on April 22, 2026 which shall become effective as at the date on which the H shares are on the Stock Exchange. As the main purpose of this appendix is to provide potential investors with an overview of the Articles of Association, it may not necessarily contain all information that is important to potential investors. As discussed in the appendix headed "Appendix VIII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display," the full document of the Articles of Association is available on display.*

## DIRECTORS AND BOARD OF DIRECTORS

### Power to allocate and issue Shares

The Articles of Association contain clauses that authorize the Board of Directors to issue shares. The Shareholders' Meeting of our Company may authorize the Board of Directors to decide on the issuance of not more than 50% of the issued shares within 3 years. However, if the capital contribution is made at the price of non-monetary property, it shall be resolved by the Shareholders' meeting.

### Power to dispose assets of our Company or any subsidiary

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the Shareholders' Meeting for approval.

### Compensation or payments for loss of office

There are no provisions in the Articles of Association relating to compensation or payments for loss of office.

### Loans to Directors

There are no provisions in the Articles of Association relating to loans to directors.

### Provision of financial assistance for acquiring the Shares of the Company or shares of any subsidiary

There are no provisions in the Articles of Association relating to provide financial assistance for acquiring the Shares of the Company or shares of any subsidiary, unless for the purpose of Company's equity incentive plan(s) and employee shareholding schemes.

**Disclosure of interests in contracts with the Company or any subsidiary**

Directors shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the Shareholder's Meeting.

**Remuneration**

The appointment and removal of the members of the Board of Directors as well as their remuneration and payment methods, shall be adopted by the Shareholders' Meeting by ordinary resolution.

**Retirement, appointment, removal**

The Board of Directors is composed of fifteen Directors. The Directors of the Company are elected by the Shareholders' Meeting. At any time, the Board of Directors should have more than one-third independent non-executive directors, and the total number of independent non-executive directors should not be less than three.

The Board of Directors has one chairman and may have a vice chairman. The chairman and the vice chairman of the Board of Directors shall be elected by more than half of all Directors.

Directors serve three-year terms, and the Director can be re-elected and reappointed at the end of the term. The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed ("**the Listing Place Rules**") and the provisions of these Articles of Association before the newly elected Director takes office.

None of the following persons shall serve as our Director:

(I) a person who has no capacity for civil conduct or having limited capacity for civil conduct;

(II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, two years have not yet elapsed from the date on which the probationary period of probation has expired;

(III) a person who has served as a Director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;

(IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;

(V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he bears is relatively large and the debt is not paid off when it is due;

(VI) a person who has been prohibited from entering the securities market by the CSRC, and the time limit has not expired;

(VII) other contents stipulated by laws, administrative regulations, departmental rules, or the Listing Place Rules.

The election, appointment or employment of the Directors shall be invalid if such election, appointment or employment is against the Articles of Association. If a Director falls into the situations provided in the above-mentioned situations during his/her term of office, the Company shall dismiss his/her post.

**Borrowing Powers**

The Board of Directors shall be entitled to make resolutions for our Company to issue bonds and its Shares under the authorization of Shareholders' Meeting.

**Powers of the Board of Directors**

The Board of Directors shall exercise the following functions and powers:

(I) to convene Shareholders' Meeting and report to the Shareholders' Meeting;

(II) to implement resolutions of the Shareholders' Meeting;

(III) to decide on our Company's business plans and investment plans;

(IV) to formulate our Company's profit distribution plans and plans on making up losses;

(V) to formulate proposals for the increase or reduction of our Company's registered capital, the issuance of bonds or other securities of our Company and listing of Shares of our Company;

(VI) to formulate plans for our Company's major acquisition, selling, repurchase the Shares of our Company, or merger, division, dissolution or change of corporate form of our Company;

(VII) to make a resolution on external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management and connected transactions as authorized by the Shareholders' Meeting;

(VIII) to decide on establishment of internal management organs of our Company;

(IX) to decide on the appointment or dismissal of our Company's general manager and secretary of the Board; to decide to appoint or dismiss our Company's deputy general manager, financial director and other senior management personnel according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;

(X) to formulate the basic management system of our Company;

(XI) to formulate proposals to amend the Articles of Association;

(XII) to manage our Company's disclosures;

(XIII) to propose to the Shareholders' Meeting the appointment or replacement of the accounting firm that provides audit service to our Company;

(XIV) to listen to the work report of the general manager of the company and inspect the work of the general manager;

(XV) other powers stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, or the Articles of Association.

Matters beyond the scope of authorization of the Shareholders' Meeting shall be submitted to the Shareholders' Meeting for deliberation.

Directors who have an associated relationship with the matters under resolution at the board meeting shall not exercise voting rights on such resolutions, nor shall they act on behalf of other directors to exercise voting rights. The board meeting may be convened with the attendance of more than half of the directors who have no associated relationship. Resolutions of the board meeting must be passed by a majority of the directors who have no associated relationship. If the number of non-associated directors attending the board meeting is less than three, the matter shall be submitted to the shareholders' meeting for deliberation.

**Secretary of the Board of Directors**

Our Company shall establish a secretary to the Board of Directors, responsible for the preparation of our Company's Shareholders' Meeting and Board of Directors' meeting, retention of documents, management of our Company's Shareholder materials handling of information disclosure matters.

## ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS

In any of the following circumstances, the Company shall amend its articles of association:

(I) after the revision of the PRC Company Law or relevant laws, administrative regulations and the Listing Place Rules, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations and the Listing Place Rules;

(II) the situation of the Company changes and is inconsistent with the matters recorded in the articles of association;

(III) the Shareholders' Meeting has decided to amend the articles of association.

If the amendment of the articles of association approved by the Shareholders' Meeting resolution requires approval by the competent authority, it must be submitted to the competent authority for approval; if it involves Company registration matters, change registration shall be handled in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' Meeting and the approval opinions of relevant competent authorities.

The amendment of the Articles of Association constitutes to the information required to be disclosed by laws and regulations and shall be announced in accordance with regulations.

## SPECIAL RESOLUTIONS — MAJORED REQUIRED

The resolutions of the Shareholders' Meeting are categorized as ordinary resolutions and special resolutions. An ordinary resolution shall be adopted by a simple majority of the votes held by the Shareholders (including proxies) attending the Shareholders' Meeting. A special resolution shall be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies) attending the Shareholders' Meeting.

## VOTING RIGHTS (GENERALLY AND ON A POLL)

Shareholders (including proxy) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote.

Any Shareholder who, in accordance with the Listing Place Rules, is required to waive their voting rights or is limited to only casting affirmative or negative votes on a certain matter shall waive their voting rights in accordance with the provisions. Any Shareholder vote or representative vote that violates relevant regulations or restrictions will not be counted in the voting results.

The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders' Meeting.

When the Shareholders' Meeting deliberates on related transactions, affiliated Shareholders shall not participate in voting.

The Shareholders' Meeting adopts a registered voting method. The same voting right can only choose one of on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

Shareholders attending the Shareholders' Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his shares shall be deemed as an "abstention".

## REQUIREMENTS FOR ANNUAL SHAREHOLDERS' MEETING

The Shareholders' Meeting are divided into annual Shareholders' Meeting and extraordinary Shareholders' Meeting. The annual Shareholders' Meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

## ACCOUNTING AND AUDITS

### Financial and accounting policies

The Company formulates its financial and accounting system in accordance with laws, administrative regulations, the Listing Place Rules and the provisions of the Chinese accounting standards.

The Company shall prepare a financial report at the end of each fiscal year, which shall be reviewed and verified in accordance with the law.

The Company shall not establish other accounting books except for statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

**Appointment and Dismissal of Accountants**

The Company engages accounting firms that comply with the provisions of the Securities Law and the Listing Place Rules to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed. The appointment of an accounting firm by the Company must be decided by a majority of Shareholders at the Shareholders' Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the Shareholders' Meeting. The Company guarantees to provide the accounting firm it engages with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

The remuneration of an accounting firm or the method of determining remuneration shall be determined by the Shareholders' Meeting. When the Company dismisses or no longer renews the appointment of an accounting firm, the Shareholders' Meeting shall make a decision and notify the accounting firm 10 days in advance. When the Company's Shareholders' Meeting votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions. If the accounting firm proposes to resign, it shall explain to the Shareholders' Meeting whether the Company has any improper circumstances.

**NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETING**

The Shareholders' Meeting is the organ of authority of the Company. The Company shall convene an extraordinary Shareholders' Meeting within two months from the date of the fact:

(I) the number of Directors is less than two-thirds of the number specified in the PRC Company Law or the Articles of Association;

(II) where the Company's unfunded losses reach one-third of the total Share capital paid in;

(III) where the Shareholder(s) who individually or jointly hold no less than 10% of the Company's Shares request(s) holding of such a meeting;

(IV) when deemed necessary by the Board of Directors;

(V) when the Audit Committee proposes to convene such a meeting;

(VI) in other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, or the Articles of Association.

The Audit Committee has the right to propose to the Board of Directors the convening of an extraordinary Shareholders' Meeting and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the Listing Place Rules and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' Meeting within ten days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, a notice of convening the Shareholders' Meeting shall be issued within five days after the Board of Directors' resolution is made. Any changes to the original proposal in the notice shall require the consent of the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' Meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to fulfill its duty to convene a Shareholders' Meeting, and the Audit Committee may convene and preside over it on its own.

Shareholders who individually or collectively hold 10% or more of the Company's Shares have the right to request the convening of an extraordinary Shareholders' Meeting from the Board of Directors and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the Listing Place Rules and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' Meeting within ten days after receiving the request. If the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' Meeting or fails to provide feedback within ten days after receiving the request, Shareholders who individually or collectively hold 10% or more of the Company's Shares have the right to propose to the Audit Committee to convene an extraordinary Shareholders' Meeting and shall submit a request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant Shareholders. If the Audit Committee fails to issue a notice of the Shareholders' Meeting within the prescribed period, it shall be deemed that the Audit Committee has not convened and presided over the Shareholders' Meeting. Shareholders who individually or collectively hold 10% or more of the Company's Shares for more than 90 consecutive days may convene and preside over the Shareholders' Meeting on their own.

The Company holds a Shareholders' Meeting, and the Board of Directors, Audit Committee, and Shareholders who individually or jointly hold more than 1% of the Company's Shares have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's Shares may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days after receiving the proposal, announcing the content of the temporary proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the Shareholders' Meeting or add new proposals after issuing the notice of the Shareholders' Meeting. Proposals that are not listed in the notice of the Shareholders' Meeting or do not comply with the provisions of the Articles of Association shall not be voted on and a resolution shall not be made by the Shareholders' Meeting.

The convener will notify all Shareholders by announcement 20 days before the annual Shareholders' Meeting is held, and the extraordinary Shareholders' Meeting will notify all Shareholders by announcement 15 days before the meeting is held. The notice of the Shareholders' Meeting shall be in writing and include the following contents:

(I) the time, location, and duration of the meeting;

(II) submit matters and proposals for review at the meeting;

(III) clearly state in writing that all Shareholders have the right to attend the Shareholders' Meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a Shareholder of the Company;

(IV) share registration date of the Shareholders entitled to attend the Shareholders' Meeting;

(V) name and phone number of the permanent contact person for conference affairs;

(VI) online or other voting time and voting procedure;

(VII) other requirements stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, and the Articles of Association.

The notice and supplementary notice of the Shareholders' Meeting shall fully and completely disclose all specific contents of all proposals. If the matter to be discussed requires independent non-executive directors to express their opinions, the independent non-executive directors' opinions and reasons will be disclosed simultaneously when the notice of the Shareholders' Meeting or supplementary notice is issued.

The resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

The following matters shall be passed by ordinary resolution at the Shareholders' Meeting:

(I) work reports of the Board of Directors;

(II) the profit distribution plan and loss recovery plan formulated by the Board of Directors;

(III) appointment and removal of the members of the Board of Directors, their remuneration and method of payment;

(IV) to make decisions on the hiring and dismissal of accounting firms and the determination of remuneration for our Company;

(V) to review the Company's annual report;

(VI) other matters other than those required by laws, administrative regulations, the Listing Place Rules, or the Articles of Association to be passed through special resolutions.

The following matters shall be passed by special resolution of the Shareholders' Meeting:

(I) the increase or decrease in registered capital of the company;

(II) the divisions, mergers, dissolutions and liquidations;

(III) the amendment to the Articles of Association;

(IV) to review the Company's purchase, sale, and provision of guarantees within one year of material assets exceeding 30% of the company's latest audited total assets;

(V) to make decisions on the Company's equity incentive plan(s) and employee shareholding schemes;

(VI) other matters required by laws, administrative regulations, the Listing Place Rules or the Articles of Association, as well as those determined by ordinary resolutions of the Shareholders' Meeting with significant impact on the Company, and which require special resolutions to be passed.

**TRANSFER OF SHARES**

The Shares of our Company issued before the company's public offering shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange.

The Directors, and senior management of our Company shall declare, to our Company, information on their holdings of the Shares of our Company and the changes thereto. The Shares transferable by them during each year of their term of office shall not exceed 25% of their total holdings of a single class of Shares of our Company. The Shares that they hold in our Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The aforesaid persons shall not transfer their Shares of our Company within half a year from the date of their resignation.

If the Shares are pledged within the period of restriction on transfer stipulated by relevant laws and regulations, the pledgee shall not exercise the pledge within the period of restriction on transfer.

**POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES**

The Company shall not acquire its own Shares. However, except for one of the following situations:

(I) to reduce the registered capital of the Company;

(II) to merger with other companies holding Shares in the Company;

(III) to use Shares for employee shareholding schemes or as equity incentives;

(IV) to acquire the Shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' Meeting regarding the merger or division of the Company;

(V) to use the Shares to satisfy the conversion of the convertible corporate bonds into Shares issued by the Company;

(VI) to safeguard corporate value and Shareholders' interests as the Company deems necessary.

(VII) other situations permitted by laws, administrative regulations, and Listing Place Rules.

The Company may choose one of the following ways to purchase its shares:

(I) public centralized trading;

(II) the manner of the offer;

(III) other ways permitted by laws, administrative regulations, the Listing Place Rules and other methods recognized by the CSRC.

## POWER OF ANY SUBSIDIARY OF THE ISSUER TO OWN SHARES IN ITS PARENT

The Company's holding subsidiaries are not allowed to acquire the Company's shares. If a holding subsidiary of the Company holds shares of the Company due to the merger of the Company, the exercise of pledge rights, etc., it shall not exercise the voting rights corresponding to the shares it holds, and shall dispose of the shares of the Company in a timely manner.

## PROXIES

Any Shareholder who has the right to attend and vote at the Shareholders' Meeting may attend the meeting in person or entrust others as their proxy to attend and vote on their behalf. The power of attorney issued by Shareholders authorizing others to attend the Shareholders' Meeting shall include the following contents:

(I) the name of the principal, the class and number of shares held in the Company;

(II) the name of the proxy;

(III) specific instructions given by the shareholders, including instructions on affirmative, negative or abstention voting on each item for consideration listed in the Shareholders' Meeting's agenda;

(IV) date of issuance and validity period of the power of attorney;

(V) signature (or seal) of the Shareholder; If the Shareholder is a corporate Shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall indicate the Shareholder's proxy can vote according to its own will if the Shareholder does not provide specific instructions.

## CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association relating to calls on Shares and forfeiture of Shares of the Company.

## INSPECTION OF REGISTER OF MEMBERS

Our Company establishes a register of members based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold our Company's Shares. Shareholders shall enjoy rights and assume obligations according to the types of Shares they hold. Shareholders holding the same type of Shares shall have equal rights and assume the same obligations.

The transfer of Shares must be recorded in the register of members. In the register of shareholders of overseas listed foreign shares, the original part of the register of shareholders of holders of shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong.

When our Company convenes a Shareholders' Meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of Shareholder identity, the Board of Directors or the convener of the Shareholders' Meeting shall determine the share registration date. After the share registration date is closed, the registered Shareholders shall be the Shareholders who enjoy the relevant rights and interests.

## QUORUM FOR SHAREHOLDERS' MEETING

There are no provisions in the Articles of Association relating to quorum for Shareholders' Meeting of the Company.

## RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF

If Directors and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days have the right to request in writing that the Audit Committee file a lawsuit with the people's court; If the members of the Audit Committee violates laws, administrative regulations, or the provisions of the Articles of Association while performing its duties, causing losses to our Company, the aforementioned Shareholders may request in writing that the Board of Directors file a lawsuit with the people's court. If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving a written request from the Shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company's interests, the Shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of our Company. If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If Directors, general managers, and other senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association and harm the interests of Shareholders, Shareholders may file a lawsuit with the people's court.

**PROCEDURES ON LIQUIDATION**

Under the PRC Company Law, a company shall be dissolved for any of the following reasons:

(I) the expiration of the business term specified in these articles of association or the occurrence of other dissolution reasons specified in the Articles of Association;

(II) the Shareholders' Meeting resolves for dissolution;

(III) dissolution is required due to the merger or division of our Company;

(IV) the business license has been revoked, ordered to close down or dissolved in accordance with the law; and

(V) the Company is dissolved by a people's court in response to the request of Shareholders holding Shares that represent more than 10% of the voting rights of all Shareholders, on the grounds that there are serious difficulties in the operation and management of our Company and its continued existence will cause significant losses to the interests of Shareholders, which cannot be resolved through other means.

If our Company has the reasons for dissolution provided for in the preceding paragraph, it shall publicize the reasons for dissolution through the national enterprise credit information publicity system within 10 days.

The liquidation group shall notify creditors within 10 days of its establishment, and make an announcement in a newspaper or the national enterprise credit information publicity system within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they have not received the notice.

When applying for creditor's rights, creditors shall explain the relevant matters of the creditor's rights and provide proof materials. The liquidation committee shall register the creditor's rights. During the period of declaring creditor's rights, the liquidation committee shall not pay off the creditor.

After clearing our Company's assets, preparing a balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the Shareholders' Meeting or the people's court for confirmation. The remaining assets of our Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off our Company's debts shall be distributed by our Company according to the proportion of Shares held by Shareholders. During the liquidation period, our Company exists but cannot carry out business activities unrelated to liquidation. Our Company's assets will not be distributed to Shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

Upon liquidation of the Company's property and preparation of the required statement of financial position and inventory of assets, if the liquidation committee becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration of bankruptcy by the people's court, the people's court shall take over the administration of the liquidation procedure from the liquidation committee.

After the liquidation of our Company is completed, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders' Meeting or the people's court for confirmation, and submit it to our Company registration authority to apply for deregistration of our Company. Members of the liquidation committee are required to discharge their duties in good faith and perform their obligation in compliance with laws. Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the liquidation duties; members of the liquidation committee are liable to indemnify its creditors in respect of any loss arising from their willful or gross negligence.

Liquidation of a company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

## OTHER PROVISIONS MATERIAL TO THE ISSUER OR THE SHAREHOLDERS THEREOF

### General Provisions

Our Company is a permanently existing joint stock limited company.

All the assets of our Company are divided into Shares of equal value. The Shareholders are responsible for our Company to the extent of their subscribed Shares, and our Company is responsible for our Company's debts with all its assets.

From the effective date, this Articles of Association shall become a legally binding document regulating the organization and behavior of our Company, the rights and obligations between our Company and its Shareholders, and between Shareholders, and shall have legal binding force on our Company, Shareholders, Directors and senior management.

### Share and Transfer

In light of our Company's operational and developmental needs, our Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the Shareholders' Meeting, by any of the following methods:

(I) issuance of shares to non-specific targets;

(II) issuance of shares to specific targets;

(III) allotment of bonus shares to existing shareholders;

(IV) conversion of reserve funds to share capital;

(V) other methods permitted by laws, regulations, and Listing Place Rules or prescribed by CSRC and other competent authorities.

Our Company may reduce its registered capital. Any reduction of our Company's registered capital shall be subject to the procedures prescribed in the PRC Company Law and other relevant regulations, as well as the Articles of Association.

**Shareholders**

Shareholders are entitled to rights and assumes obligations pursuant to the classification of their shares.

Shareholders holding the same classified Share have the same rights and assume the same obligations. Shareholders of our Company shall enjoy the following rights:

(I) the right to dividends and other distributions in proportion to the number of Shares held;

(II) the right to apply for the holding of, convene, preside, attend or appoint proxies to attend Shareholders' Meeting and to exercise the corresponding right to speak and vote in accordance with laws;

(III) the right to supervise, present proposals or raise enquiries in respect of our Company's business operations;

(IV) the right to transfer, give as a gift or pledge the Shares it holds in accordance with laws, administrative regulations and the Articles of Association;

(V) the right to inspect and copy the Articles of Association, Register of Shareholders, minutes of Shareholders' Meeting, resolutions of the Board of Directors and accounting reports of Our Company. Shareholders who individually or jointly holds 3% or more of the Company's shares for 180 consecutive days or more may request to inspect the Company's accounting books and accounting vouchers; however, such shareholder shall submit a written request to the Company stating the purpose of the inspection. If the Company has reasonable grounds to believe that a shareholder's request to inspect the accounting books and accounting vouchers is made for improper purposes, and may harm the Company's legitimate interests, the Company may refuse such inspection and shall provide a written response to the Shareholder within 15 days from the date on which the Shareholder provides the written request, stating the reasons;

(VI) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of Shares held;

(VII) Shareholders who object to resolutions of merger or division made by the Shareholders' Meeting may request our Company to purchase Shares held;

(VIII) other rights provided for by laws, administrative regulations, departmental rules or the Articles of Association.

Where any Shareholder demands to read and copy the relevant information or obtain any of the aforesaid materials, he shall submit to our Company written documents proving the class(es) and number of Shares he holds. Our Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

Where any Shareholder requests to read or copy relevant information of the Company shall comply with the provisions the PRC Company Law , the PRC Securities Law, and other relevant laws and administrative regulations.

Shareholders of our Company shall have the following obligations:

(I) to abide by laws, administrative regulations, the Listing Place Rules and the Articles of Association;

(II) to pay the Share subscription monies based on the Shares subscribed for by them and the method of acquiring such Shares;

(III) not to withdraw their share capital unless prescribed otherwise in laws and regulations;

(IV) not to abuse Shareholders' rights to infringe upon the interests of our Company or other Shareholders; not to abuse our Company's status as an independent legal entity or the limited liability of Shareholders to harm the interests of our Company's creditors;

(V) to assume other obligations required by laws, administrative regulations and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes our Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of our Company as an independent legal entity or the limited liability of Shareholders to evade debts and severely harm the interests of our Company's creditors shall assume joint and several liability for our Company's debts.

**General Manager**

Our Company has one general manager and may have one or more deputy general manager, appointed or dismissed by the Board of Directors. The general manager, deputy general manager, financial director, secretary of the Board of Directors and other senior management personnel determined by the Board of Directors of the Company are the senior management personnel of the Company. The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(I) to be in charge of the production, operation and management of our Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;

(II) to organize the implementation of our Company's annual business plans and investment plans;

(III) to draft plans for the establishment of our Company's internal management organization;

(IV) to draft our Company's basic management system;

(V) to formulate the specific rules and regulations of our Company;

(VI) to propose to the Board of Directors appointment or dismissal of deputy general manager or financial director;

(VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(VIII) such other functions and powers conferred by the Articles of Association, the Board of Directors or the Listing Place Rules.

The general manager shall attend the Board meeting.

**Reserves**

In distributing its current-year after-tax profits, our Company shall allocate 10% of its profit to its statutory reserve fund.

Allocations to Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of our Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of our Company, and subject to the adoption of a resolution by the Shareholders' Meeting, an allocation may be made to the discretionary reserve fund.

The remaining after-tax profit after our Company makes up for losses and withdraws provident fund shall be distributed according to the proportion of Shares held by Shareholders, unless prohibited by the Articles of Association.

If our Company distributes profits to shareholders in violation of laws, administrative regulations, regulatory rules of the place where the company's shares are listed, and the regulations of the relevant national competent authorities such as the CSRC, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders, and the directors and senior managers who are responsible shall be liable for compensation.

Profits shall not be distributed to Shares held by the Company itself.

Our Company's provident fund is used to compensate for its losses, expand its production and operation, or convert it into an increase in our Company's capital.

The provident fund to make up for the Company's losses should first use the arbitrary provident fund and the statutory provident fund; if it still cannot be made up, the capital reserve may be used in accordance with the regulations.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company's registered capital.

## 1. FURTHER INFORMATION ABOUT OUR COMPANY

### A. Incorporation

On May 3, 2018, our Company was established as a limited liability company in the PRC, with a registered capital of RMB1.00 million. On January 29, 2022, our Company was converted into a joint stock company with limited liability.

Our registered office is at 1/F, Building 4, No. 1699 Jinhe Road, China (Sichuan) Pilot Free Trade Zone, Chengdu, PRC. We have established a place of business in Hong Kong at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong, and have been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on June 28, 2024. Ms. Tong Ka Kei has been appointed as our authorized representative for the acceptance of services of process and notices on behalf of our Company in Hong Kong. Our address for acceptance of service of process in Hong Kong is the same as the address of our principal place of business in Hong Kong.

As we are incorporated in the PRC, we are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in "Regulatory Overview" and Appendices V and VI to this prospectus.

### B. Changes in the Share Capital of our Company

The following sets out the changes in the share capital of our Company within two years immediately preceding the date of this prospectus:

On December 23, 2024, our Company completed the SAMR registration in respect of the increase of its registered capital from approximately RMB35.22 million to approximately RMB36.98 million.

On January 3, 2025, our Company completed the SAMR registration in respect of the increase of its registered capital from approximately RMB36.98 million to approximately RMB38.31 million.

On August 14, 2025, our Company completed the SAMR registration in respect of the increase of its registered capital from approximately RMB38.31 million to approximately RMB39.63 million.

On April 23, 2026, our Company completed the SAMR registration in respect of the increase of its registered capital from approximately RMB39.63 million to approximately RMB57.23 million.

On October 14, 2026, our Company completed the SAMR registration in respect of the Share Subdivision. The Shares were split on a one-for-ten basis, and the nominal value of the Shares was changed from RMB1.0 each to RMB0.1 each.

Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this prospectus.

## C. Resolutions of the Shareholders of our Company dated January 19, 2025, August 22, 2025 and April 22, 2026

On January 19, 2025, August 22, 2025 and April 22, 2026, the shareholders of our Company passed, among other things, the following resolutions:

(a) the sub-division of H Shares with nominal value of RMB1.0 each on the basis of 1:10, and taking into account the Share Subdivision, the issue of H Shares with a nominal value of RMB0.1 each and such H Shares be listed on the Stock Exchange;

(b) the number of H shares to be issued shall be no more than 63,588,800 Shares, representing approximately 10.0% of the total issued share capital of our Company as enlarged by the Global Offering (taking into account the Share Subdivision), and the grant of the Offer Size Adjustment Option and the Over-allotment Option, each in respect of no more than 15% of the initial number of H Shares to be issued pursuant to the Global Offering;

(c) subject to the CSRC's approval, upon completion of the Global Offering (taking into account the Share Subdivision), certain Unlisted Shares will be converted into H Shares on a one-for-one basis;

(d) authorization to the Board or its authorized individual to handle all matters relating to, among other things, the Global Offering, the issue and the listing of H Shares on the Hong Kong Stock Exchange; and

(e) subject to the completion of the Global Offering, the conditional adoption of the revised Articles of Association, which shall become effective on the Listing Date.

## D. Subsidiaries of Our Company

### *(a) Subsidiaries*

Certain details of our subsidiaries are set forth in the Accountant's Report in Appendix I to this prospectus.

### *(b) Changes in the share capital of our subsidiaries*

On February 27, 2025, the registered capital of Haikou Guoxing Kongtian Technology Co., Ltd (海口市國星空天科技有限公司) increased from RMB5 million to RMB18 million.

On April 14, 2025, the registered capital of Chengdu Guoxing Yuhang Wenhua Fazhan Co., Ltd. (成都國星宇航文化發展有限公司) increased from RMB2 million to RMB10 million.

On August 4, 2025, the registered capital of Hangzhou Lingjing Universe Intelligent Technology Co., Ltd. (杭州靈境宇宙智能科技有限公司) increased from RMB1 million to RMB30 million.

On December 1, 2025, the registered capital of Chengdu Guoxing Yuhang Wenhua Fazhan Co., Ltd. (成都國星宇航文化發展有限公司) increased from RMB10 million to RMB16 million.

On June 22, 2026, the registered capital of Chengdu Xingshidai increased from RMB100 million to RMB184 million.

On June 24, 2026, the registered capital of Beijing Guoxing Yuhang increased from RMB1 million to RMB85 million.

Save as disclosed above and in "History, Development and Corporate Structure", there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

## 2. FURTHER INFORMATION ABOUT OUR BUSINESS

### A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this prospectus which are or may be material, and a copy has been published on the Stock Exchange's website and our Company's own website:

(a) a cornerstone investment agreement dated November 3, 2026 entered into among the Company, JinkoSolar Investment Limited (晶科能源投資有限公司), Guotai Junan Capital Limited, and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of Hong Kong dollar 5,000,000;

(b) a cornerstone investment agreement dated November 3, 2026 entered into among the Company, Kamshin Oriental (HK) Limited, Guotai Junan Capital Limited, and Guotai Junan Securities (Hong Kong) Limited, with respect to a subscription of H Shares at the Offer Price in the aggregate amount of Hong Kong dollar 55,000,000; and

(c) the Hong Kong Underwriting Agreement.

### B. Intellectual Property Rights

#### *(a) Patents*

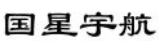
As of the Latest Practicable Date, our Group has the following patents granted in the PRC which are considered by us to be or may be material to our business:

| No. | Patent Owner | Patent Name | Type | Patent No. | Grant Date |
|---|---|---|---|---|---|
| 1 . . . | The Company | 一種衛星屏幕顯示系統與太陽能電池陣基板一體化的裝置 | Invention | 202411915169.X | 2025.12.12 |

| No. | Patent Owner | Patent Name | Type | Patent No. | Grant Date |
|---|---|---|---|---|---|
| 2 . . . | The Company | 一種衛星在軌星屏系統試驗方法、介質及設備 | Invention | 202311511294.X | 2024.10.15 |
| 3 . . . | The Company | 一種模擬衛星姿態影響載荷成像效果的方法、裝置及設備 | Invention | 202311235075.3 | 2024.9.20 |
| 4 . . . | The Company | 一種星載實時林火智能檢測方法、裝置、設備及介質 | Invention | 202310752333.9 | 2024.7.5 |
| 5 . . . | The Company | 一種星上在軌雲檢測的方法、系統及設備 | Invention | 202310329619.6 | 2023.6.9 |
| 6 . . . | The Company | 星載以太網通訊系統 | Invention | 202210046343.6 | 2022.4.26 |
| 7 . . . | The Company | 自動化半物理衛星能源測試系統及方法 | Invention | 202210019440.6 | 2022.3.25 |
| 8 . . . | The Company | 微納衛星智能設計平台 | Invention | 201910376318.2 | 2021.1.12 |
| 9 . . . | Chengdu Xingshidai | Satellite Data Processing Method, Apparatus, and Satellite Backup Subsystem (一種衛星數據處理方法、裝置及衛星備份子系統 XZL20305) | Invention | US17/419,703 | 2022.8.16 |
| 10 . . | Chengdu Xingshidai | Satellite Control Method and Apparatus (一種衛星控制方法及裝置 XZL21308) | Invention | US17/419,701 | 2022.4.26 |
| 11 . . | Sichuan Xingshidai Zhineng Satellite Technology Co., Ltd. (四川省星時代智能衛星科技有限公司) ("**Sichuan Xingshidai**") | 一種衛星能源系統及工作狀態的主動均衡方法 | Invention | 202311384936.4 | 2026.4.14 |
| 12 . . | Sichuan Xingshidai | 降低通信衛星能耗的電路及其設計方法 | Invention | 202311239610.2 | 2025.3.18 |
| 13 . . | Shanghai Guoxing Zhilian Aerospace Technology Co., Ltd. (上海國星智聯航天科技有限公司) ("**Shanghai Guoxing**") | 衛星地測口數據無線透傳方法、系統、設備及介質 | Invention | 202211466336.8 | 2023.4.4 |
| 14 . . | Shanghai Guoxing | 一種衛星供電測試方法、裝置、設備及介質 | Invention | 202211473349.8 | 2023.2.7 |
| 15 . . | Shanghai Guoxing | 用於優化衛星太陽能電池陣的瓦時能量計算方法和裝置 | Invention | 202211009278.6 | 2023.1.10 |

*(b) Trademarks*

As of the Latest Practicable Date, the following trademarks have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

| No. | Trademark Registrant | Trademark | Registration Number | Place of Registration | Class | Valid Period |
|---|---|---|---|---|---|---|
| 1 | The Company |  | 33102000 | China | 35 | 2020.4.28-2030.4.27 |
| 2 | The Company |  | 31954841 | China | 9 | 2020.5.14-2030.5.13 |
| 3 | The Company |  | 31923251 | China | 12 | 2020.5.14-2030.5.13 |
| 4 | The Company |  | 306601536 | Hong Kong | 9, 39, 42 | 2024.4.7-2034.3.7 |

*(c) Software Copyrights registered*

As at the Latest Practicable Date, we have registered the following software copyrights which we consider to be or may be material to our business:

| No. | Registered Owner | Copyright | Version Number | Registration Number | Registration Date |
|---|---|---|---|---|---|
| 1 | The Company | 星河大模型開發平台 | V1.0 | 2024SR2087001 | 2024.12.16 |
| 2 | The Company | 星問AI智能助手 | V1.0 | 2024SR1729881 | 2024.11.8 |
| 3 | The Company | 衛星靈境引擎服務平台 | V1.0 | 2024SR1304962 | 2024.9.4 |
| 4 | The Company | 衛星動態跟蹤目標系統 | V1.0 | 2018SR922423 | 2018.11.19 |
| 5 | Chengdu Xingshidai | ADACLOUD SOFTWARE | V1.0 | 2020SR0306114 | 2020.4.2 |
| 6 | Chengdu Xingshidai | 林業之眼監控管理系統 | V1.0 | 2019SR1262716 | 2019.12.3 |
| 7 | Sichuan Xingshidai | AI-9載荷軟件調度系統 | V1.0 | 2024SR1425200 | 2024.9.25 |
| 8 | Sichuan Xingshidai | 衛星測控站實驗測控服務軟件 | V1.0 | 2024SR1420725 | 2024.9.25 |
| 9 | Sichuan Xingshidai | 衛星變軌仿真軟件 | V1.0 | 2024SR1336965 | 2024.9.9 |
| 10 | Sichuan Xingshidai | 星載姿控板嵌入式軟件 | V2.0 | 2024SR0768505 | 2024.6.5 |

| No. | Registered Owner | Copyright | Version Number | Registration Number | Registration Date |
|---|---|---|---|---|---|
| 11. . . | Sichuan Xingshidai | 衛星遙測顯示軟件 | V1.0 | 2024SR0724380 | 2024.5.28 |
| 12. . . | Sichuan Xingshidai | 衛星姿軌控仿真分析評估平台 | V1.0 | 2024SR0724867 | 2024.5.28 |
| 13. . . | Sichuan Xingshidai | 星務嵌入式軟件 | V1.0 | 2024SR0723836 | 2024.5.28 |
| 14. . . | Sichuan Xingshidai | 衛星帆板電源陣列模擬器上位機控制器 | V1.0 | 2024SR0721370 | 2024.5.27 |
| 15. . . | Sichuan Xingshidai | 衛星任務規劃仿真推演軟件 | V1.0 | 2022SR0363977 | 2022.3.18 |

***(d) Domain Names***

As of the Latest Practicable Date, the following domain names have been registered in the name of the relevant member of our Group which are considered by us to be or may be material to our business:

| No. | Registered Owner | Domain Name | Effective Period |
|---|---|---|---|
| 1 . . . . . | The Company | adaspace.com | 2025.11.28-2026.11.28 |

## 3. FURTHER INFORMATION ABOUT OUR DIRECTORS

### A. Particulars of Directors' Contracts

Each of the Directors entered into a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (i) the terms of the service and (ii) termination provisions in accordance with their respective terms. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

### B. Directors' Remuneration

Save as disclosed in "Directors and Senior Management — Remuneration of Directors" and under Note 8 to the financial information in the Accountant's Report set out in Appendix I, no Director received any other fees, salaries, allowances, share based compensation, pension schemes contribution and other benefits in kind (if applicable) from our Company in respect of each of the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026.

Under the arrangement currently in force, the aggregate amounts of remuneration payable by our Company to our Directors for the year ending December 31, 2026 to be approximately RMB7.7 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

## 4. DISCLOSURE OF INTERESTS

### A. Substantial Shareholders

Save as disclosed below and in the section headed "Substantial Shareholders" in this prospectus, up to the Latest Practicable Date, our Directors were not aware of any other person, not being a Director or chief executive of our Company, who had an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the Global Offering, would fall to be disclosed to our Company under the provisions of Divisions 2 an 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

| Member of our Group | Person/Entity with 10% or more interest | Capacity | Approximate Percentage of Interest |
|---|---|---|---|
| Shenzhen Kongtian Chuangxin Technology Co., Ltd. (深圳空天創新科技有限公司) . . . . . | Guangdong Hengxin Private Equity Fund Management Co., Ltd. (廣東恒信私募基金管理有限公司) | Beneficial interest | 10.0% |
| Shenzhen Kongtian Zhineng Chuangxin Technology Co., Ltd. (深圳空天智能創新科技有限公司) . . . . . | CUHK (Shenzhen) Asset Management Co., Ltd. (港中大(深圳)資產經營有限公司) | Beneficial interest | 25.0% |
| Guanghan Xingshidai Aerospace Technology Co., Ltd. (廣漢星時代宇航科技有限公司) . . . . . | Guang Xin Development | Beneficial interest | 40.0% |

| Member of our Group | Person/Entity with 10% or more interest | Capacity | Approximate Percentage of Interest |
|---|---|---|---|
| Tai'an Guoxing Dongyue Zhihui Technology Co., Ltd. (泰安市國星東岳智慧科技有限公司) . . . . . | Tai'an Dongyue Construction Co., Ltd. (泰安市東岳建設有限公司) | Beneficial interest | 49.0% |
| Chengdu Guoxing Ronghai Technology Co., Ltd. (成都國星融海科技有限公司) . . . . . | Chengdu Ronghai Yuntong Earthquake Resistant Technology Co., Ltd. (成都融海運通抗震科技有限責任公司) | Beneficial interest | 49.0% |
| Neijiang Guoxing Kongtian Technology Co., Ltd. (內江國星空天科技有限公司) . . . . . | Neijiang High-tech Investment | Beneficial interest | 49.0% |
| Qingdao Guoxing Hainuo Zhihui Technology Co., Ltd. (青島國星海諾智慧科技有限公司) . . . . . | Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司) | Beneficial interest | 49.0% |
| Chengdu Guoxing Kongtian . . . . . | Chengdu Shuzhou Xingsuan Technology Industry Development Co., Ltd. (成都蜀州星算科技產業發展有限公司) | Beneficial interest | 49% |

## B. Directors or Chief Executives

Save as disclosed below and in the section headed "Substantial Shareholders" in this prospectus, immediately following completion of the Global Offering (and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised), none of our Directors or chief executive of our Company has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which has been taken or is deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange.

***Interests in our Company***

| Name | Position held within our Company | Type of Shares held | Nature of interest | As of the Latest Practicable Date: Number of Shares held | As of the Latest Practicable Date: Approximate percentage of shareholding interest in the total share capital | Immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised): Number of Shares held | Immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised): Approximate percentage of shareholding in the relevant type of Shares[2] | Immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering (assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised): Approximate percentage of shareholding in the total issued Share capital of our Company |
|---|---|---|---|---|---|---|---|---|
| Dr. Lu Chuan . . | Executive Director and chairman of the Board | Unlisted Shares | Interests in controlled corporation[3] | 130,628,680 | 22.83% | 128,647,280 | 73.77% | 21.36% |
| | | H Shares | Interest in controlled corporation[3] | – | – | 1,981,400 | 0.46% | 0.33% |
| Dr. Sheng Xitai | Non-executive Director | Unlisted Shares | Interest in controlled corporation[4] | 50,327,420 | 8.79% | – | – | – |
| | | H Shares | Interest in controlled corporation[4] | – | – | 50,327,420 | 11.76% | 8.35% |

*Notes:*

(1) All interests stated are long position.

(2) The calculation is based on the assumption that immediately following the completion of the Conversion of Unlisted Shares into H Shares and the Global Offering, there will be (i) a total number of 174,394,570 Unlisted Shares in issue; and (ii) a total number of 428,025,170 H Shares (including 397,904,170 H Shares converted from Unlisted Shares, and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised) in issue.

(3) Dr. Lu Chuan is the general partner of Beijing Xingrong Yuhang, Beijing New Era Space and Haikou Xingsuan. Therefore, Dr. Lu Chuan is deemed to be interested in the Shares respectively held by Beijing Xingrong Yuhang, Beijing New Era Space and Haikou Xingsuan. As of the Latest Practicable Date, Beijing Xingrong Yuhang, Beijing New Era Space and Haikou Xingsuan controlled 15.74%, 6.74% and 0.35% equity interests in our Company, respectively.

(4) The general partner(s) of (a) Hongtai Industrialization is Beijing Hongtai Tongchuang, (b) Hongtai Kuyu are Beijing Hongtai Tongchuang and Hongtai Lecheng, (c) Wuxi Guoxing Fund is Wuxi Xingxin Co-Creation Investment, and (d) Wuxi Xinzhi is Wuxi Xingxin Co-Creation Investment. Beijing Hongtai Tongchuang, Hongtai Lecheng and Wuxi Xingxin Co-Creation Investment are ultimately owned by Dr. Sheng Xitai, our non-executive Director. As such, Dr. Sheng Xitai is deemed to be interested in the Shares held by Hongtai Industrialization, Hongtai Kuyu, Wuxi Guoxing Fund and Wuxi Xinzhi for the purpose of Part XV of the SFO.

## C. Disclaimers

Save as disclosed in this prospectus:

(a) none of our Directors or chief executive of Our Company has any interests and short positions in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to us and the Stock Exchange, in each case once our Shares are listed;

(b) none of our Directors is a director or employee of a company which is expected to have an interest in the Shares falling to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO once our Shares are listed on the Stock Exchange;

(c) none of our Directors nor any of the parties listed in "— 5. Other Information — G. Qualification of Experts" is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;

(d) none of our Directors nor any of the parties listed in "— 5. Other Information — G. Qualification of Experts" is interested in our promotion, or in any assets which have, within two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

(e) none of the parties listed in the paragraph headed "— 5. Other Information — G. Qualification of Experts": (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities; and

(f) save as disclosed in the section headed "Business" in this prospectus, none of our Directors or their respective associates or any Shareholders of our Company (who to the knowledge of our Directors owns more than 5% of our issued share capital) has any interest in our five largest suppliers or our five largest customers.

## 5. OTHER INFORMATION

### A. Estate Duty

We have been advised that no material liability for estate duty under the PRC law is likely to fall upon our Company or any member of our Group.

### B. Litigation

As of the Latest Practicable Date, we were not involved in any material litigation, arbitration or administrative proceedings, and so far as our Directors are aware, no such material litigation, arbitration or administrative proceedings are pending or threatened against any member of our Group.

### C. Sole Sponsor

The Sole Sponsor has declared its independence pursuant to Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on our behalf to the Listing Committee for listing of, and permission to deal in, our H Shares, including any Offer Shares which may be issued pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option. All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

We have entered into an engagement agreement with the Sole Sponsor, pursuant to which we agreed to pay a total amount of HKD4.8 million to Guotai Junan Capital Limited for acting as the Sole Sponsor to our Company in the Global Offering.

### D. Compliance Advisor

We have appointed Guotai Junan Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

### E. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred material preliminary expenses.

### F. Promoters

The promoters of our Company consist of all of the 28 shareholders of our Company, as at January 29, 2022 before our conversion into a joint stock limited liability company, including Beijing Xingrong Yuhang, Beijing New Era Space, Galaxy Industry Group, Shenzhen Capital Group, Guangdong Wanquan Investment, Hongtai Kuyu, Huizhou Yilin Investment,

Ouzhuo Enterprise, Hexing No. II Investment, SME Development Fund, Guang Xin Development, Hongyu No. I Enterprise, Tongkun Langtai, Kangjian Agricultural, Xinjiang Communications Construction, CTG, Linzhi Zhengyuan, Aoyrise Industry, Hengkun Development Fund, Qingchuang Bole Gongyu, Ms. Feng Meiqian, Huacang Yixing Investment, Tianhai Desheng, Wuxi Tianyanxing, Dongguan Investment, Shengren Investment, Yinfeng Rongjin and Zhenye Aerospace. For details of the promoters of our Company, please see "History, Development and Corporate Structure" of this prospectus.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given to the above promoters in connection with the Global Offering or related transactions in this prospectus.

## G. Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given their opinions or advice in the prospectus, are as follows:

| Name | Qualification |
|---|---|
| Guotai Junan Capital Limited | A licensed corporation to conduct Type 6 (advising on corporate finance) regulated activity as defined under the SFO |
| PricewaterhouseCoopers | Certified Public Accountants under Professional Accountants Ordinance (Cap. 50)<br><br>Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588) |
| Haiwen & Partners | Legal advisors to our Company as to PRC laws (including PRC data privacy and protection matters) |
| Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. | Independent industry consultant |
| Hogan Lovells Cadwalader International LLP | Legal advisors to the Company as to international sanction laws |
| Jones Lang LaSalle Corporate Appraisal and Advisory Limited | Property valuer |

## H. Consents of Experts

Each of the experts as referred to in "— 5. Other Information — G. Qualification of Experts" has given, and has not withdrawn, its respective written consents to the issue of this prospectus with the inclusion of its reports and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (other than the penal provisions) of section 44A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

## I. Taxation of Holders of H Shares

The sale, purchase and transfer of H shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if higher) the fair value of the H Shares being sold or transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of the H Shares. In addition, a fixed duty of HK$5 is charged on each instrument of transfer (if required). For further information in relation to taxation, see "Appendix IV — Taxation and Foreign Exchange" in this prospectus.

## J. No Material Adverse Change

Save as disclosed in this prospectus, our Directors confirm that there has been no material adverse change in our financial or operational position since June 30, 2026, being the end date of our latest audited financial statements, and up to the Latest Practicable Date.

## K. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

## L. Related Party Transactions

Within the two years immediately preceding the date of this prospectus, we have entered into the related party transactions as described in Note 39 to the financial information in the Accountant's Report set out in Appendix I.

## M. Miscellaneous

Save as disclosed in this prospectus:

(a) within the two years immediately preceding the date of this prospectus, we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of our Group, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) we have not issued or agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(f) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;

(g) there is no arrangement under which future dividends are waived or agreed to be waived;

(h) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months; and

(i) none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

## N. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

## 1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VII to this prospectus; and

(b) the written consents referred to under the paragraph headed "Statutory and General Information — 5. Other Information — H. Consents of experts" in Appendix VII to this prospectus.

## 2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **https://www.adaspace.com/** up to and including the date which is 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountant's Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026;

(d) the report on the unaudited pro forma financial information from PricewaterhouseCoopers, the text of which is set out in Appendix II to this prospectus;

(e) the memorandum prepared by Hogan Lovells Cadwalader International LLP, our legal advisors as to international sanction laws, in respect of international sanction matters of our Group;

(f) the property valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix III to this prospectus;

(g) the service contracts referred to in the paragraph headed "Statutory and General Information — 3. Further Information about our Directors — A. Particulars of Directors' Contracts" in Appendix VII to this prospectus;

(h) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about Our Business — A. Summary of Our Material Contracts" in Appendix VII to this prospectus;

(i) the written consents referred to under the paragraph headed "Statutory and General Information — 5. Other Information — H. Consents of experts" in Appendix VII to this prospectus;

(j) the legal opinions issued by Haiwen & Partners, our PRC Legal Advisor, in respect of the general corporate matters and the property interests of our Group under PRC law;

(k) the legal memorandum issued by Haiwen & Partners, our PRC Legal Advisor, in respect of the data privacy and protection matters under PRC law;

(l) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in the section headed "Industry Overview" in this prospectus; and

(m) the PRC Company Law together with unofficial English translations.


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