

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

For the transition period from to

Commission file number 001-37829

AIOS Tech Inc.

(Exact name of Registrant as specified in its charter)

British Virgin Islands

(Jurisdiction of incorporation or organization)

Room 407, Tower 2, Harbour Centre,
8 Hok Cheung Street, Hunghom,
Kowloon, Hong Kong

(Address of principal executive offices)

Sylvia Kong Bit Hee, Chief Financial Officer

+852 400 603 7555 telephone

sylviakong@aiosinc.com

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Symbol	Name of each exchange on which registered
Class A common shares, par value \$0.01 per share	AIOS	Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common shares as of the close of the period covered by the annual report: 4,985,096. Class A Common Shares and Nil Class B Common Shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

Accelerated filer
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards[†] provided pursuant to Section 13(a) of the Exchange Act:

[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by
the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

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Conventions Used in this Annual Report

Except where the context otherwise requires and for purposes of this annual report on Form 20-F only, the “Company” and “our Company” refer to AIOS TECH INC., a British Virgin Islands company limited by shares (“AIOS Tech” or formerly known as “Nisun International”). “We,” “us,” and “our” or “Group” refer to AIOS Tech together with its subsidiaries, including its offshore subsidiaries and PRC subsidiaries. Unless the context indicates otherwise, references to our business and operations in fiscal years 2023 and 2024 and the period prior to December 2025 also include our “former variable interest entities” or “former VIEs” (as defined below).

References to “offshore subsidiaries” are to:

- YD Network Technology Company Limited (“YD Network”), a limited company established under the laws of Hong Kong and a wholly-owned subsidiary of AIOS Tech;
- Everbright Solutions Limited (“Everbright Solutions”), a limited company established under the laws of the British Virgin Islands and a wholly-owned subsidiary of AIOS Tech;

References to “former offshore subsidiaries” are to:

- NiSun International Enterprise Management Group (British Virgin Islands) Co., Ltd. (“NiSun BVI”) (also referred to as 宁圣国际企业管理集团(维尔京群岛)有限公司), a limited company established under the laws of the British Virgin Islands and a wholly-owned subsidiary of AIOS Tech;
- NiSun International Enterprise Management Group (Hong Kong) Co., Ltd. (“NiSun HK”) (also referred to as 宁圣国际企业管理集团(香港)有限公司), a limited company established under the laws of Hong Kong and a wholly-owned subsidiary of NiSun BVI;

References to “former PRC subsidiaries” are to:

- NiSun (Shandong) Industrial Development Co., Ltd. (“NiSun Shandong”) (also referred to as 宁圣(山东)产业发展有限公司), a wholly foreign owned enterprise (“WFOE”) and wholly-owned subsidiary of Nisun HK;
- NiSun Ocean (Qingdao) Supply Chain Investment Co., Ltd. (“NiSun Ocean”) (also referred to as 宁圣海洋(青岛)供应链投资有限公司), a WFOE and wholly-owned subsidiary of NiSun HK;
- Zhumadian NiSun Supply Chain Management Co., Ltd. (“ZMD NiSun”) (also referred to as 驻马店宁圣供应链管理有限公司), a WFOE and wholly-owned subsidiary of NiSun HK;
- NiSun (Beijing) Supply Chain Management Co., Ltd. (“NiSun Beijing”) (also referred to as 宁圣(北京)供应链管理有限公司), a WFOE and wholly-owned subsidiary of NiSun HK;
- NingChen (Shanghai) Enterprise Management Co., Ltd. (“NingChen”) (also referred to as 宁臣(上海)企业管理有限公司), a wholly-owned subsidiary of NiSun Shandong;
- Fanningke Digital Technology (Shanghai) Co., Ltd. (“Fanningke”) (also referred to as 范宁克数字科技(上海)有限公司), a wholly-owned subsidiary of NingChen;
- Fintech (Henan) Trading Co., Ltd. (“Henan Trading”) (also referred to as 范太克(河南)贸易有限公司), a wholly-owned subsidiary of NingChen;
- Fanshengke Supply Chain (Shanghai) Co., Ltd. (“Fanshengke”) (also referred to as 范圣克供应链(上海)有限公司), a wholly-owned subsidiary of NingChen;
- Shanghai Keqiya International Trade Co., Ltd. (“Keqiya”) (also referred to as 上海克奇亚国际贸易有限公司), a wholly owned subsidiary of NingChen;
- Shanghai Naqing Enterprise Management Co., Ltd. (“Naqing”) (also referred to as 上海纳卿企业管理有限公司), a wholly-owned subsidiary of NiSun Shandong;

- Qingdao Sailang International Trade Co., Ltd. (“Qingdao Sailang”) (also referred to as 青岛赛朗国际贸易有限公司), a wholly-owned subsidiary of NiSun Ocean;
- Rizhao Sailang Mining Co., Ltd. (“RZ Sailang”) (also referred to as 日照赛朗矿业有限公司), a wholly-owned subsidiary of Qingdao Sailang;
- Gansu Zhonghexi Trading Co., Ltd. (“Gansu Zhonghexi”) (also referred to as 甘肃众禾熙商贸有限公司), a 65% owned subsidiary of Qingdao Sailang;
- Shandong Taiding International Investment Co., Ltd. (“Taiding”) (also referred to as 山东泰鼎国际投资有限公司), a joint venture company established under the laws of PRC and 80% owned by NiSun BVI.
- Shanghai Ningzhuang Trading Partnership Enterprise (“Ningzhuang”) (also referred to as 上海宁撰贸易合伙企业(有限合伙)), a limited partnership of which NingChen is a 95% partner;
- Khorgos Fanning Network Technology Co., Ltd. (“Khorgos Fanning”) (also referred to as 霍尔果斯范宁克网络科技有限公司), a wholly-owned subsidiary of Fanningke;
- Hebei Ruizu Trading Co., Ltd. (“Hebei Ruizu”) (also referred to as 河北瑞祖商贸有限公司), a 99% owned subsidiary of Qingdao Sailang;
- FanShengke Supply Chain (Fujian) Co., Ltd. (“Fanshengke Fujian”) (also referred to as 范圣克供应链 (福建) 有限公司), a wholly-owned subsidiary of Fanshengke; and
- Zhetai (Tianjin) Trading Co., Ltd. (“Zhetai Tianjin”) (also referred to as 喆泰 (天津) 贸易有限公司), a 70% owned subsidiary of Hebei Ruizu, until its shareholder was changed to Hebei Zhetai Technology Group Co., Ltd., an unrelated third party, on June 13, 2025.

References to “former consolidated affiliated entities” are to: former variable interest entities (“VIEs”) and subsidiaries of former VIEs.

References to former VIEs are to:

- Fintech (Shanghai) Digital Technology Co., Ltd. (“Fintech”) (also referred to as 范太克(上海)数字科技有限公司), a PRC company and a consolidated affiliate controlled by Ningchen through a series of VIE agreements;
- Beijing Hengtai Puhui Information services Co., Ltd. (“Hengpu”) (also referred to as 北京恒泰普惠信息服务有限公司), a PRC company and a consolidated affiliate controlled by Ningchen through VIE agreements;
- Shanghai Luyao Financial Consulting Co., Ltd. (“Luyao Shanghai”) (also referred to as 上海禄邀财务咨询有限公司), a PRC company and a consolidated affiliate controlled by Ningchen through VIE agreements;

References to VIE former subsidiaries are to:

- Horgos Fintech Network Technology Co., Ltd. (“Horgos”) (also referred to as 霍尔果斯泛太克网络科技有限公司), a wholly-owned subsidiary of Fintech;
- Fintech Supply Chain Management (Shandong) Co. Ltd. (“Fintech Shandong”) (also referred to as 范太克供应链管理(山东)有限公司), a wholly-owned subsidiary of Fintech;
- Fanlunke Supply Chain Management (Shanghai) Co., Ltd. (“Fanlunke”) (also referred to as 范伦克供应链管理(上海)有限公司), a wholly-owned subsidiary of Fintech;
- Fintech Supply Chain Management (Ningbo) Co. Ltd. (“Fintech Ningbo”) (also referred to as 范太克供应链管理(宁波)有限公司), a wholly-owned subsidiary of Fintech;
- Jilin Province Lingang Supply Chain Management Co., Ltd. (“Lingang”) (also referred to as 吉林省临港供应链管理有限公司), a wholly-owned subsidiary of Fintech;

- Liaogang NiSun (Yingkou) Supply Chain Management Co. Ltd. (“Liaogang Yingkou”) (also referred to as 辽港宁圣(营口)供应链管理有限公司), a 51% owned subsidiary of Fintech;
- Fintech Supply Chain Management (Shenzhen) Co., Ltd. (“Fintech Shenzhen”) (also referred to as 范太克供应链管理(深圳)有限公司), a wholly-owned subsidiary of Fanlunke;
- Nanjing NiSun Gold Co., Ltd. (“NiSun Nanjing”) (also referred to as 南京宁圣黄金有限公司), a wholly-owned subsidiary of Fintech;
- Hangzhou Fengtai Supply Chain Management Co., Ltd. (“Fengtai”) (also referred to as 杭州丰钛供应链管理有限公司), a wholly-owned subsidiary of Hengpu;
- FanlunKe Trading (Nanjing) Co., Ltd. (“Fanlunke Nanjing”) (also referred to as 范伦克商贸(南京)有限公司), a wholly-owned subsidiary of Fanlunke;
- Henan Fintech Digital Technology Co., Ltd. (“Henan Fintech”) (also referred to as 河南范太克数字科技有限公司), a wholly-owned subsidiary of Fintech;
- FanlunKe Trading (Chengdu) Co., Ltd. (“Fanlunke Chengdu”) (also referred to as 范伦克商贸(成都)有限公司), a wholly-owned subsidiary of Fanlunke;
- Fanlunke New Retail (Chengdu) Co., Ltd. (“Fanlunke New Retail Chengdu”) (also referred to as 范伦克新零售(成都)有限公司), a wholly-owned subsidiary of Fanlunke Chengdu; and
- Henan Ningcheng Hechuang Trading Co., Ltd. (“Henan Ningcheng”) (also referred to as 河南宁诚合创商贸有限公司), a 51% owned subsidiary of Fanlunke, which was incorporated on April 2, 2025 and subsequently dissolved on August 11, 2025.

This annual report contains translations of certain Renminbi (“RMB”) amounts into U.S. dollar amounts at a specified rate solely for the convenience of the reader. The exchange rates in effect as of December 31, 2025, December 23, 2025 and December 31, 2024 were US\$1.00 for RMB 6.9931, US\$1.00 for RMB 7.0280 and RMB 7.2993, respectively. The average exchange rates for the years ended December 31, 2025, 2024, and 2023 were US\$1.00 for RMB 7.1875, RMB 7.1957, and RMB 7.0809, respectively. The average exchange rates for the years ended December 23, 2025 was US\$1.00 for RMB 7.1913. We use period-end exchange rates for assets and liabilities and average exchange rates for revenue and expenses. Capital accounts are translated at their historical exchange rates when the capital transactions occurred. Any discrepancies in any table between the amounts identified as total amounts and the sum of the individual amounts listed therein are due to rounding.

For the sake of clarity, this annual report follows the English naming convention of first name followed by last name, regardless of whether an individual’s name is Chinese or English. For example, the name of the Co-Chief Executive Officers are presented as “Xin Liu” and “Li Guo” even though, in Chinese, Mr. Liu and Mr. Guo’s name are presented as “Liu Xin” and “Guo Li.”

We obtained the industry and market data used in this annual report, or any document incorporated by reference from industry publications, research, surveys and studies conducted by third parties and our own internal estimates based on our management’s knowledge and experience in the markets in which we operate. We did not, directly or indirectly, sponsor or participate in the publication of such materials, and these materials are not incorporated in this annual report other than to the extent specifically cited in this annual report. We have sought to provide current information in this annual report and believe that the statistics provided in this annual report remain up-to-date and reliable, and these materials are not incorporated in this annual report other than to the extent specifically cited in this annual report.

SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this report may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended (the “Securities Act”), and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The words “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “estimate,” and similar expressions are intended to identify such forward-looking statements. Our actual results may differ materially from the results anticipated in these forward-looking statements due to a variety of factors, including, without limitation, those discussed under “Item 3—Key Information—Risk Factors,” “Item 4—Information on the Company,” “Item 5—Operating and Financial Review and Prospects,” and elsewhere in this report, as well as factors which may be identified from time to time in our other filings with the Securities and Exchange Commission (the “SEC”) or in the documents where such forward-looking statements appear. All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements.

The forward-looking statements contained in this report reflect our views and assumptions only as of the date this report is signed. Except as required by law, we assume no responsibility for updating any forward-looking statements.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable for annual reports on Form 20-F.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable for annual reports on Form 20-F.

ITEM 3. KEY INFORMATION

A. Reserved

B. Capitalization and Indebtedness

Not applicable for annual reports on Form 20-F.

C. Reasons for the Offer and Use of Proceeds

Not applicable for annual reports on Form 20-F.

D. Risk Factors

Risks Related to Our Business and Industry

We have a limited operating history in the rapidly evolving AI and IT services industries, and any unforeseeable changes and uncertainties could adversely affect our operating results and growth prospects.

Following our strategic transformation and the divestiture of our legacy supply chain financing business in December 2025, our primary focus has shifted to providing artificial intelligence (AI) powered services, data solutions, and IT services through our Hong Kong-based subsidiary, YD Network Technology Company Limited (“YD Network”). As a result of this pivot, we are effectively a new entrant in the IT and AI services, and technology-driven financing sectors. We have a limited operating history in these specific fields upon which you can evaluate our business and prospects. You should consider our prospects in light of the risks and uncertainties that we may encounter as a company transitioning into a fast-growing and rapidly evolving industries.

The AI and IT services markets in Hong Kong and globally are characterized by rapid technological advancement, changing customer needs, and frequent product introductions. Our future success depends on our ability to design and deliver competitive AI and data solutions that meet the complex needs of commercial and financial clients. We cannot assure you that we will be able to successfully establish our market position, build a stable client base, or achieve profitability in these new business segments.

As our business and the regulatory environment for AI continue to evolve, we may need to adjust our strategies or business models. Any significant change to our business models may not achieve expected results and may have a material impact on our financial condition and results of operations. It is therefore difficult to effectively assess the future prospects of our new operations. Investors should consider our business and prospects based on such uncertainties that we encounter or may encounter in this fast-growing industry, including, but not limited to:

- our ability to adapt to the changing macroeconomic environment in Hong Kong, Southeast Asia, and around the world, which may be influenced by a number of factors, such as geopolitical factors, global financial market volatility and pandemics such as COVID-19;
- our ability to compete successfully with our industry peers, some of whom may have more resources in the business than we do;
- our response to changes in the regulatory environment;
- our ability to tailor solutions to meet the changing needs of our customers and partners, including those resulting from changes in the regulatory environment in which they operate;
- our ability to maintain and strengthen our relationships with key stakeholders in the IT and AI services industry, including, but not limited to, commercial corporate clients and financial institution clients;
- our strategy to reach more enterprise clients and financial institutions and increase the volume of data and technical service transactions processed;
- our innovations and product diversification;
- improving of our operational efficiency;
- measures to safeguard the security of our IT systems and confidentiality of the data we obtain and use through our solutions and systems;
- ability to attract, retain, and motivate talented employees;
- solutions to potential litigation such as regulatory, intellectual property infringement, data privacy, or other claims; and
- other potential risks and uncertainties inherently associated with our industry and our operations.

If we are unable to effectively address the identified and unknown risks and uncertainties, or fail to adapt to changes in the AI and IT services industry, our business, financial condition and operating results could be materially adversely affected.

If we are unable to innovate or respond effectively to ever-changing AI technologies and IT solutions and industry practices, our business and results of operations would be materially adversely affected.

The fintech, AI, data solutions, and IT services markets in which we compete are subject to rapid and significant changes. Operating in the technology services industry requires cutting-edge technology to digitize business processes and optimize data assets. We offer a wide range of solutions built upon our cutting-edge technologies such as AI models, cloud infrastructure, and big data analytics to empower the digital transformation of our clients. Innovation is key to improving our service offerings and developing new technologies to meet ever-changing customer needs. If we fail to innovate or invest in technology innovation, our competitive position could be compromised, which in turn could have a material and adverse impact on our business, financial condition, operating results and prospects.

Our success will depend in part on our ability to adapt and respond to the technology changes in a timely and effective manner. It requires us to continue to invest significant resources to enhance our technology infrastructure and research and development efforts. Changes and developments in the AI and IT industries may also require us to reevaluate our existing business models or technical solutions from time to time and make significant adjustments to our long-term strategy and business plans. We cannot assure you that we will succeed in implementing these initiatives. If we are unable to respond to technological developments or industry practices in a cost-effective manner, our business, financial position, and operating performance may be materially adversely affected.

We rely on our cooperation with our customers and industry partners, and if our technology solutions or services cannot meet the needs or expectations of customers and partners for any reason, we could lose our established market share.

Our relationships with our customers and partners are critical to our success. We generate revenue primarily by providing IT services, data solutions, and AI-powered services and technology solutions to our customers and partners for service fees. In our new business model, much of our business depends on our relationships with corporate clients (including financial institutions requiring IT support) and their willingness to continue to work with us. Almost all of our customers apply a complex and rigorously screened bidding process in selecting their IT solutions partners to address some of their most challenging yet frequently encountered problems. We have been successful in building trusted relationships with those core enterprises and financial institutions and believe we will continue to deliver satisfactory technology solutions to those businesses. However, our service agreements are usually non-exclusive in nature, and they may choose to use their in-house research and development capabilities or choose our competitors to develop their digital platforms and AI solutions. We cannot guarantee our customers and industry partners will renew contracts with us on a long term basis or at all, nor can we be certain that the customer will not engage other third-party technology solution providers for their technical solution needs.

Our ability to maintain and expand our customer base and build long-term relationships with our partners also depends on a number of other factors, such as:

- our technologies and solutions to keep up with rapid technological change and the ability to compete in the market;
- our ability to adapt to meet changing customer needs and expectations;
- satisfaction level of our customers and partners with the performance, customization and effectiveness of our solutions and customer service;
- our ability to accurately predict market trends and deliver attractive products and services at a prices sensitive to market demands;
- the success and development of our customers and partners; and
- overall economic conditions, market and regulatory developments.

Our business, financial condition, operating results and prospects may be materially adversely affected if our technology solutions or services cannot meet the needs or expectations of customers and partners, or our customers and partners opt for their in-house team or our competitors to provide them technology solutions.

We are subject to evolving regulatory requirements, and if we fail to adapt to regulatory changes, our business and prospects may be materially and adversely affected.

Many aspects of our business, including the provision of software development, data processing, and AI content generation among others, are subject to supervision and regulation by various governmental authorities in Hong Kong and other jurisdictions where we operate or plan to expand, such as Southeast Asia. While we have divested our mainland China operations, we may still be subject to certain PRC laws with extraterritorial effect, as discussed elsewhere in this section. In addition, as we continue to expand the solutions on our platform, we may be subject to new and more complex regulatory requirements (such as algorithms filing or cross-border data transfer security assessments). We are also required to comply with applicable laws and regulations in relevant jurisdictions to protect the privacy and security of our customers' information. Legal and regulatory restrictions may delay, or possibly prevent, some of our solutions or services from being offered, which may have a material adverse effect on our business, financial condition and results of operations. Violation of laws and regulations may also result in severe penalties, confiscation of illegal income, revocation of licenses and, under certain circumstances, criminal prosecution.

The PRC regulatory framework governing internet, AI, and data security services is evolving. New laws or regulations may be promulgated, which could impose new requirements or prohibitions that render our operations or our technologies non-compliant. In addition, due to uncertainties and complexities of the regulatory environment, we cannot assure you that regulators will interpret laws and regulations the same way we do, or that we will always be in full compliance with applicable laws and regulations. To remedy any violations, we may be required to modify our business models, solutions and technologies in ways that render our solutions less appealing. We may also become subject to fines or other penalties, or, if we determine that the requirements to operate in compliance are overly burdensome, we may elect to terminate potentially non-compliant operations. If those situations were to happen, our business, financial condition and results of operations may be materially and adversely affected.

Failure to manage our strategic transformation and future growth could cause disruption to our operations, impair our ability to generate revenue and strain our operational and other resources.

Historically, our business experienced growth through acquisitions and service solution diversification. However, following our strategic pivot in December 2025, our primary focus has shifted to SME financing solutions, AI and IT services. Our current strategy includes integrating our newly acquired operations (i.e., YD Network), launching our new SME financing solutions business, enhancing our AI technologies, developing new data solutions, and increasing the number of commercial clients we serve. Pursuing these strategies has resulted in, and will continue to result in substantial demands on our capital and operating resources. In particular, the management of our transformation and future growth will require, among other things:

- successful integration of our newly acquired AI and IT operations with our existing corporate structure;
- continued technology innovations and R&D capability enhancement in the AI sector;
- stringent cost controls and adequate replenishable liquidity during the transition period;
- strengthening of financial and risk controls;
- increased marketing, sales and support activities for our new services; and
- retaining, training and hiring qualified employees and professionals with AI and IT expertise.

If we are not able to manage our transformation and growth successfully, our business, financial condition and operating results would be materially and adversely affected.

We have modified our business models and had substantial strategic operational adjustments to our business as a result of changes in the regulatory mandates as well as our corporate reorganizations, and we may be subject to risks, uncertainties or potential liabilities associated with our legacy business, products or services.

Given the complexities, uncertainties and changes in the laws, rules, regulations, policies and administrative measures governing our industries and business operations, we have modified our business models and practices in response to changes in regulatory requirements and our strategies. Specifically, in December 2025, we completed the divestiture of our former VIEs and their subsidiaries, which operated our legacy SME financing in mainland China and supply chain financing businesses. Although these entities are no longer part of our consolidated group, we may still be subject to regulatory scrutiny or legal challenges regarding their operations prior to the divestiture. For example, PRC regulatory authorities may conduct retrospective inspections on our historical financial service activities. If our former VIEs are found to have violated PRC laws (such as failing to obtain requisite financial licenses or non-compliance with tax regulations) during the period we controlled them, we could potentially be held liable for penalties or overdue taxes.

In addition, regarding the legacy Xibolun Group that was divested by us in 2020, we may still be subject to challenges from PRC taxing authorities regarding the amounts of taxes due. Although Xibolun Group management believed it had paid all accrued taxes owed, PRC taxing authorities may take the position that Xibolun Group owed more taxes than it had paid and could hold us liable for any overdue taxes despite that Xibolun Group is no longer a part of our consolidated group.

We are not aware any PRC authorities have imposed such liability or administrative penalties on us as of the date of this report. Nevertheless, we cannot assure you that we will not be subject to liabilities or regulatory penalties in connection with the historical products or services our former affiliates (including the recently divested former VIEs) previously offered. Furthermore, the PRC legal system is based in part on government policies and internal rules that may have retroactive effect. As a result, we may not be aware of any violation of those policies and rules until notified by the relevant agencies, and we cannot assure you that our affiliates or disposed operations would not cause us to be subject to liabilities or administrative penalties even though the relevant products or operations had not been or no longer are associated with our Company. Any of such occurrence may materially and adversely affect our client relationship, reputation and business operations.

We cannot assure you that our strategic transformation will be successful or that we will not incur losses in the future.

We are implementing diversified business strategies to pursue growth in the AI and IT sectors. However, many obstacles exist, including, but not limited to, increased competition from established IT service providers, our ability to commercialize our AI solutions, unexpected costs, and costs associated with marketing efforts. Notably, we incurred significant net losses of \$220.9 million for the fiscal year ended December 31, 2025, primarily due to loss on disposal associated with our legacy business divestiture. We cannot assure you that we will be able to successfully overcome such obstacles or succeed in achieving our goals. Our inability to implement this new growth strategy successfully may have a negative impact on our future financial condition, results of operations or cash flows, and we may continue to incur operating losses during this transition phase.

Our planned expansion into Southeast Asian markets subjects us to additional operational, regulatory, and foreign exchange risks.

As part of our business strategy, we intend to gradually expand our footprint from Hong Kong into Southeast Asian markets, prioritizing countries such as Indonesia and the Philippines. We have limited operating history in these regions and face significant challenges in understanding and adapting to local regulatory frameworks, cultural nuances, and business practices. Expanding into Southeast Asia exposes us to multiple risks, including but not limited to: intense competition from well-established local IT providers; complex and unfamiliar legal and tax environments; potential political and economic instability; and fluctuations in foreign exchange rates between local currencies. If we are unable to effectively navigate these international expansion risks, our investments in these new markets may not yield the expected returns, which could negatively impact our overall business strategy and financial results.

We have incurred significant losses in the past, including a net loss of \$220.9 million for the fiscal year ended December 31, 2025. We cannot assure you that we will be able to generate profits in the future.

We may experience losses due to our continued investments in AI technology, talent, brand recognition, and other initiatives. Our profitability also depends on our ability to manage our costs and expenses during our strategic transition. We intend to manage and control our costs and expenses, but there can be no assurance that we will achieve this goal. Our ability to achieve and sustain profitability is affected by various other factors, some of which are beyond our control, such as changes in the macroeconomic and regulatory environment or competitive dynamics in the IT services industry. Accordingly, shareholders should not rely on our financial results of any prior period as an indication of our future performance.

From time to time we may evaluate and pursue strategic investments or acquisitions, which could require significant management attention, disrupt our existing operations and adversely affect our financial results.

We may evaluate and consider strategic investments, combinations, acquisitions or alliances to expand our operations. Strategic investments or acquisitions will involve risks commonly encountered in business relationships, including:

- difficulties in integrating the operations, personnel, systems, data, technologies, rights, platforms, products and services of the acquired business;
- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits;
- difficulties in retaining, training, motivating and integrating key personnel;
- diversion of management's time and resources from our daily operations;
- difficulties in maintaining uniform standards, controls, procedures and policies within the combined organizations;
- difficulties in retaining relationships with customers, employees and suppliers of the acquired business;
- risks of entering markets in which we have limited or no prior experience;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights or increase our risk for liability;
- failure to successfully further develop the acquired technology;
- liability for activities of the acquired business before the acquisition, such as violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- potential disruptions to our ongoing businesses; and
- unexpected costs and unknown risks and liabilities associated with strategic investments or acquisitions.

We have made certain investments and acquisitions during the past year, most notably the acquisition of YD Network Technology Company Limited in December 2025 to establish our AI and IT service capabilities in Hong Kong. However, our investments and acquisitions may not be successful, may not benefit our business strategy, may not generate sufficient revenues to offset the associated acquisition costs or may not otherwise result in the intended benefits. In addition, we cannot assure you that any future investment in or acquisition of new businesses or technology will prove to be profitable or bring value to our shareholders.

If we cannot compete effectively in the AI and IT services market, our results of operations could suffer.

Competition in the AI and IT services industry is intense, and an increasingly number of participants have also entered the SME financing solutions market. Our competitors operate with different business models, have different cost structures or participate selectively in different markets. They may ultimately prove more successful or more adaptable to new regulatory, technological and other developments. Some of our current and potential competitors have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale, and support of their service platforms and customers. Our competitors may also have longer operating histories, more extensive customer bases, greater brand recognition and loyalty, and broader partner relationships than us. Additionally, a current or potential competitor may acquire one or more of its existing competitors or form a strategic alliance with one or more of its competitors. Our competitors may be better at developing new products or services, responding faster to new technologies, or undertaking more extensive and effective marketing campaigns. If we are unable to compete with such companies and meet the need for innovation in the IT services and fintech industries, the demand for our services could stagnate or substantially decline, our business could experience reduced revenues or fail to achieve or maintain more widespread market acceptance, any of which could harm our business and results of operations.

We depend on our industry partners to derive a substantial portion of our revenues.

We derive a substantial portion of our revenues from our cooperation with industry partners. Following our strategic transformation, our key partners now include technology vendors, cloud service providers, data suppliers, and enterprise clients (including financial institutions utilizing our IT solutions). If we lose any of the product providers, sponsors or acquirers, or any of our partners significantly reduces their volume of business with us, our revenues and profitability would be substantially reduced if we are unable to seek alternative partners on a timely basis, or at all. In addition, the product volume we source and distribute from specific product providers may vary from period to period, particularly because we are not the exclusive service provider for any particular product provider. Our dependence on our upstream technology partners or downstream clients may also adversely affect our ability to negotiate fee rates, which may in turn materially and adversely affect our results of operations.

While we are not aware of any material data breach in the past, cyber-attacks, computer viruses or any future failure to adequately maintain security and prevent unauthorized access to electronic and other confidential information could result in a data breach which could materially adversely affect our reputation, financial condition and operating results.

The protection of our customers', business partners', our Company's and employees' data is critically important to us. Our customers, business partners, and employees expect us to adequately safeguard and protect their sensitive personal and business information. We have become increasingly dependent upon automated information technology processes. Improper activities by third parties, exploitation of encryption technology, data-hacking tools and discoveries and other events or developments may result in a future compromise or breach of our networks, AI model infrastructure, data storage systems, or other cloud-based systems. In particular, the techniques used by criminals to obtain unauthorized access to sensitive data change frequently and often are not recognized until launched against a target; accordingly, we may be unable to anticipate these techniques or implement adequate preventative measures. There can be no assurance that we will not suffer a criminal cyber-attack in the future, that unauthorized parties will not gain access to personal or business information or sensitive data, or that any such incident will be discovered in a timely manner.

We also face indirect technology, cybersecurity and operational risks relating to the third parties with whom we work with to facilitate our business activities, including, among others, external cloud service providers and data center operators.

As a result of increasing consolidation and interdependence of technology systems, a technology failure, cyber-attack or other information or security breach that significantly compromises the systems of one entity could have a material impact on its counterparties. Any cyber-attack, computer viruses, physical or electronic break-ins or similar disruptions of such third-party service providers could adversely affect our operations and could result in the loss or leakage of proprietary data or intellectual property.

Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with customers and cooperation partners could be severely damaged, we could incur significant liability and our business and operations could be adversely affected.

Any negative publicity and allegations against us may adversely affect our brand and reputation, which may harm our ability to attract and retain customers and business partners and result in material adverse impact on our business, results of operations and prospects.

Negative publicity and allegations about us, our products and services or our financial results, including by short sellers or investment research firms, regardless of their veracity, may adversely damage our brand, public image and reputation, harm our ability to attract and retain customers and result in material adverse impact on our share price, business, results of operations and prospects. For example, on June 3, 2020, a short seller issued a report alleging that, among other things, the private placement we consummated in December 2019, the Hengpu acquisition and Nami acquisition were undisclosed related party transactions which we failed to disclose. The trading price of our shares declined and a shareholder class action lawsuit was filed against us and some of our directors and senior executive officers in the United States District Court for the Southern District of New York. While the findings and conclusions of the independent investigation conducted by the special counsel have refuted the relevant allegations set out in the short report, and the class action lawsuit has been dismissed in its entirety, nevertheless our share price fluctuated after such negative publicity. Although the entities involved in these historical allegations (Hengpu and Nami) were part of the legacy business divested in December 2025, any lingering negative publicity associated with our historical operations could still impact investor sentiment and our new brand reputation.

The loss of any of our key customers could reduce our revenues and our profitability.

For the fiscal year ended December 31, 2025, four customers accounted for 14%, 12%, 12%, and 11% of the Company's total revenue from continuing operations. As of December 31, 2025, three customers accounted for approximately 38%, 37% and 25% of our total accounts receivable balance.

We have not entered into long-term contracts with any of these major customers and instead rely on individual orders from such customers. Therefore, there can be no assurance that we will maintain or improve relationships with these customers, or that we will be able to continue to serve these customers at current levels or at all. As the majority of our revenues are driven by individual orders for services, our major customers often change each period based on when a given order is placed. Although long-term contracts do not exist in our industry and our customers often make orders repeatedly, if we cannot develop and maintain long-term relationships with major customers or replace major customers from period to period with equivalent customers, the loss of such sales could have an adverse effect on our business, financial condition and results of operations.

Our new AI and IT services business may require continued capital investment, and if we cannot maintain the level of capital and funding sources needed to support our growth, our business would be harmed.

While our new business model is less capital-intensive than our legacy supply chain financing operations, to remain competitive and enhance customer experience, we still need to make continued investments to develop new AI algorithms, data infrastructure, and expand into new markets. Such endeavors carry risks, such as cost overruns, delays in delivery or lack of acceptance from our clients. There can be no assurance that we will have sufficient funds available to maintain the levels of future investment required to support our product innovations. If we become dependent on a small number of funding sources (such as equity financing), constraints may materially limit our ability to expand. As a result, our business, financial condition, results of operations and cash flow may be materially and adversely affected.

Our historical financial data is derived from our former PRC subsidiaries' and former consolidated affiliates' books and records which were prepared in accordance with China GAAP, not U.S. GAAP.

While we have divested our mainland China operations, a significant portion of our historical financial data is based on our former PRC subsidiaries' books and records are prepared in accordance with China GAAP. Our new operational hub in Hong Kong maintains records in accordance with Hong Kong Financial Reporting Standards (HKFRS). Despite our efforts to improve the Company's controls and procedures, our accounting personnel do not have sufficient knowledge, experience and training in maintaining our books and records in accordance with U.S. GAAP standards. If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential shareholders could lose confidence in our financial reporting, which would harm the value of our shares.

We are substantially dependent upon our senior management and key information technology and development personnel.

We are highly dependent on our senior management to manage our business and operations and our key research and development personnel for the development of new products and the enhancement of our existing products and technologies. In particular, we rely substantially on members of our senior management, including the Chief Executive Officers, Chief Financial Officer, and senior executives of our operating subsidiaries (including YD Network) to manage our operations.

While we provide the legally required personal insurance for the benefit of our employees, we do not maintain key man life insurance on any of our senior management or key personnel. The loss of any one of them would have a material adverse effect on our business and operations. Competition for senior management and our other key personnel is intense and the pool of suitable candidates is limited. We may be unable to locate a suitable replacement for any senior management or key personnel that we lose. In addition, if any member of our senior management or key personnel joins a competitor or forms a competing company, they may compete with us for customers, business partners and other key professionals and staff members of our Company. Although each of our senior management and key personnel has signed a confidentiality agreement in connection with their employment with us, we cannot assure you that we will be able to successfully enforce these provisions in the event of a dispute between us and any member of our senior management or key personnel.

We compete for qualified personnel with other technology companies and research institutions. Intense competition for these personnel could cause our compensation costs to increase, which could have a material adverse effect on our results of operations. Our future success and ability to grow our business will depend in part on the continued service of these individuals and our ability to identify, hire and retain additional qualified personnel. If we are unable to attract and retain qualified employees, we may be unable to meet our business and financial goals.

We are heavily dependent upon the services of experienced personnel who possess skills that are valuable in our industry, and we may have to actively compete for their services.

We are heavily dependent upon our ability to attract, retain and motivate skilled personnel to serve our customers. Many of our personnel possess skills that would be valuable to companies engaged in our industry. Consequently, we expect that we will have to actively compete for these employees. Some of our competitors may be able to pay our employees more than we are able to pay to retain them. Our ability to profitably operate is substantially dependent upon our ability to locate, hire, train and retain our personnel. There can be no assurance that we will be able to retain our current personnel, or that we will be able to attract and assimilate other personnel in the future. If we are unable to effectively obtain and maintain skilled personnel, the development and quality of our services could be materially impaired. See "Our Employees."

If we fail to protect our intellectual property rights, it could harm our business and competitive position.

As of December 31, 2025, we did not hold any registered intellectual property following the divestiture of our legacy business. We are in the process of developing new proprietary technologies for our AI and IT services, but we currently rely on a combination of copyright, trademark and trade secret laws and non-disclosure agreements and other methods to protect our developing intellectual property rights.

We also rely on trade secret rights to protect our business through non-disclosure agreements with certain employees. If any of our employees breach their non-disclosure obligations, we may not have adequate remedies in Hong Kong, and our trade secrets may become known to our competitors. In accordance with Hong Kong intellectual property laws and regulations, we will have to renew our trademarks once the terms expire.

Implementation of intellectual property-related laws in the jurisdictions where we operate can be challenging. Accordingly, intellectual property rights and confidentiality protections in China may not be as effective as in the United States or other western countries. Furthermore, policing unauthorized use of proprietary technology is difficult and expensive, and we may need to resort to litigation to enforce or defend our intellectual property rights, or to determine the enforceability, scope and validity of our proprietary rights or those of others. Such litigation and an adverse determination in any such litigation, if any, could result in substantial costs and the diversion of resources and management attention, which could harm our business and competitive position.

We may be exposed to intellectual property infringement and other claims by third parties which, if successful, could disrupt our business and have a material adverse effect on our financial condition and results of operations.

Our success depends, in large part, on our ability to use and develop our technology and know-how without infringing on third party intellectual property rights. As litigation concerning intellectual property has become more common in China, we face a higher risk of being the subject of claims for intellectual property infringement, invalidity or indemnification relating to other parties' proprietary rights. Our current or potential competitors, many of which have substantial resources and have made substantial investments in competing technologies, may have or may obtain intellectual property rights that will prevent, limit or interfere with our ability to use or sell our products in either China or other countries, including the United States. In addition, the defense of intellectual property suits, including patent infringement suits, and related legal and administrative proceedings can be both costly and time consuming and may significantly divert the efforts and resources of our technical and management personnel. Furthermore, an adverse determination in any such litigation or proceedings to which we may become a party could cause us to:

- pay damage awards;
- seek licenses from third parties;
- pay ongoing royalties;
- redesign our products; or
- be restricted by injunctions,

each of which could effectively prevent us from pursuing some or all of our business and result in our customers or potential customers deferring or limiting their purchase or use of our branded products, which could have a material adverse effect on our financial condition and results of operations.

Our brands or reputation and the reputation of the brands of our AI and IT services may materially and adversely be affected by factors outside of its control.

Enhancing the recognition and reputation of the brands of our financial services is critical to our business and competitiveness. Factors that are important to this objective include but are not limited to our ability to:

- maintain the quality and reliability of our technology platform;
- provide financial institutions, corporate and individual customers and industry partners with a superior client service experience;
- maintain accurate AI algorithms, data analytics models, and stable system performance;
- effectively manage and resolve any customer questions or concerns; and
- effectively protect personal information and the privacy of customers and industry partners.

Any negative publicity by the media or other parties about the foregoing or other aspects of our services, including but not limited to our management, business, compliance with laws, whether with merit or not, could severely hurt our reputation and harm our business and operating results.

Certain factors that may adversely affect our reputation are beyond our control. Negative publicity about our industry partners, service providers or other counterparties, such as negative publicity about their revenue generating practices and any failure by them to adequately protect the information of their investors, to comply with applicable laws and regulations or to otherwise meet required quality and service standards could harm the reputation of our business model that works with those industry partners.

Furthermore, any negative development in the AI and IT services industry, such as data breaches, algorithmic failures, or bankruptcies of other technology platforms, or negative perception of the industry as a whole, such as that arises from any failure of other IT service providers to protect user privacy or prevent security vulnerabilities, even if factually incorrect or based on isolated incidents, could compromise our image, undermine the trust and credibility we have established and have a negative impact on our ability to attract new customers. Negative developments in the technology industry, such as misuse of AI technology or the closure of other service platforms, may also lead to tightened regulatory scrutiny of the industry and limit the scope of permissible business activities that may be conducted by industry participants. If any of the foregoing were to occur, our business and results of operations could be materially and adversely affected.

Our operations depend on the performance of the internet infrastructure and fixed telecommunications networks in mainland China and Hong Kong.

Our operations are primarily based in Hong Kong and depend on the performance of its internet infrastructure and fixed telecommunications networks. We rely on a limited number of telecommunication service providers to provide us with data communications capacity through local telecommunications lines and internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's internet infrastructure or the fixed telecommunications networks provided by telecommunication service providers. While we no longer have primary operations in mainland China, we may rely on its telecommunication networks for cross-border support activities, and almost all access to the internet in mainland China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology, or the MIIT. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our digital technology systems and platform. We cannot assure you that the internet infrastructure in the jurisdictions where we operate will be able to support the demands associated with the continued growth in internet usage.

In addition, we have no control over the costs of the services provided by telecommunication service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be adversely affected. Furthermore, if internet access fees or other charges to internet users increase, our user traffic may decline and our business may be harmed.

Risks Related to Doing Business in Hong Kong

Compliance with Hong Kong's data privacy, cybersecurity, and cross-border data transfer regulations may entail significant expenses and could materially and adversely affect our business.

As we expand our global operations, our business models may involve complex cross-border data flow scenarios. In Hong Kong, the Personal Data (Privacy) Ordinance (the "PDPO") imposes increasingly strict requirements on data collection, storage, and cross-border transmission. While our current business operations primarily involve the processing and transfer of non-personal technical and commercial data, we are nonetheless subject to the PDPO in our capacity as a data user in Hong Kong. Furthermore, even for data that does not constitute "personal data" under the PDPO, our cross-border data transfer activities are subject to evolving cybersecurity standards and industrial guidelines in Hong Kong.

We believe that we and our operating subsidiaries in Hong Kong have been in compliance with the data privacy and personal information requirements of the PDPO. Moreover, we do not expect to be subject to any cybersecurity review by Hong Kong authorities for future offering. However, if our compliance measures fail to meet the stringent requirements of the PDPO and other evolving data protection laws, we may face severe regulatory scrutiny, which could result in significant fines, business interruptions, and loss of clients.

If our services are provided to customers in regulated industries, including financial institutions in Hong Kong, we may be subject to heightened compliance, technology risk management and auditability requirements.

Providing our information technology services to customers in the financial sector in Hong Kong subjects us to additional regulatory oversight. Regulators, including the Hong Kong Monetary Authority (HKMA), the Securities and Futures Commission (SFC), and the Insurance Authority (IA), have issued strict guidelines regarding outsourcing (such as HKMA's Supervisory Policy Manual SA-2) and technology risk management (such as TM-G-1).

These regulations and guidelines mandate that financial institutions ensure their service providers maintain a high level of cyber resilience, operational traceability, and data localization. As part of these compliance obligations, we may be required to provide our financial clients and their respective regulatory authorities with direct audit rights to our technical systems, security protocols, and data processing centers.

If our technical architecture or data management frameworks fail to fully adapt to these evolving local compliance requirements, or if we are unable to facilitate the mandatory localized data storage and auditability demands, we may be disqualified from securing or maintaining engagements with financial institutional clients. Any such failure could lead to the termination of significant service contracts, exposure to legal liabilities, and substantial reputational damage, which would materially and adversely affect our business, financial condition, and results of operations.

Any inadequacy in our internal record-keeping or the lack of clear contractual governance regarding data and compliance responsibilities could expose us to significant legal liabilities and impair our ability to defend against claims.

Providing IT-related services in Hong Kong subjects us to various commercial compliance regulations. Beyond substantive compliance with data protection and sector-specific laws, we are operationally required to maintain a high level of auditability. For instance, any of our clients in highly regulated sectors are mandated by their respective regulators to ensure that their service providers maintain immutable operation logs and comprehensive audit trails.

If our internal operational processes fail to maintain adequate traces of data access, system modifications, or transaction processing, we may be unable to demonstrate our compliance during client-driven audits or regulatory inspections. Such a lack of traceable evidence could not only lead to the immediate termination of service contracts but also severely impair our legal standing. In the event of a commercial dispute or regulatory investigation, the absence of sufficient internal records may render us unable to effectively rebut allegations of non-compliance or breach of duty, thereby exposing us to substantial fines, damages, and reputational harm.

Furthermore, our business involves complex data interactions where the boundaries of data ownership and processing responsibilities must be clearly defined. If our service agreements contain oversights or loopholes – such as failing to explicitly allocate liability for data security incidents or failing to define the ownership of AI-generated insights – we may be drawn into prolonged legal disputes. Any failure to maintain clear, robust contractual arrangements and sufficient evidentiary records could significantly increase our legal exposure and materially and adversely affect our business, financial condition, and results of operations.

Our reliance on third-party cloud, technology, and outsourcing providers subjects us to operational and compliance risks that are beyond our direct control.

In delivering our AI-driven and data-driven full-stack solutions, we actively integrate our services with the ecosystems of major third-party cloud service providers, and collaborate with local system integrators and qualified suppliers. While these collaborations are essential for our infrastructure and service scalability, they introduce vulnerabilities. If these third-party providers experience technical malfunctions, cybersecurity breaches, or prolonged service disruptions, the reliability of our own solutions could be severely compromised, leading to customer dissatisfaction and potential claims for breach of service level agreements. From a regulatory perspective in Hong Kong, we remain accountable for the activities outsourced to third parties. Under the PDPO and specific financial regulatory guidelines, we are required to ensure that our service providers maintain high standards of data security and operational resilience. However, we have limited influence over the internal security protocols or financial stability of these vendors. Any failure by a third-party provider to comply with legal obligations—particularly regarding localized data storage or the handling of personal information – could result in regulatory investigations and penalties being directed at us, regardless of our own compliance efforts.

We operate most of our business outside mainland China after our reorganization and rebranding. However, due to the long arm provisions under the current laws and regulations of mainland China, the government of mainland China may exercise significant oversight and discretion over the conduct of our business and may intervene in or influence our operations at any time, which could result in a material change in our operations and/or the value of our Ordinary Shares. The government of mainland China may also intervene or impose restrictions on our ability to move money out of Hong Kong to distribute earnings and pay dividends or to reinvest in our business outside of Hong Kong. Changes in the policies, regulations, rules, and the enforcement of laws of the government of mainland China may also be quick with little advance notice and our assertions and beliefs of the risk imposed by the legal and regulatory system of mainland China cannot be certain.

We operate most of our business outside mainland China, including Hong Kong. Specifically, in December 2025, we completed the divestiture of our former VIEs (Fintech, Hengpu, and Nami) and their subsidiaries. For the years ended December 31, 2025, we generated 41% of our revenues of current business from Hong Kong.

As advised by our PRC counsel, Jingtian & Gongcheng, as of the date of this annual report, on the basis that (i) we currently do not have or intend to set up any subsidiary or VIE structure in mainland China, (ii) we do not have any business operations in mainland China, (iii) none of our and our subsidiaries' clients are located in mainland China, and (iv) we and our subsidiary possess personal information of less than 1 million individuals in the PRC (for the purpose of this subsection (iv), including the special administrative regions of Hong Kong and Macau and Taiwan), and do not possess any core data or important data of the PRC or any information which affects or may affect national security of the PRC, we do not expect to be materially affected by recent statements by the government of mainland China indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in mainland China-based issuers. However, due to long arm provisions under the current laws and regulations of mainland China, there remains regulatory uncertainty with respect to the implementation and interpretation of laws and regulations in mainland China.

As advised by our PRC counsel, Jingtian & Gongcheng, as of December 31, 2025, (i) we currently do not have or intend to set up any subsidiary or VIE structure in mainland China, (ii) we do not have any business operations in mainland China, (iii) substantially all of our and our subsidiaries' clients are located outside mainland China, and (iv) we and our subsidiary possess personal information of less than 1 million individuals in the PRC (for the purpose of this subsection (iv), including the special administrative regions of Hong Kong and Macau and Taiwan), and do not possess any core data or important data of the PRC or any information which affects or may affect national security of the PRC, we do not expect to be materially affected by recent statements by the government of mainland China indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in mainland China-based issuers. However, due to long arm provisions under the current laws and regulations of mainland China, there remains regulatory uncertainty with respect to the implementation and interpretation of laws and regulations in mainland China.

Pursuant to the Basic Law, which is a national law of the PRC and the constitutional document for Hong Kong, national laws of the PRC shall not be applied in Hong Kong except for those listed in Annex III of the Basic Law and applied locally by promulgation or local legislation. The Basic Law expressly provides that the national laws of the PRC which may be listed in Annex III of the Basic Law shall be confined to those relating to defense and foreign affairs as well as other matters outside the autonomy of Hong Kong. The basic policies of the PRC regarding Hong Kong as a special administrative region of the PRC are reflected in the Basic Law, providing Hong Kong with a high degree of autonomy and executive, legislative and independent judicial powers, including that of final adjudication under the principle of "one country, two systems".

However, as the government of mainland China may choose to exercise significant oversight and discretion, and the policies, regulations, rules, and the enforcement of laws of the government of mainland China to which we are subject may change rapidly and with little advance notice to us or our shareholders. As a result, the application, interpretation, and enforcement of new and existing laws and regulations in mainland China are often uncertain. In addition, these laws and regulations may be interpreted and applied inconsistently by different agencies or authorities, and may be inconsistent with our current policies and practices. New laws, regulations, and other government directives in mainland China may also be costly to comply with, and such compliance or any associated inquiries or investigations or any other government actions may:

- delay or impede our development;
- result in negative publicity or increase our operating costs;
- require significant management time and attention; and/or
- subject us to remedies, administrative penalties and even criminal liabilities that may harm our business, including fines assessed for our current or historical operations, or demands or orders that we modify or even cease our business practices.

We are aware that recently, the government of mainland China initiated a series of regulatory actions and statements to regulate business operations in certain areas in mainland China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over mainland China-based companies listed overseas using variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. Since these statements and regulatory actions are new, it is highly uncertain how soon legislative or administrative regulation making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any, and the potential impact such modified or new laws and regulations will have on our daily business operation, the ability to accept foreign investments and list on a U.S. or other foreign exchange.

The PRC government may intervene or influence our operations at any time or may exert control over offerings conducted overseas and foreign investment, which may result in a material change in our operations and/or the value of AIOS Tech's Ordinary Shares. The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case, that restrict or otherwise unfavorably impact the ability or way we conduct our business, could require us to change certain aspects of our business to ensure compliance, which could decrease demand for our products and services, reduce revenues, increase costs, require us to obtain more licenses, permits, approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, our business, financial condition and results of operations could be adversely affected and such measures could materially decrease the value of AIOS Tech's Ordinary Shares, potentially rendering it worthless.

The enactment of Law of the PRC on Safeguarding National Security in the Hong Kong Special Administrative Region (the "Hong Kong National Security Law") could impact our HK Subsidiaries.

On June 30, 2020, the Standing Committee of the PRC National People's Congress adopted the Hong Kong National Security Law. This law defines the duties and government bodies of the Hong Kong National Security Law for safeguarding national security and four categories of offences – secession, subversion, terrorist activities, and collusion with a foreign or overseas force to endanger national security – and their corresponding penalties. Furthermore, on March 23, 2024, the Safeguarding National Security Ordinance (the "SNSO") was enacted in Hong Kong pursuant to Article 23 of the Basic Law. The SNSO establishes a comprehensive legal framework covering offences such as treason, insurrection, theft of state secrets, espionage, sabotage, and external interference. These laws establish a comprehensive framework for safeguarding national security, defining offences such as secession, subversion, theft of state secrets, and external interference.

On July 14, 2020, the former U.S. President Donald Trump signed the Hong Kong Autonomy Act (the "HKAA"), into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. On August 7, 2020 the U.S. government imposed HKAA-authorized sanctions on eleven individuals, including former and current HKSAR chief executives Carrie Lam and John Lee. On October 14, 2020, the U.S. State Department submitted to relevant committees of Congress the report required under HKAA, identifying persons materially contributing to "the failure of the Government of China to meet its obligations under the Joint Declaration or the Basic Law." The HKAA further authorizes secondary sanctions, including the imposition of blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under this authority. The imposition of sanctions may directly affect the foreign financial institutions as well as any third parties or customers dealing with any foreign financial institution that is targeted. It is difficult to predict the full impact of the Hong Kong National Security Law and HKAA on Hong Kong and companies located in Hong Kong. If our HK Subsidiaries are determined to be in violation of the Hong Kong National Security Law or the HKAA by competent authorities, our business operations, financial position and results of operations could be materially and adversely affected.

The PRC government may intervene or influence our operations at any time or may exert more control over offerings conducted overseas and foreign investment, which may result in a material change in our operations and/or the value of AIOS Tech's Ordinary Shares. Additionally, the governmental and regulatory interference could significantly limit or completely AIOS Tech's ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

There are political risks associated with conducting business in Hong Kong.

Any adverse economic, social and/or political conditions, material social unrest, strike, riot, civil disturbance or disobedience, as well as significant natural disasters, may affect the market and may adversely affect our business operations. Hong Kong is a special administrative region of the PRC and the basic policies of the PRC regarding Hong Kong are reflected in the Basic Law, which provides Hong Kong with a high degree of autonomy and executive, legislative and independent judicial powers, including that of final adjudication under the principle of “one country, two systems.” However, there is no assurance that there will not be any changes in the economic, political and legal environment in Hong Kong in the future. Since our operations are based in Hong Kong, any changes to such political arrangements may pose immediate threat to the stability of the economy in Hong Kong, thereby directly and adversely affecting our results of operations and financial positions.

Under the Basic Law, Hong Kong is exclusively in charge of its internal affairs and external relations, while the government of the PRC is responsible for its foreign affairs and defense. As a separate customs territory, Hong Kong maintains and develops relations with foreign states and regions. However, certain recent developments including the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region issued by the Standing Committee of the PRC National People’s Congress in June 2020, and the signing of the HKAA in the U.S. on July 14, 2020 has led to various sanctions against certain Hong Kong individuals, including against the then HKSAR chief executive Carrie Lam and John Lee, who later replaced Carrie Lam as chief executive on July 1, 2022. The U.S. State Department has indicated that the United States no longer considers Hong Kong to have significant autonomy from China and may further impose the same tariffs and other trade restrictions on exports from Hong Kong that it places on goods from Mainland China. Legislative or administrative actions in respect of China-U.S. relations could cause investor uncertainty for affected issuers, including AIOS Tech, and the market price of AIOS Tech’s Class A Ordinary Shares could be adversely affected.

If the PRC attempts to alter its agreement to allow Hong Kong to function autonomously, this could potentially impact Hong Kong’s common law legal system and may in turn bring about uncertainty in, for example, the enforcement of our contractual rights. This could, in turn, materially and adversely affect our business and operations. Additionally, intellectual property rights and confidentiality protections in Hong Kong may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in the Hong Kong legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the legal protections available to us, including our ability to enforce our agreements with our customers.

Under the Basic Law of the Hong Kong Special Administrative Region of PRC, Hong Kong is exclusively in charge of its internal affairs and external relations, while the government of the PRC is responsible for its foreign affairs and defense. As a separate customs territory, Hong Kong maintains and develops relations with foreign states and regions. Based on certain recent developments including the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region issued by the Standing Committee of the PRC National People’s Congress in June 2020, the U.S. State Department has indicated that the United States no longer considers Hong Kong to have significant autonomy from China and President Trump signed an executive order and the HKAA to remove Hong Kong’s preferential trade status and to authorize the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong’s autonomy. The United States may impose the same tariffs and other trade restrictions on exports from Hong Kong that it places on goods from mainland China. These and other recent actions may represent an escalation in political and trade tensions involving the U.S, mainland China and Hong Kong, which could potentially harm our business.

Our revenue is susceptible to the ongoing incidents or factors which affect the stability of the social, economic and political conditions in Hong Kong. Any drastic events may adversely affect our business operations. Such adverse events may include changes in economic conditions and regulatory environment, social and/or political conditions, civil disturbance or disobedience, as well as significant natural disasters. Given the relatively small geographical size of Hong Kong, any of such incidents may have a widespread effect on our business operations, which could in turn adversely and materially affect our business, results of operations and financial condition. It is difficult to predict the full impact of the HKAA on Hong Kong and companies with operations in Hong Kong like us. Furthermore, legislative or administrative actions in respect of China-U.S. relations could cause investor uncertainty for affected issuers, including AIOS Tech, and the market price of AIOS Tech’s Class A Ordinary Shares could be adversely affected.

There remain some uncertainties as to whether we will be required to obtain approvals from mainland China and Hong Kong authorities to list additional AIOS Tech’s securities on the U.S. exchanges and offer securities in the future, and if required, we cannot assure you that AIOS Tech will be able to obtain such approval.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (the “M&A Rules”), adopted by six regulatory agencies of mainland China in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of mainland China-based companies and controlled by mainland China-based companies or individuals to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange.

We are also aware that recently, the government of mainland China initiated a series of regulatory actions and statements to regulate business operations in certain areas in mainland China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over mainland China-based companies listed overseas using variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. For example, on July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued a document to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over mainland China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws.

On December 28, 2021, the CAC and other PRC authorities promulgated the Cybersecurity Review Measures, which took effect on February 15, 2022. In addition, the Cybersecurity Law, which was adopted by the Standing Committee of the National People's Congress on November 7, 2016 and came into force on June 1, 2017, and the Cybersecurity Review Measures, or the "Review Measures", provide that personal information and important data collected and generated by a critical information infrastructure operator, or a "CIIO", in the course of its operations in mainland China must be stored in mainland China, and if a CIIO purchases internet products and services that affect or may affect national security, it should be subject to national security review by the CAC together with competent departments of the State Council. Under the Cybersecurity Review Measures, a network platform operator that processes the personal information of more than one million individuals and intends to conduct an overseas initial public offering shall apply for a cybersecurity review. Data processor means an individual or organization that independently makes decisions on the purpose and manner of processing in data processing activities, and data processing activities refers to activities such as the collection, retention, use, processing, transmission, provision, disclosure, or deletion of data. On September 24, 2024, the Regulations on the Network Data Security Management, or the "Data Security Regulations", was promulgated by the State Council, and became effective as of January 1, 2025. This regulation restates and further specifies the legal requirements for personal information, important data, cross-border data transfer, network platform services, and data security. Among others, if the network data processing activities have or may have impacts on national security, such activities shall be subject to national security review in accordance with relevant laws and regulations.

Although our HK subsidiary is incorporated and operating in Hong Kong without any subsidiary or VIE structure in mainland China, the CAC may still assert jurisdiction under the Data Security Regulations and Cybersecurity Review Measures. Currently, and as of the date of this annual report, we do not expect the Review Measures to have an impact on the business and operations of AIOS Tech's HK subsidiary, YD Network, because (i) Our HK subsidiary is not considered a CIIO by any competent PRC Government Agency; (ii) as of the December 31, 2025, our HK subsidiary has not processed personal information of any individual customers of mainland China and collected and possesses personal information of less than 1 million individuals in the PRC (including the special administrative regions of Hong Kong and Macau and Taiwan), and do not possess or process any data that has been identified as "Important Data" by relevant PRC Government Agencies, nor do our business activities involve any data processing activities that affects or may affect national security of the PRC; accordingly, our business and operations of AIOS Tech's HK subsidiary does not trigger a mandatory filing for cybersecurity review under the Cybersecurity Review Measures; and (iii) as of the December 31, 2025, our HK subsidiary has not been informed by any governmental authority of mainland China of any requirement that it file for a cybersecurity review. Based on the foregoing and the advice of AIOS Tech's PRC legal counsel, Jingtian&Gongcheng, as of the date of December 31, 2025, we believe our HK subsidiary are not required to pass the cybersecurity review of the CAC in order to list AIOS Tech's Class A Ordinary Shares in the U.S. Nonetheless, if the authorized PRC regulatory body subsequently determines that we are required to go through such cybersecurity review, we may fail to complete such cybersecurity review procedures in a timely manner, or at all. Any failure or delay in the completion of the cybersecurity review procedures or any other non-compliance with the related laws and regulations may result in fines or other penalties, reputational damage as well as legal proceedings or actions against us, which may have material adverse effect on our business, financial condition or results of operations.

We are also aware that recently, the government of mainland China initiated a series of regulatory actions and statements to regulate business operations in certain areas in mainland China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over mainland China-based companies listed overseas using variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. Nevertheless, since these statements and regulatory actions are new, it is highly uncertain how soon the legislative or administrative regulation making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any. It is also highly uncertain what potential impact such modified or new laws and regulations will have on YD Network's daily business operations, AIOS Tech's ability to accept foreign investments and the listing of AIOS Tech's Class A Ordinary Shares on a U.S. or other foreign exchanges. If there is significant change to current political arrangements between mainland China and Hong Kong, the PRC government intervenes or influences operations of companies operated in Hong Kong like us, or exerts more control through change of laws and regulations over offerings conducted overseas and/or foreign investment in issuers like AIOS Tech, it may result in a material change in our operations and/or the value of the securities AIOS Tech is registering for sale or could significantly limit or completely hinder AIOS Tech's ability to offer or continue to offer securities to investors and cause the value of AIOS Tech's Class A Ordinary Shares to significantly decline or become worthless.

You may incur additional costs and procedural obstacles in effecting service of legal process, enforcing foreign judgments or bringing actions in Hong Kong against AIOS Tech or its management named in the prospectus based on Hong Kong laws.

Currently, all of our operations are conducted outside the United States, and all of our assets are located outside the United States. All of AIOS Tech's director and officers are not United States citizens or residents and all of their assets are located outside the United States. You may incur additional costs and procedural obstacles in effecting service of legal process, enforcing foreign judgments or bringing actions in Hong Kong against AIOS Tech or its management named in the prospectus, as judgments entered in the United States can be enforced in Hong Kong only at common law.

There is no statutory reciprocal enforcement of judgments between the United States and Hong Kong. Therefore, a judgment entered in the United States can be enforced in Hong Kong only under common law principles. To enforce a U.S. judgment in Hong Kong, a plaintiff must initiate a new legal action in a Hong Kong court, using the U.S. judgment as the basis for a debt claim. Furthermore, Hong Kong courts may stay proceedings if there is concurrent litigation elsewhere. Given these procedural obstacles and the requirement to initiate a fresh action under common law, you may incur additional costs and significant delays in seeking to enforce U.S. court judgments in Hong Kong. There is no guarantee that a Hong Kong court will ultimately recognize or enforce such judgments, which could substantially limit the legal protections available to our investors.

Risks Related to Doing Business in China

Our business and results of operations may be affected by changes in China's economic, political or social conditions, or government policies.

Substantially all of our business operations are conducted formerly in mainland China and Hong Kong.. Our business, results of operations, financial condition and prospects are subject to economic, political and legal developments in China. China's economy has its unique characteristics in many respects, including with respect to government regulations and oversight, growth rate, regulation of foreign currency exchange, and allocation of resources. Any changes or developments in economic conditions in China, in the policies of the PRC government, or in the laws and regulations of China could have an adverse effect on the overall economic growth of China. In response to the global and regional economic slowdowns, the PRC government has adopted policy measures aimed at stimulating the economic growth in China, and the implementation of these measures may be adjusted from industry to industry or across different regions of the country. Any adverse developments in the overall economic growth or in the geographical markets in which we operate may result in a reduction in demand for our IT solutions and AI services.. Such adverse changes could materially and adversely affect our business, financial condition and operating results.

Complexity of the PRC legal system and uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us and our investors, materially and adversely affect our financial condition and results of operations and cause our shares to significantly decline in value or become worthless.

We conduct all of our business through our subsidiaries in Hong Kong and formerly in mainland China . Our operations in mainland China are governed by PRC laws and regulations. Our former PRC subsidiaries are generally subject to laws and regulations applicable to foreign investments in China, in particular, the PRC Foreign Investment Law and the PRC Company Law. The PRC legal system is based on statutes. Prior court decisions may be cited for reference but have limited precedential value.

Although we completed the divestiture of our operations in mainland China in December 2025, we may continue to be subject to PRC laws and regulations and potential regulatory scrutiny arising from our historical business activities conducted within the territory of the PRC. The PRC regulatory authorities may initiate investigations, impose fines, or take other enforcement actions against us with respect to our prior operations in mainland China.

The PRC government may intervene or influence our operations at any time, or may exert more control over offerings conducted overseas and/or foreign investment in China-based issuers, which could result in a material change in our operations and/or cause the value of our securities to significantly decline or be worthless.

The Chinese government has significant oversight and discretion over the conduct of our business and may intervene or influence our operations as the government deems appropriate to further regulatory, political and societal goals. The Chinese government has recently published new policies that significantly affected certain industries such as the education and internet industries. Recent statements made by the Chinese government have exerted the government's oversight and control over offerings of companies with significant operations in mainland China that are to be conducted in foreign markets, as well as foreign investment in China-based issuers like we were prior to the divestiture of our legacy business in December 2025. Any future action by the Chinese government expanding the categories of industries and companies whose foreign securities offerings are subject to government review could significantly limit or completely hinder our ability to offer or continue to offer securities to investors or could disallow our current operating structure, which would likely result in a material change in our operations and/or a material change in the value of our securities, including causing the value of such securities to significantly decline or become worthless.

On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued a document to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws.

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines, or the “Trial Measures”, which took effect on March 31, 2023. According to these rules, the issuer or a major domestic operating company designated by the issuer, as the case may be, shall file with the CSRC, among other things, (i) with respect to its follow-on offering in the same foreign market within three business days, after completion of the follow-on offering, and (ii) with respect to its follow-on offering and listing in other foreign markets within three business days, after its initial filing of the listing application to the regulator in the place of such intended listing. If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings, fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. If the issuer meets both of the following criteria, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a domestic company: (i) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; (ii) the main parts of the issuer’s operation activities are conducted in mainland China, or the principal operation premises are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have habitual residences located in mainland China.

On February 17, 2023, the CSRC held a press conference for the release of the Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, which, among others, clarifies that (1) domestic companies that have already been listed overseas on or prior to the effective date of the Trial Measures (i.e. March 31, 2023) shall be deemed as existing issuers, or the Existing Issuers, Existing Issuers are not required to complete the filling procedures immediately, and they are required to file with the CSRC when subsequent matters such as refinancing are involved; (2) domestic companies that have already obtained approval of CSRC for direct overseas offering and listing may complete the filing before the filing notice expires, otherwise it shall file with the CSRC in accordance with the Trial Measures; (3) a six-month transition period will be granted to domestic companies which, prior to the effective date of the Trial Measures, have already obtained the approval from overseas regulatory authorities or stock exchanges (such as the completion of registration in the market of the United States or the completion of hearing in the market of Hong Kong), but have not completed the indirect overseas listing; if domestic companies fail to complete the overseas listing or have to obtain regulatory approval again within such six-month transition period, they shall file with the CSRC according to the requirements; and (4) the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize two markets and two kinds of resources. Based on the Trial Measures, we believe that we are currently deemed as an “Existing Issuer” because we were listed overseas prior to March 31, 2023. Additionally, as we completed the divestiture of our former VIEs and PRC operations in December 2025, although we no longer operate through a VIE structure and maintain business operations or substantive assets in mainland China, we are required to comply with specific reporting obligations to the CSRC regarding material changes in our business operations, within three business days after the occurrence and public announcement of the relevant event. Any failure to obtain, report, or delay in obtaining the CSRC approval for our activities if such approval is required, or a rescission of such CSRC approval that we have obtained, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

In addition, pursuant to the Confidentiality and Archives Management Provisions, which were promulgated on February 24, 2023, and came into effect on March 31, 2023, PRC domestic enterprises seeking to offer securities and list in overseas markets, either directly or indirectly, shall establish and improve the system of confidentiality and archives work, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of state organs to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests, and accounting records or photocopies thereof to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals shall be subject to corresponding procedures in accordance with relevant laws and regulations.

Recent regulatory developments in China, including greater oversight and discretion over privacy and data security, may subject us to additional regulatory review and any actions by the Chinese government to exert more oversight and control over foreign investment in China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

Recent statements by the Chinese government have exerted more oversight and control over offerings that are conducted overseas and/or foreign investments in China based issuers. The PRC government recently initiated a series of regulatory actions and statements to regulate business operations in China with little advance notice, among other things, including adopting new measures to extend the scope of cybersecurity reviews, cracking down on illegal activities in the securities market, and expanding the efforts in anti-monopoly enforcement. We are subject to various risks and costs related to the collection, use, sharing, retention, security, and transfer of confidential and private information, such as personal information and other data. Such covered data is wide ranging and relates to our investors, employees, suppliers, customers and other third parties. The relevant PRC laws apply not only to third-party transactions, but also to transfers of information between AIOS Tech, offshore subsidiaries, former offshore subsidiaries, our former PRC subsidiaries, and other parties with which we have commercial relations.

The PRC regulatory and enforcement regime with regard to privacy and data security is evolving. The PRC Cyber Security Law, which was amended on October 28, 2025 and took effect on January 1, 2026, requires that a network operator 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 safeguard the safe and stable operation of its networks.

For more details, see “*Item 3. Key Information—Risks Related to Doing Business in Hong Kong—There remain some uncertainties as to whether we will be required to obtain approvals from mainland China and Hong Kong authorities to list additional AIOS Tech’s securities on the U.S. exchanges and offer securities in the future, and if required, we cannot assure you that AIOS Tech will be able to obtain such approval.*”

PRC government authorities have wide discretion in the interpretation and enforcement of these laws, including the identification of CIIO and the interpretation and enforcement of requirements potentially applicable to such operators of “critical information infrastructure.” In July 2021, the State Council of the PRC promulgated the Regulations on the Protection of the Security of Critical Information Infrastructure took effect on September 1, 2021. Pursuant to this regulation, critical information infrastructure means key network facilities or information systems of critical industries or sectors, such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, the damage, malfunction or data leakage of which may endanger national security, people’s livelihoods and the public interest. Following the completion of the divestiture of our former PRC operations, we do not operate any business including network infrastructure within mainland China, based on our internal assessment conducted in accordance with the Cybersecurity Review Measures, we believe that the risk that we would be classified as a CIIO is relatively low.

If we are identified as a CIIO, we would be required to fulfill various obligations as required under PRC cybersecurity laws and other applicable laws for such operators of “critical information infrastructure,” including, among others, setting up a special security management organization, organizing regular cybersecurity education and training, formulating emergency plans for cyber security incidents and conducting regular emergency drills, and we may need to follow cybersecurity review procedure and apply with Cybersecurity Review Office before making certain purchases of network products and services. During cybersecurity review, we may be required to suspend the provision of any existing or new services to our users, and we may experience other disruptions of our operations, which could cause us to lose users and customers therefore resulting in adverse impacts on our business. The cybersecurity review could also lead to negative publicity and a diversion of time and attention of our management and our other resources. It could be costly and time-consuming for us to prepare application materials and make the applications. Furthermore, there can be no assurance that we will obtain the clearance or approval for these applications from the Cybersecurity Review Office and the relevant regulatory authorities in a timely manner, or at all. If we are found to be in violation of cybersecurity requirements in China, the relevant governmental authorities may, at their discretion, conduct investigations, levy fines, request app stores to take down our apps and cease to provide viewing and downloading services related to our apps, prohibit the registration of new users on our platform, or require us to change our business practices in a manner materially adverse to our business. Any of these actions may disrupt our operations and adversely affect our business, results of operations and financial condition.

On July 7, 2022, the CAC issued the Measures for Security Assessment of Cross-border Data Transfer, which took effect on September 1, 2022. According to these measures, in addition to the requirement to conduct self-assessment on the risks of the outbound data transfer, to provide data abroad under any of the following circumstances, a data processor must apply to the national cyberspace department for data security assessment through the provincial-level cyberspace administration authority: (i) outbound transfer of important data by a data processor; (ii) outbound transfer of personal information by a critical information infrastructure operator or a personal information processor who has processed the personal information of more than one million people; (iii) outbound transfer of personal information by a personal information processor who has made outbound transfers of the personal information of 100,000 people cumulatively or the sensitive personal information of 10,000 people cumulatively since January 1 of the previous year; and (iv) other circumstances where an application for the security assessment of an outbound data transfer is required as prescribed by the national cyberspace administration authority. The Measures for Security Assessment of Cross-border Data Transfer further stipulate the process and requirements for the security assessment. We may be subject to such outbound data security assessment with the CAC. However, on March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-border Data Flow, which provides exemptions for certain data export activities (e.g., data collected in international trade or cross-border transportation that does not contain personal information). Following the complete divestiture of our former PRC operations, we generally function as an overseas recipient rather than a PRC domestic data exporter. Therefore, we are not directly responsible for applying for security assessments with the CAC. However, if our mainland China-based clients or partners transfer data to us as part of our AI and IT solutions, they bear the primary compliance obligations. As the overseas recipient, we must cooperate with these domestic data processors to execute standard contractual clauses, facilitate security assessments, or implement other required compliance measures. Additionally, for our Hong Kong operations, we may benefit from the Memorandum of Cooperation on Facilitating Cross-border Data Flow Within the Guangdong-Hong Kong-Macao Greater Bay Area, which simplifies compliance for data flows between mainland China and Hong Kong.

The Regulation on Network Data Security Management was promulgated on September 24, 2024 and became effective on January 1, 2025. The Regulation on Network Data Security Management introduces several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers.

PRC regulations establish complex procedures for some acquisitions conducted by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, adopted by six PRC regulatory agencies in August 2006 and amended in June 2009, among other things, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. In addition, the Implementing Rules Concerning Security Review on the Mergers and Acquisitions by Foreign Investors of Domestic Enterprises, or the Rules Concerning Security Review on M&A, issued by the Ministry of Commerce (the “MOFCOM”) in August 2011 and became effective on September 1, 2011, specify that mergers and acquisitions by foreign investors involved in “an industry related to national security” are subject to strict review by the MOFCOM, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement. In December 2020, the NDRC and the MOFCOM promulgated the Measures for the Security Review of Foreign Investment, which came into effect on January 18, 2021. The Measures for the Security Review of Foreign Investment stipulate rules for foreign investment that is subject to security review. According to the Measures for the Security Review of Foreign Investment, procedures will be established for organizing, coordinating and guiding the security review of foreign investments, and the office in charge of the security review will be set up under the NDRC and led by the NDRC and the MOFCOM. Furthermore, the Measures for the Security Review of Foreign Investment provide that, if foreign investors or relevant parties in mainland China intend to invest in crucial information technology and internet products and services, or in crucial financial services, or in other crucial fields which relate to national security, they shall apply to the office in advance for a security review. Given that our new business focus involves AI and IT solutions, any future acquisitions we make in mainland China may likely fall under “crucial information technology” and trigger such security reviews.

While we historically believed our legacy business was not in an industry related to national security, our strategic pivot to AI and data solutions moves us into a sector that is increasingly scrutinized. We cannot preclude the possibility that our AI technologies or data processing activities may be categorized as “crucial information technology” or engaging in “crucial fields relating to national security” by PRC authorities. In such case, our future acquisitions and investment in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited.

Moreover, according to the Anti-Monopoly Law, as amended and effective on August 1, 2022, the SAMR shall be notified in advance of any concentration of undertaking if certain filing thresholds are triggered. We may grow our business in part by directly acquiring complementary businesses in China. Complying with the requirements of the laws and regulations mentioned above and other PRC regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the SAMR, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

Trading in our securities may be prohibited under the Holding Foreign Companies Accountable Act if the PCAOB determines that it cannot inspect or investigate completely our auditors for two consecutive years.

In recent years, U.S. regulatory authorities have continued to express their concerns about challenges in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. As part of a continued regulatory focus in the United States on access to audit and other information, the Holding Foreign Companies Accountable Act, or the HFCAA, was enacted on December 18, 2020. The HFCAA includes requirements for the SEC to identify issuers whose audit work is performed by auditors that the PCAOB is unable to inspect or investigate completely because of a restriction imposed by a non-U.S. authority in the auditor’s local jurisdiction. The HFCAA and related legislation also require that, to the extent that the PCAOB has been unable to inspect an issuer’s auditor for two consecutive years, the SEC shall prohibit its securities registered in the United States from being traded on any national securities exchange or over-the-counter markets in the United States.

Pursuant to the HFCAA, the PCAOB issued a Determination Report on December 16, 2021 which found that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. In addition, the PCAOB’s report identified the specific registered public accounting firms which are subject to these determinations. Our auditor, Enrome LLP, is headquartered in The Republic of Singapore and subject to inspection by the PCAOB on a regular basis. Our auditor was not among the PCAOB-registered public accounting firms headquartered in the PRC or Hong Kong that were subject to PCAOB’s determination. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. Notwithstanding the foregoing, if in the future it is determined that the PCAOB is unable to inspect or investigate our auditor completely, or if there is any regulatory change or step taken by PRC regulators that does not permit our auditor to provide audit documentations located in China or Hong Kong to the PCAOB for inspection or investigation, or the PCAOB expands the scope of the Determination so that we are subject to the HFCAA, as the same may be amended, you may be deprived of the benefits of such inspection. Any audit reports not issued by auditors that are completely inspected or investigated by the PCAOB, or a lack of PCAOB inspections or investigations of audit work undertaken in China that prevents the PCAOB from regularly evaluating our auditors’ audits and their quality control procedures, could result in a lack of assurance that our financial statements and disclosures are adequate and accurate.

Chinese economic growth slowdown may have a negative effect on our business.

Since 2014, Chinese economic growth has been slowing down from double-digit GDP speed. The annual rate of growth declined from 7.3% in 2014 to 6.9% in 2015, to 6.7% in 2016, to 6.9% in 2017, to 6.6% in 2018, and to 6.1% in 2019. Due to the impact of COVID-19, China's economic growth rate in 2020 has slowed to 2.3%, its lowest level in years. The China's economic growth rate were 8.1% in 2021, 2.8% in 2022, 5.2% in 2023 and 5% in 2024, and approximately 5% in 2025, which is fluctuating. While technology-based financial services companies have not been affected by the pandemic on the same level as companies in certain other industries, nevertheless a slow economic growth could adversely affect many of our customers and partners, which in turn may materially adversely affect our financial condition and results of operations.

Under the Enterprise Income Tax Law, we may be classified as a "Resident Enterprise" of China. Such classification will likely result in unfavorable tax consequences to us and our non-PRC stockholders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise.

On April 22, 2009, the State Administration of Taxation of China issued the Circular on Issues Relating to Identification of PRC-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance with the De Facto Standards of Organizational Management, or Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Taxation Administration's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (i) its senior management in charge of daily operations resides or performs their duties mainly in China; (ii) its financial or personnel decisions are made or approved by bodies or persons in China; (iii) its substantial assets and properties, accounting books, corporate stamps, board and stockholder minutes are kept in China; and (iv) at least half of its directors with voting rights or senior management are often resident in China. Further to Circular 82, the State Taxation Administration issued the Bulletin on Promulgation of the Administrative Measures for Income Tax of Chinese-Controlled Offshore-Incorporated Resident Enterprises (Trial Implementation), which took effect in September 2011, to provide more guidance on the implementation of Circular 82. This bulletin provides for procedures and administration details of determination on resident status and administration on post-determination matters. A resident enterprise would be subject to an enterprise income tax rate of 25% on its worldwide income and must pay a withholding tax at a rate of 10% when paying dividends to its non-PRC stockholders.

AIOS Tech does not have a PRC enterprise or enterprise group as its primary controlling shareholder and is therefore not a Chinese-controlled offshore incorporated enterprise within the meaning of the Circular 82, so we believe the Circular 82 is not applicable to us.

We do not believe that we meet some of the conditions outlined. The key assets and records of AIOS Tech including the resolutions and meeting minutes of our board of directors and the resolutions and meeting minutes of our shareholders, are located and maintained outside the PRC. In addition, we are not aware of any offshore holding companies with a corporate structure similar to ours that have been deemed a PRC "resident enterprise" by the PRC tax authorities. Accordingly, we believe that AIOS Tech should not be treated as a "resident enterprise" for PRC tax purposes if the criteria for "de facto management body" as set forth in Circular 82 were deemed applicable to us. However, as the tax residency status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to our offshore entities, we will continue to monitor our tax status.

If the PRC tax authorities determine that we are a "resident enterprise" for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income as well as PRC enterprise income tax reporting obligations. In our case, this would mean that income such as non-China source income would be subject to PRC enterprise income tax at a rate of 25%. Currently, we do not have any non-China source income, so this would have minimal effect on us; however, if we develop such income in the future, we could be adversely affected. Second, under the EIT Law and its implementing rules, dividends paid to us from our PRC subsidiaries would qualify as "tax-exempt income." Finally, it is possible that future guidance issued with respect to the new "resident enterprise" classification could result in a situation in which a 10% withholding tax is imposed on dividends we pay to our non-PRC stockholders and on gains derived by our non-PRC stockholders from transferring our shares.

If we were treated as a “resident enterprise” by the PRC tax authorities, we would be subject to taxation in both the U.S. and China. As there is no effective comprehensive income tax treaty between the PRC and the United States, such dividends may also be subject to U.S. federal income tax, potentially resulting in double taxation. We would need to rely on U.S. foreign tax credits (subject to limitations) to mitigate such exposure, but full relief is not guaranteed.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may limit our ability to inject capital into our PRC subsidiaries, limit our subsidiaries’ ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular No. 37, on July 4, 2014, which replaced the SAFE Circular No. 75. SAFE Circular No. 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular No. 37 as a “special purpose vehicle.” The term “control” under SAFE Circular No. 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular No. 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period; or any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions. On February 13, 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, which became effective on June 1, 2015. In accordance with SAFE Notice 13, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under SAFE Circular No. 37, with qualified banks, instead of SAFE. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

Our shareholders that are PRC entities are required to complete their overseas direct investment filings according to applicable laws and regulations regarding the overseas direct investment by PRC entities, including certificates, filings or registrations with the MOFCOM and the NDRC, or the local branch of the MOFCOM and the NDRC based on the investment amount, invested industry or other factors thereof, and shall also update or apply for amendment in respect to the certificates, filings or registrations in the event of any significant changes with respect to the offshore investment.

We have notified our shareholders whom we know are PRC residents or entities to register with the local SAFE branch and update their registrations as required under the SAFE regulations described above. Due to the significant restructuring and divestiture of our VIEs in December 2025, our PRC resident shareholders and entity shareholders are required to file amendments to their existing SAFE registrations or ODI filings to reflect the material changes in our company’s asset structure. We cannot assure you that they will be able to complete such amendment registrations in a timely manner.

We, however, cannot provide any assurances that all of our shareholders who are PRC residents and entities have filed or will file all applicable registrations or update previously filed registrations as required. The failure or inability of our PRC resident shareholders and entities to comply with the registration procedures or other applicable PRC regulations may subject the PRC resident shareholders and entities to fines and legal sanctions, such non-compliance could restrict our cross-border investment activities, delay or obstruct the remittance of our divestiture proceeds out of mainland China to our offshore accounts, and limit the ability of any future PRC subsidiaries we may establish to distribute dividends to us or obtain foreign exchange-denominated loans.

As a result of the complexity and uncertainties of the interpretation or implementation of SAFE regulations described above, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

Failure to comply with the Individual Foreign Exchange Rules relating to the overseas direct investment or the engagement in the issuance or trading of securities overseas by our PRC resident stockholders may subject such stockholders to fines or other liabilities.

In addition to SAFE Circular No. 37, our ability to conduct foreign exchange activities in the PRC may be subject to the interpretation and enforcement of the Implementation Rules of the Administrative Measures for Individual Foreign Exchange promulgated by SAFE in January 2007 (as amended and supplemented, the “Individual Foreign Exchange Rules”). Under the Individual Foreign Exchange Rules, any PRC individual seeking to make a direct investment overseas or engage in the issuance or trading of negotiable securities or derivatives overseas must make the appropriate registrations in accordance with SAFE provisions. PRC individuals who fail to make such registrations may be subject to warnings, fines or other liabilities under PRC laws.

We may not be fully informed of the identities of all our beneficial owners who are PRC residents. For example, because the investment in or trading of our shares may happen in an overseas public or secondary market where shares are often held by brokers in brokerage accounts, it is unlikely that we will know the identity of all of our beneficial owners who are PRC residents. Furthermore, we have no control over any of our future beneficial owners and we cannot assure you that such PRC residents will be able to complete the necessary approval and registration procedures required by the Individual Foreign Exchange Rules.

While we completed the restructure and divestiture of our VIEs in December 2025, we cannot be certain whether the failure by any of our PRC resident stockholders to make the required registrations will result in regulatory pushback against us. Such individual non-compliance could restrict our ability to conduct future cross-border investment activities, which could have an adverse effect on our broader strategic plans and financial condition.

Fluctuations in exchange rates have historically impacted our financial results, and while our exposure to the Renminbi (RMB) has been significantly reduced following our divestiture, we may still face residual currency risks.

Prior to the completion of the divestiture of our mainland China operations in December 2025, our revenues and expenses were primarily denominated in RMB. Changes in the value of the RMB against the U.S. dollar and other foreign currencies are affected by, among other things, changes in China’s political and economic conditions. Any significant revaluation of the RMB may have a material adverse effect on our revenues and financial condition, and the value of, and any dividends payable on our shares in U.S. dollar terms. We reflect the impact of currency translation adjustments in our financial statements under the heading “accumulated other comprehensive income (loss).” For the years ended December 31, 2025, 2024 and 2023, we had foreign currency translation gain of \$17,491,144, loss of \$6,017,982, and \$4,536,797, respectively.

Additional factors outside of our control related to doing business could negatively affect our business.

Although we completed the divestiture of our mainland China operations in December 2025 and no longer incur direct operational or labor costs in mainland China, our business operations, now primarily based in Hong Kong, remain susceptible to broader geopolitical and regional risks. Ongoing geopolitical friction between the United States and China has resulted in dynamically changing trade sanctions, export controls, and restrictions on technology transfers. We operate in Hong Kong and the high-tech/AI sector, we remain vulnerable to international regulatory shifts.

Risks Related to Our Corporate Structure

Our currently corporate structure and business operations are subject to uncertainties with respect to the interpretation and implementation of the PRC Foreign Investment Law.

Following the divestiture of our former VIEs in December 2025, we no longer operate through a variable interest entity structure. We now conduct our business in China primarily through our Wholly Foreign-Owned Enterprises (WFOEs). However, the Foreign Investment Law stipulates that foreign investment includes “other means” stipulated by laws or administrative regulations. There is no assurance that our direct equity structure in the AI and IT sector would not be subject to scrutiny under the “Negative List” or other market access requirements. If future laws or regulations mandate further actions to be taken by companies with respect to foreign ownership in the technology sector, we may face substantial uncertainties. Failure to take timely and appropriate measures to cope with any of these regulatory compliance challenges could materially and adversely affect our corporate structure and business operations.

If the PRC government finds that corporate structure does not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership of internet-based businesses, such as distribution of online information, is subject to restrictions under current PRC laws and regulations. For example, according to the Special Administrative Measures for Foreign Investment Access (Negative List 2024) issued by the NDRC and the MOFCOM on September 6, 2024 and effective on November 1, 2024, foreign investors are generally not allowed to hold more than 50% of the equity interests in a value-added telecommunication service provider, except for e-commerce, domestic multi-party communication, storage-forwarding services, and call centers. Additionally, foreign investment is prohibited in certain sensitive sectors, including internet news information services, network publishing services, network audio-visual services, and internet cultural operations (excluding music).

We are a British Virgin Islands company. To comply with PRC laws and regulations, we historically conducted our legacy operations through a series of contractual arrangements (VIEs). However, currently, we conduct our AI and IT service operations in China and Hong Kong through our directly owned subsidiaries. We believe our current ownership structure is not in violation of existing PRC laws, rules and regulations. However, there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations (especially regarding foreign ownership in Generative AI and data processing sectors). If the PRC government determines that our ownership structure does not comply with the restrictions contained in the Negative List, we could be subject to severe penalties, forced to relinquish our interests in those operations, or required to restructure our ownership.

Historical contractual arrangements in relation to our consolidated variable interest entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC consolidated variable interest entities owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. The PRC enterprise income tax law requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with arm’s length principles.

Although we divested our VIEs in December 2025, we may face material and adverse tax consequences if the PRC tax authorities determine that the historical contractual arrangements between our PRC subsidiaries and our former consolidated VIEs were not entered into on an arm’s length basis in such a way as to result in an impermissible reduction in taxes. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by former VIEs for PRC tax purposes, which could in turn increase our historical tax liabilities. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on us for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if such historical tax liabilities are reassessed.

Risks Related to Ownership of Our Common Shares

We are a “foreign private issuer,” and our disclosure obligations differ from those of U.S. domestic reporting companies, which may make it more difficult for you to evaluate our performance and prospects.

We are a foreign private issuer and, as a result, we are not subject to the same requirements as U.S. domestic issuers. Under the Exchange Act, we will be subject to reporting obligations that, to some extent, are more lenient and less frequent than those of U.S. domestic reporting companies. For example, we will not be required to issue quarterly reports or proxy statements. We will not be required to disclose detailed individual executive compensation information. Furthermore, our directors and executive officers will not be required to report equity holdings under Section 16 of the Exchange Act and will not be subject to the insider short-swing profit disclosure and recovery regime.

As a foreign private issuer, we will also be exempt from the requirements of Regulation FD (Fair Disclosure) which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors. However, we will still be subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5 under the Exchange Act. Since many of the disclosure obligations imposed on us as a foreign private issuer differ from those imposed on U.S. domestic reporting companies, you should not expect to receive the same information about us and at the same time as the information provided by U.S. domestic reporting companies.

British Virgin Islands companies may not be able to initiate shareholder derivative actions, thereby depriving shareholders of the ability to protect their interests.

British Virgin Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States. The circumstances in which any such action may be brought, and the procedures and defenses that may be available in respect to any such action, may result in the rights of shareholders of a British Virgin Islands company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The British Virgin Islands courts are also unlikely to recognize or enforce against us judgments of courts in the United States based on certain liability provisions of U.S. securities law; and to impose liabilities against us, in original actions brought in the British Virgin Islands, based on certain liability provisions of U.S. securities laws that are penal in nature. There is no statutory recognition in the British Virgin Islands of judgments obtained in the United States, although the courts of the British Virgin Islands will generally recognize and enforce the non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. This means that even if shareholders were to sue us successfully, they may not be able to recover anything to make up for the losses suffered.

The laws of the British Virgin Islands provide little protection for minority shareholders, and minority shareholders will have little or no recourse if the shareholders are dissatisfied with the conduct of our affairs.

Under the law of the British Virgin Islands, there is little statutory law for the protection of minority shareholders other than the provisions of the BVI Business Companies Act dealing with shareholder remedies. The principal protection under statutory law is that shareholders may bring an action to enforce the constituent documents of the corporation, our amended and restated memorandum and articles of association. Shareholders are entitled to have the affairs of the Company conducted in accordance with the general law and the articles and memorandum.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law, since the common law of the British Virgin Islands for business companies is limited. Under the general rule pursuant to English company law known as the rule in *Foss v. Harbottle*, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the Company’s affairs by the majority or the board of directors. However, every shareholder is entitled to have the affairs of the Company conducted properly according to law and the constituent documents of the corporation. As such, if those who control the Company have persistently disregarded the requirements of company law or the provisions of the Company’s memorandum and articles of association, then the courts will grant relief. Generally, the areas in which the courts will intervene are the following: (1) an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority; (2) acts that constitute fraud on the minority where the wrongdoers control the Company; (3) acts that infringe on the personal rights of the shareholders, such as the right to vote; and (4) where the Company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders, which are more limited than the rights afforded minority shareholders under the laws of many states in the United States.

The market price of our Class A common shares may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares.

The trading price for our Class A common shares has fluctuated since we first listed our common shares. The trading price of our Class A common shares has ranged from \$0.960 to \$9.330 per share for the year ended December 31, 2025, and the last reported trading price on April 17, 2026 was \$0.5901 per Class A common share. The market price of our common shares may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenue and other operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- announcements by us or our competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from war or incidents of terrorism, or responses to these events.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business.

We do not intend to pay dividends for the foreseeable future.

We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. As a result, you may only receive a return on your investment in our Class A common shares if the market price of our Class A common shares increases.

If we fail to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common shares may decline.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. In addition, beginning with the first annual report on Form 20-F, we have been required to furnish a report by management on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. If we continue to identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common shares could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the Securities and Exchange Commission, or the SEC, or other regulatory authorities, which could require additional financial and management resources.

Our staggered board structure may prevent a change in control of our company.

Our board of directors is divided into three classes of directors. The current terms of the directors expire in 2025, 2026 and 2027. Directors of each class are chosen for three-year terms upon the expiration of their current terms, and each year the shareholders elect one class of directors. The staggered terms of our directors may reduce the possibility of a tender offer or an attempt at a change in control, even though a tender offer or change in control might be in the best interest of our shareholders.

The requirements of being a public company may strain our resources and divert management's attention.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the securities exchange on which we list, and other applicable securities rules and regulations. Despite recent reforms made possible by the JOBS Act, compliance with these rules and regulations will nonetheless increase our management, legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company." The Exchange Act requires, among other things, that we file annual, semiannual, and current reports with respect to our business and operating results.

As a result of disclosure of information in this annual report on Form 20-F and in filings required of a public company, our business and financial condition are more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business, brand, reputation and results of operations.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

We incur increased costs as a result of being a public company.

As a public company, we incur legal, accounting and other expenses that we did not incur as a private company. For example, we engage U.S. securities law counsel and U.S. GAAP auditors and we make annual payments for listing on a stock exchange. In addition, the Sarbanes-Oxley Act, as well as new rules subsequently implemented by the SEC and NASDAQ, has required changes in corporate governance practices of public companies. We expect these new rules and regulations to increase our legal, accounting and financial compliance costs and to make certain corporate activities more time-consuming and costly. In addition, we incur additional costs associated with our public company reporting requirements. While it is impossible to determine the amounts of such expenses in advance, we expect that we will incur material additional expenses per year as we adapt to the evolving regulatory landscape concerning AI and data security.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

AIOS TECH INC., formerly Hebron Technology Co., Ltd. or Nisun International Enterprise Development Group Co., Ltd (“AIOS Tech” or the “Company”) is now a technology-driven enterprise providing comprehensive financing solutions to SMEs and information technology services.

The Company was established under the laws of the British Virgin Islands (“BVI”) on May 29, 2012 as a company limited by shares. Prior to its strategic restructuring in late 2025, the Company was a holding company and conducted its business through its subsidiaries, variable interest entities (“VIEs”) and subsidiaries of VIEs in the People’s Republic of China (“PRC”). Following the divestiture of its legacy businesses and the termination of the VIE structure in December 2025, the Company currently conducts its information technology services through its Hong Kong-based subsidiary, YD Network Technology Company Limited, and directly engages in SME financing solutions in overseas markets (outside mainland China) through the parent company.

To be specific, since its inception, the Company has undergone three major reorganizations and launched its fourth major corporate restructuring and strategic transformation in late 2025. Details are as follows:

1. First Restructuring (IPO-Related Restructuring)

In connection with our initial public offering, we consummated the first reorganization to acquire our equipment and engineering business (the “IPO Reorganization”) in 2016. We became the ultimate parent company of Hong Kong Xibolun Technology Ltd. (“Xibolun HK”) and its PRC subsidiaries, Wenzhou Xibolun Fluid Equipment Co., Ltd. (“Xibolun Equipment”) and Zhejiang Xibolun Automation Project Technology Co., Ltd. (“Xibolun Automation”) (collectively referred to as the “Xibolun Group”), which, before the IPO Reorganization, were all controlled by Mr. Anyuan Sun, our former Chairman of the Board and CEO. The Xibolun Group conducts equipment and engineering services operations focusing on the research, development, and manufacture of valves, pipe fittings, and fluid equipment, with an emphasis on the manufacture and installation of intelligent valves used in the pharmaceutical, biological, food and beverage, and other clean industries in the PRC.

2. Second Restructuring (Acquisition of Financial Services Business)

We commenced the second corporate restructure in July 2019 for the acquisition of our financial services business. We expanded our operations into the financial services industry through the acquisition of NiSun International Enterprise Management Group (British Virgin Islands) Co., Ltd. (“NiSun BVI”), its subsidiaries, and consolidated affiliate, Fintech (Shanghai) Digital Technology Co., Ltd. (“Fintech”), and subsidiaries of Fintech (collectively, the “Fintech Group”). In 2019, the Fintech Group provided comprehensive financing solution services to SMEs primarily in connection with SME financings sponsored or underwritten by financial institutions, and also provided distribution and management services for direct banking products issued by small- and medium-sized commercial banks in China.

Since July 2019, the Company's financial services operations have experienced significant growth through several subsequent acquisitions and organizational changes:

- In December 2019, we acquired a controlling interest in Beijing Hengtai Puhui Information Service Co. Ltd., a PRC company, and its subsidiaries (collectively, "Hengpu" or "Hengpu Subsidiary Group") through certain contractual arrangements. Hengpu provides a full set of financing solution services in SME financings.
- In May 2020, we acquired Nami Holding (Cayman) Co., Ltd., a Cayman Islands exempted company ("Nami Cayman"), and its subsidiaries and consolidated affiliated entity (collectively, "Nami" or "Nami Subsidiary Group") pursuant to a share purchase agreement. Nami provides financial advisory and intermediary financing solutions services, matching small- and mid-sized enterprises with high quality investors in China.

On September 22, 2020, we changed our corporate name from "Hebron Technology Co., Ltd." to "Nisun International Enterprise Development Group Co., Ltd" and, in connection with the name change, the trading symbol of our Class A common shares on the Nasdaq Capital Market was changed to "NISN" from "HEBT," effective on November 16, 2020. The new corporate name reflects our Company's current core financial services business and enables our different service business to integrate various brands under one corporate identity.

In December 2020, based on a preliminary agreement with the local government, we established a wholly owned subsidiary, Nisun (Shandong) Industry Development Co., Ltd. ("Nisun Shandong"), in Tai'an, Shandong province. Nisun Shandong is a holding company for our existing PRC operating subsidiaries and is expected to be a key operations platform. In 2020, we also formed several operating subsidiaries in different regions of China in response to the operational demands in our supply chain solutions and SME financing solutions services.

3. Third Restructuring (Divestiture of Legacy Business)

On November 30, 2020, to streamline our businesses, we completed the third corporate restructure, whereby we sold all of our equity interest in Xibolun HK to Wise Metro Development Co., Ltd., an entity controlled by our former Chairman and CEO, Mr. Anyuan Sun ("Wise Metro"). The disposition of Xibolun HK (the "Disposition") was consummated pursuant to a Call Option Agreement we entered into on April 16, 2019, with Wise Metro, under which Wise Metro was granted an option to purchase all of the equity of the Xibolun Group for a period beginning six months after the effective date of the Call Option Agreement and expiring two years and six months after the agreement effective date. Upon exercise, the purchase price to exercise the Call Option Agreement would be equal to the fair market value of the Xibolun Group at the time of exercise of the Call Option, as determined by a qualified and experienced business appraisal firm appointed by us and Wise Metro. On June 14, 2019, our shareholders approved our entry into the Call Option Agreement. On May 11, 2020, Wise Metro exercised the Call Option to acquire the Xibolun Group. We completed the Disposition on November 30, 2020.

Through the transfer of Xibolun HK and the resulting divestiture of our interests in Xibolun HK's operating subsidiaries, Xibolun Automation and Xibolun Equipment, we discontinued our legacy equipment and engineering business and disposed of our minority interest in Xuzhou Weijia Biotechnology Co., Ltd. We sold the legacy businesses for a gain of approximately \$0.14 million.

On March 24, 2021, we completed a subsidiary reorganization, whereby Nami Cayman and its Hong Kong subsidiary transferred all of the equity they held in Naqing and the economic interests in Nami Shanghai to Nisun Shandong. Following the transaction, Naqing became a wholly-owned subsidiary of Nisun Shandong, which holds a controlling interest in Nami Shanghai.

4. Fourth Restructuring and Strategic Transformation

To optimize its asset structure and pivot its strategic focus toward high-growth technology sectors, the Company initiated its fourth major corporate restructuring and strategic transformation in late 2025:

- On December 1, 2025, we commenced our new business segment in artificial intelligence and technology-enabled professional services through the acquisition of YD Network Technology Company Limited, a company specialized in providing information technology services in Hong Kong, for a total consideration of US\$50,000. Our new business focus includes AI-driven IT solutions, customized financial technology services, and data-driven full-stack solutions.
- On December 23, 2025, we entered into a share purchase agreement with Everstone Global Holdings Limited. Pursuant to the agreement, we transferred 100% of the equity interest in NiSun BVI and its subsidiaries (collectively, the "Divested Subsidiaries") to Everstone Global Holdings Limited, an unaffiliated third party, for a total consideration of US\$50,000.

As a result of this transaction, we have discontinued our legacy SME financing services business in mainland China and supply chain businesses. The financial results of the Divested Subsidiaries are no longer consolidated into the Company's financial statements after December 23, 2025, and are reported as discontinued operations for the relevant periods. As of the date of this annual report, we are primarily engaged in providing AI-powered technology and data-driven professional services through YD Network and offering SME financing solutions in overseas markets, including Hong Kong, directly through our AIOS Tech.

In connection with our transformation of business, we implemented a corporate rebranding to better reflect our new business focus. Effective February 12, 2026, we officially changed our corporate name from "Nisun International Enterprise Development Group Co., Ltd" to "AIOS Tech Inc." and our Nasdaq ticker symbol from "NISN" to "AIOS". This rebranding marks the completion of our exit from legacy business lines and our full transition to the artificial intelligence and information technology sectors.

Corporate Information

Our principal executive offices are located at Room 407, Tower 2, Harbour Centre, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong. Our telephone number is +852-400-6037-555.

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

Principal Corporate Activities

Below is a brief summary of principal activities of our Company since its formation.

- January 25, 2005, Xibolun Equipment was incorporated.
- June 14, 2011, Xibolun HK was formed in accordance with laws and regulations of Hong Kong.
- July 21, 2011, Xibolun HK acquired 30% ownership interest of Xibolun Equipment.
- May 29, 2012, Hebron Technology was established under the laws of the British Virgin Islands as a holding company.
- September 24, 2012, Xibolun Automation was incorporated.
- December 5, 2012, Xibolun HK acquired 100% ownership interest of Xibolun Automation from Hebron Technology, Xibolun Equipment, and Zhejiang Xibolun.
- October 22, 2012, Hebron Technology acquired 100% ownership interest of Xibolun HK. As a result, Xibolun HK became a wholly owned subsidiary of Hebron Technology.
- July 29, 2013, Mr. Anyuan Sun transferred his 70% ownership interest in Xibolun Equipment to Xibolun Automation.
- December 27, 2016, Hebron Technology completed an initial public offering of 2,695,347 common shares. The offering was completed at an issuance price of \$4.00 per share. Prior to the offering, the Company had 12,000,000 issued and outstanding shares, and after the offering, the Company had 14,695,347 issued and outstanding shares. The Company issued to the placement agent in the initial public offering, warrants to purchase 134,768 common shares for an exercise price of \$4.80 per share. The placement agent's warrants have a term of three years.
- March 7, 2018, Hebron Technology re-classified and re-designated our common shares into Class A common shares and Class B common shares by filing the Third Amended and Restated Memorandum of Association with the BVI Registrar of Corporate Affairs. Pursuant to the Third Amended and Restated Memorandum of Association, our authorized shares are re-classified and re-designated into 50,000,000 common shares of par value of US\$0.001 each, of which 40,000,000 share are designated as Class A common shares of par value of US\$0.001 each and 10,000,000 shares are designated as Class B common shares of par value of US\$0.001 each. Each Class A common share is entitled to one vote and each Class B common share is entitled to five votes on all matters subject to vote at our shareholders' meetings. After the reclassification and re-designation, 6,916,947 Class A common shares and 7,778,400 Class B common shares were issued and outstanding. Our former Chief Executive Officer, Mr. Anyuan Sun, beneficially owns all of the 7,778,400 Class B common shares. The Nasdaq marketplace effective date is March 12, 2018.
- March 10, 2018, Hebron Technology entered into a share acquisition agreement with the sole shareholder of Xuzhou Weijia Bio-Tech Co., Ltd. ("Weijia Bio-Tech") and Weijia Bio-Tech to acquire 49% of the equity in Weijia Bio-Tech. As consideration, we were obligated to issue 1,442,778 unregistered Class A common shares (based on an agreed value of \$2.00 per share) to the individuals designated by the selling shareholder of Weijia Bio-Tech within 20 business days after signing the agreement. On April 17, 2018, the parties signed an addendum to extend 20 business days to 40 business days. Effective as of April 9, 2018, we issued 1,442,778 unregistered Class A common shares pursuant to the agreement. On or about April 11, 2018, we completed the acquisition of the 49% equity interest in Weijia Bio-Tech.

- April 16, 2019, Hebron Technology entered into a securities purchase agreement with Wise Metro Development Co., Ltd. (“Wise Metro”), Zuoqiao Sun Zhang (“Sun Zhang”; and together with Wise, “Sellers”) and NiSun Cayman, pursuant to which NiSun Cayman would acquire 7,778,400 Class B Common Shares from the Sellers. Upon the consummation of the share purchase transaction in July 2019, all of the Class B common shares were automatically converted into Class A common shares.
- July 12, 2019, Hebron Technology acquired all of the equity of NiSun BVI for a consideration of \$7 million. NiSun BVI effectively controls Fintech through a series of variable interest agreements. At acquisition, Fintech was the parent company of Khorgos Fintech Network Technology Co., Ltd (“Khorgos”), Jilin Lingang Trade Co., Ltd (“Jilin”) and NiSun Family Office (Guangzhou) Co., Ltd (“Guangzhou”).
- November 8, 2019, NiSun BVI entered into a cooperation agreement with Tai’an Keyuan Infrastructure Investment Construction Co., Ltd. (“Keyuan”) to form a joint venture entity, Shandong Taiding International Investment Co., Ltd (“Taiding”), of which NiSun BVI and Keyuan hold 80% and 20%, respectively, of the equity interest in Taiding. Taiding was formed on November 12, 2019.
- December 15, 2019, Hebron Technology entered into a share exchange agreement with Hengpu and shareholders of Hengpu to acquire a controlling interest in Hengpu in exchange for issuance of 1,440,894 Class A Common Share of the Company to Hengpu’s shareholders. The Company, through its subsidiary NingChen, obtained an effective control of Hengpu upon the entry into a series of VIE agreements with Hengpu. At acquisition, Hengpu owned a 92% equity interest of Hangzhou Fengtai Technology Co., Ltd (“Fengtai”) and 100% equity interest of Dunhua Midtown Assets Management Registration Center Co., Ltd.
- May 31, 2020, Hebron Technology acquired Nami Cayman, and its subsidiaries and consolidated affiliated entity (collectively, “Nami” or “Nami Subsidiary Group”) pursuant to a share purchase agreement. At acquisition, Nami Cayman owned all of the equity in Nami HK and Naqing, and Naqing controlled Nami Shanghai through a series of VIE agreements. Nami provides financial advisory and intermediary financing solutions services matching small- and mid-sized enterprises and high quality investors in China.
- September 22, 2020, we changed our corporate name from “Hebron Technology Co., Ltd.” to “Nisun International Enterprise Development Group Co., Ltd” and in connection with the name change, the trading symbol of our Class A common shares on the Nasdaq Capital Market was changed to “NISN” from “HEBT,” effective on November 16, 2020. The new corporate name reflects our Company’s current core business and enables different service business to integrate various brands under one corporate identity.
- November 30, 2020, to streamline our businesses, we disposed of Xibolun HK to Wise Metro, an entity controlled by our former Chairman and CEO, Mr. Anyuan Sun. The disposition of Xibolun HK (the “Disposition”) was consummated pursuant to a Call Option Agreement we entered on April 16, 2019 with Wise Metro under which Wise Metro was granted an option to purchase all of the equity of the Xibolun Group for a period beginning six months after the effective date of the Call Option Agreement and expiring two years and six months after the agreement effective date. Upon exercise, the purchase price to exercise the Call Option Agreement would be equal to the fair market value of the Xibolun Group at the time of exercise of the Call Option as determined by a qualified and experienced business appraisal firm appointed by us and Wise Metro. On June 14, 2019, our shareholders approved our entry into the Call Option Agreement. On May 11, 2020, Wise Metro exercised the Call Option to acquire the Xibolun Group. We completed the Disposition on November 30, 2020.
- December 15, 2020, based on a preliminary agreement with the local government, the Company established a wholly owned subsidiary, Nisun (Shandong) Industry Development Co., Ltd (“Nisun Shandong”), in Tai’an, Shandong province. Nisun Shandong is a holding company for our PRC operating subsidiaries and is expected to be a key operations platform.
- December 21, 2020, the Company announced that Fintech entered into a strategic collaboration agreement with Shanghai Petroleum and Natural Gas Exchange (“SHPGX”). SHPGX is a national-level energy trading platform for energy products approved by the Shanghai municipal government and operates under the direct guidance of the National Development and Reform Commission and the National Energy Administration. Under the agreement, Fintech and SHPGX agreed to join forces to expand technology support services to members of SHPGX’s trading platform through the provision of supply chain management and financial services, targeting upstream and downstream enterprises in the energy industry.
- August through December 2020, Fintech formed a number of operating subsidiaries in different regions of China in response to the operational demands in our supply chain solutions services, including:
 - Fintech (Henan) Supply Chain Management Co., Ltd. (“Fintech Henan”), a wholly owned subsidiary;
 - Fintech (Jiangsu) Supply Chain Management Co., Ltd. (“Fintech Jiangsu”), a wholly owned subsidiary, which was deregistered in February 2024 after it had ceased operation;
 - Fanlunke Supply Chain Management (Shanghai) Co., Ltd. (“Fanlunke”), a wholly owned subsidiary;
 - Fintech Supply Chain Management (Ningbo) Co., Ltd, a wholly owned subsidiary;
 - Nanjing Nisun Gold Co., Ltd. (“Nisun Gold”), a wholly owned subsidiary;

- Fintech Supply Chain Management (Shandong) Co., Ltd. (“Fintech Shandong”), a wholly owned subsidiary;
- Jilin Province Lingang Hengda Supply Chain Management Co., Ltd. (“Lingang Hengda”), a wholly owned subsidiary of Jilin Province Lingang Supply Chain Management Co., Ltd (Lingang Hengda was deregistered in August 2024 after it had ceased operation);
- Shanxi Fintech Supply Chain Management Co., Ltd (“Fintech Shanxi”), a wholly owned subsidiary (Fintech Shanxi was deregistered in July 2023 due to inactivity);
- Inner Mongolia Fintech Supply Chain Management Co., Ltd (“Fintech Inner Mongolia”), a 70%-owned subsidiary (Fintech Inner Mongolia was deregistered in November 2022 after it had ceased operation).
- December 29, 2021, Nisun HK formed Zhumadian NiSun Supply Chain Management Co., Ltd. (“Nisun ZMD”), a wholly owned PRC operating subsidiary;
- July 30, 2021, Nisun HK formed NiSun Ocean (Qingdao) Supply Chain Investment Co., Ltd. (“Nisun Ocean”), a wholly owned PRC operating subsidiary;
- May through October 2021, Fintech formed the following subsidiaries:
 - Jiangxi Fintech Supply Chain Management Co., Ltd. (“Fintech Jiangxi”), a wholly owned subsidiary (Fintech Jiangxi was deregistered in May 2023 due to inactivity to reduce maintenance costs);
 - Fintech Supply Chain Management (Shanxi) Co., Ltd. (“Fintech SX”), a wholly owned subsidiary (Fintech SX was deregistered in February 2023 due to inactivity to reduce maintenance costs);
 - Liaogang NiSun (Yingkou) Supply Chain Management Co., Ltd. (“Liaogang”), a 51%-owned subsidiary;
 - Liaogang NiSun (Shanghai) Supply Chain Management Co., Ltd. (“Liaogang SH”), a wholly owned subsidiary of Liaogang (Liaogang SH was deregistered in October 2023 after it had ceased operations); and
 - Fintech (Zibo) Supply Chain Management Co., Ltd. (“Fintech Zibo”), a wholly owned subsidiary (Fintech Zibo was sold to an unrelated third party in October 2024).
- In December 2021, the Company closed a firm commitment underwritten public offering of 19.25 million Class A common shares and pre-funded warrants to purchase Class A common shares, with gross proceeds to the Company of \$77 million, before deducting underwriting discounts and commissions and other expenses. The pre-funded warrants were offered at the same \$4.00 price per share as the common shares, less the \$0.001 per share exercise price of each pre-funded warrant.
- January 13, 2022, the Company adopted the Amended and Restated Memorandum and Articles of Association (the “Amended M&A”) to increase the number of Class A common shares the Company was authorized to issue. Pursuant to the Amended M&A, the Company is authorized to issue a maximum of 310,000,000 common shares divided into (i) 300,000,000 Class A common shares of par value of \$0.001 each, and (ii) 10,000,000 Class B common shares of par value of \$0.001 each.
- January 2022, Fintech Henan acquired a 51% equity interest in Henan Youjia Tian Agricultural Technology Co., Ltd (“Youjia Tian”) for a cash consideration of RMB0.51 million (approximately \$80,280).
- June 8, 2022, Nisun Ocean formed Nisun Haiyuan (Qingdao) Supply Chain Co., Ltd. (“Nisun Haiyuan”), a 51%-owned subsidiary;
- July 2022, Nisun Ocean acquired 100% of the equity interest in Qingdao Sailang International Trade Co., Ltd. (“Qingdao Sailang”) for a cash consideration of RMB5.0 million (approximately \$741,477);
- September 23, 2022, Nami Shanghai changed its company name from Shanghai Nami Financial Consulting Co., Ltd. to Shanghai Luyao Financial Consulting Co., Ltd. (“Luyao Shanghai”); and
- November 7, 2022, Nisun HK formed NiSun (Beijing) Supply Chain Management Co., Ltd. (“Nisun Beijing”), a wholly owned PRC operating subsidiary.
- March through December 2022, Fintech formed the following operating subsidiaries:
 - Nisun Supply Chain Management (Mishan City) Co., Ltd. (“Nisun Mishan”), a wholly owned subsidiary (Nisun Mishan was deregistered in March 2024 because of inactivity to reduce maintenance costs);
 - Fintech Supply Chain Management (Anhui) Co., Ltd. (“Fintech Anhui”), a wholly owned subsidiary;

- Fintech Supply Chain Management (Shenzhen) Co., Ltd. (“Fintech Shenzhen”), a wholly owned subsidiary; and
- Henan Nisun Huaixiang Food Co., Ltd. (“Nisun Huaixiang”), a wholly owned subsidiary (Nisun Huaixiang had no business operations and was subsequently transferred to NiSun Agricultural Group Co., Ltd. in February 2023).
- December 2022, Fintech Henan sold all of its equity interest in Youjiation to Shandong Yongdao Zhihe Property Management Co., Ltd., for a cash consideration of RMB2.0 million (approximately \$289,973).
- May 17, 2023, the Company effected a share consolidation (the “Reverse Share Split”) of its authorized shares, including issued Class A Common Shares, at a ratio of one-for-ten. The Reverse Share Split was reflected with NASDAQ Capital Market and in the marketplace at the open of business on May 18, 2023. As a result of the Reverse Share Split, all 310,000,000 authorized common shares, divided into 300,000,000 Class A Common Shares, par value of US\$0.001, and 10,000,000 Class B Common Shares, par value of \$0.001, were consolidated into 31,000,000 common shares, divided into 30,000,000 Class A Common Shares, par value of \$0.01, and 1,000,000 Class B Common Shares, par value of \$0.01. Immediately prior to the effective time, there were 40,057,159 Class A Common Shares outstanding. As a result of the Reverse Share Split, approximately 4,005,708 Class A Common Shares were outstanding. No fractional shares were issued to the shareholders in connection with the Reverse Share Split. The Company was required to purchase and redeem at market value the resulting fractional shares.
- June through August 2023, NingChen formed the following the operating subsidiaries:
 - Shanghai Keqiya International Trade Co., Ltd. (“Keqiya”), a wholly owned subsidiary;
 - Fanningke Digital Technology (Shanghai) Co., Ltd. (“Fanningke”), a wholly owned subsidiary;
 - Fanshengke Supply Chain (Shanghai) Co., Ltd. (“Fanshengke”), a wholly owned subsidiary; and
 - Fintech (Henan) Trading Co., Ltd. (“Henan Trading”), a wholly owned subsidiary.
- March through December 2024, our PRC Subsidiaries formed several operating subsidiaries, including:
 - March 19, 2024, Fanshengke formed Fanshengke Supply Chain (Fujian) Co., Ltd. (“Fanshengke Fujian”), a wholly owned subsidiary;
 - July 12, 2024, Fanningke formed Khorgos Fanning Network Technology Co., Ltd. (“Khorgos Fanning”), a wholly owned subsidiary;
 - December 4, 2024, NingChen formed Shanghai Ningzhuan Trading Partnership Enterprise (“Ningzhuan”), a partnership in which NingChen owns a 95% partnership interest;
 - December 12, 2024, Fanlunke formed Fanlunke Trading (Nanjing) Co., Ltd. (“Fanlunke Nanjing”), a wholly owned subsidiary;
- June 27, 2024, Fintech formed Henan Fintech Digital Technology Co., Ltd. (“Henan Fintech”), a wholly owned subsidiary;
- December 2024, Sailang acquired a 96.7% equity interest in Hebei Ruizu Trading Co., Ltd. (“Hebei Ruizu”) from an unrelated individual for no consideration. Through capital contribution, Sailang increased its holding to 99% of the equity of Hebei Ruizu;
- August 2024, Keqiya acquired a 9% equity interest of Nanjing Pin Bai Sheng Catering Management Co., Ltd. for RMB0.9 million (approximately \$123,300).
- October 2024, Fintech sold all of its equity interest in Fintech Henan including Fintech Henan’s wholly owned subsidiary, Fintech Zibo, to Kaifeng Runhao Trading Co., Ltd., an unrelated third party, for a cash consideration of RMB0.1 million (approximately \$13,700); and
- October 2024, Fanlunke sold all of its equity interest in Fintech Anhui to Kaifeng Runhao Trading Co., Ltd., an unrelated third party, for a cash consideration of RMB3.6 million (approximately \$493,198).
- December 1, 2025, we acquired YD Network Technology Company Limited, a company specialized in providing information technology services in Hong Kong, to commence AI and technology-enabled professional services;

- February 18, 2025, Hebei Ruizu acquired a 70% equity interest in Zhetai Tianjin. Subsequently, on June 13, 2025, the shareholder of Zhetai Tianjin was changed to Hebei Zhetai Technology Group Co., Ltd., an unrelated third party, and Zhetai Tianjin ceased to be our subsidiary;
- April 2, 2025, Henan Ningcheng, a 51% subsidiary of Fanlunke, was established. Henan Ningcheng was subsequently dissolved on August 11, 2025;
- December 23, 2025, we transferred 100% of the equity interest in NiSun BVI to complete the divestiture of our legacy business, for a cash consideration of US\$50,000.
- February 12, 2026, we changed our corporate name from “Nisun International Enterprise Development Group Co., Ltd” to “AIOS Tech Inc.” and our Nasdaq ticker symbol from “NISN” to “AIOS”. This rebranding marks the completion of our exit from legacy business lines and our full transition to the artificial intelligence and information technology sectors.

B. Business Overview

AIOS Tech is a technology-driven professional service provider. Following our strategic transformation in December 2025, our current operations primarily consist of two service segments: SME financing solutions and information technology services

Prior to May 2025, the Company primarily conducted its operations through its subsidiaries, former VIEs, and subsidiaries of the former VIEs, located within the PRC. On November 30, 2025, as part of a strategic shift, the Company completed the transfer of Nisun BVI and all of its subsidiaries to an independent third party, and discontinued its former financial services in mainland China and supply chain trading businesses.

In June 2025, in furtherance of its strategic transformation, the Company relaunched its SME financing solution business outside mainland China, with AIOS Tech itself conducting relevant overseas operations. Meanwhile, effective December 1, 2025, the Company acquired a new operating entity, YD Network, and gradually shifted its business focus to information technology services, progressively implementing the management’s strategic focus on positioning the Company as a provider of AI and technology-empowered professional services. Since then, the Company has been committed to building a comprehensive digital transformation service system through the “AI + Technology Empowerment” positioning. Leveraging the strategic advantages of Hong Kong as an Asia-Pacific digital hub, the Company integrates technological implementation, industry adaptation, and compliance assurance to provide integrated services from consulting and planning to technical implementation and long-term operation.

Although our new information technology professional services business was officially launched on December 1, 2025, it successfully generated nearly half of our total revenue for the fiscal.

Our Products and Services

Following our strategic transformation in December 2025 and our subsequent corporate rebranding to AIOS Tech Inc., we are repositioned as technology-driven professional service provider, aiming to provide professional services to our clients, including SME financing solutions and information technology services, as of December 31, 2025.

SME Financing Solutions

We provide technology-driven customized comprehensive financing solutions to SMEs to improve SMEs’ access to capital and financings. Leveraging our closed-loop fintech ecosystem, we help SMEs channel working capital and liquidity resources by connecting SMEs to the investors and solving risk control issues in the financing process. Our comprehensive financing solutions enable SMEs to acquire financing in a convenient, efficient and customized manner to facilitate healthy enterprise development.

By offering a comprehensive range of financing solutions, encompassing the design, issuance, distribution, and management of financial products, to SMEs, we generate one-time advisory fees from the services provided to SMEs.

Information Technology Services

We provide end-to-end digital transformation support for enterprises. Leveraging Hong Kong’s geographical and compliance advantages as an Asia-Pacific digital hub, we are committed to connecting the key links of “technology implementation - industry adaptation - compliance guarantee”, delivering integrated services for enterprises ranging from pre-consulting and planning, mid-term technical implementation to long-term operation and maintenance. Ultimately, we strive to help clients achieve multiple goals of cost reduction and efficiency improvement, business innovation, and compliance upgrading.

As of December 31, 2025, our information technology services consist of the following four segments:

IT services for commercial clients across all industries

We provide customized software development, system integration, and cloud technology solutions to accelerate the upgrading of digital infrastructure for clients across all industries.

Revenue in this sector is primarily generated through one-time project-based fees. We enter into one-time fee agreements adopting a fixed price plus milestone payment model.

Customized IT solutions for the financial industry

We focus on core needs such as business process digitalization and intelligent risk control, tailoring our solutions to the regulatory and business scenarios of Hong Kong as an international financial center;

Revenue in this sector is primarily generated through one-time project-based fees. Customers pay in defined milestones (e.g., project initiation advance, post-delivery testing payment, and final acceptance payment).

Data-driven full-stack solutions

We offer data assetization, enterprise-level data middle platform construction, and AI integration application services to facilitate data-driven decision making.

Revenue in this sector is generated through a hybrid model. For our standardized SaaS Data Middle Platform targeted at micro and SMEs, we charge recurring SaaS subscription fees on an annual or quarterly basis. For customized enterprise-level data middle platforms and cross-border data compliance solutions targeted at large institutions, we charge one-time project-based fees.

AI-driven full-scenario services

We provide AI model development, platform construction, and infrastructure deployment. We also provide lightweight and implementable AI application suites for various industries.

Revenue in this sector is also generated through a hybrid model. Our standardized AI Customer Service Suites generate recurring SaaS subscription fees on an annual or quarterly basis. Meanwhile, the development of customized AI models generates one-time project-based fees.

Our Strengths

We believe our following strengths position us to capitalize on opportunities in the digital transformation, fintech, and AI-enabled professional services sectors across Hong Kong and Southeast Asia:

- **Comprehensive Financial Solutions for SMEs.** We have the scale and capacity to provide a variety of financial solutions to SMEs. Our multi-faceted approach ensures that each line of our operations complements the services provided by other subsidiaries, allowing customers to benefit from our combined service capacity and a wide array of financing options. Our integrated solutions systems enable SMEs to acquire fundings in an efficient and customized manner, facilitating healthy enterprise development.
- **Differentiated Capabilities Driven by Dual Engines of Technology and Industry.** Technically, we have built a full-stack technology foundation covering cloud-native architecture, big data processing, and AI model development, which adapts to hybrid cloud and multi-cloud management needs and can flexibly respond to the digital demands of enterprises of different sizes. Industrially, we focus on in-depth cultivation of the financial sector while accumulating digital transformation experience in retail, manufacturing and other industries, achieving precise alignment of “general technical capabilities + industry-specific solutions”.
- **Geographical and Ecological Synergy Advantages.** Based on Hong Kong’s dual positioning as an international financial center and an Asia-Pacific digital hub, we can not only rely on local sound digital infrastructure to meet global customer needs, but also link with mainland technology centers to form a collaborative network of “local services + cross-border support”, providing 7×24-hour operation and maintenance support. Meanwhile, we can quickly access the ecosystems of major cloud service providers such as AWS, Azure, and Alibaba Cloud, as well as industry resources including the Hong Kong Fintech Association, to build a diversified cooperation network.
- **Cost-Effective and Highly Adaptable AI Implementation Capabilities.** Drawing on advanced industry practices, we integrate lightweight architecture with open-source ecosystems and combine AI deployment with traditional solutions, significantly lowering the technical threshold for adoption by small and medium-sized customers. At the same time, we focus on in-depth cultivation of vertical scenarios such as financial intelligent risk control and enterprise intelligent customer service, improving the accuracy of solutions through the model of “niche entry and in-depth penetration”.

Our Strategy

Our mission is to transform the corporate finance industry by cultivating a finance ecosystem characterized by openness and empowerment and empower enterprises' digital transformation by building an open and enabling technology ecosystem. We are committed to delivering AI-driven professional services and compliance-aligned tech solutions to enhance operational efficiency, foster business innovation, and simplify regulatory adaptation for our clients. We intend to achieve our growth objectives and strengthen our competitive position through the implementation of the following strategies:

- **Pursue benchmark-led and gradient penetration market expansion.** We will focus on overseas market (including Hong Kong), leveraging leading financial institutions and cross-border enterprises as benchmark clients to develop replicable industry cases. By offering integrated services covering financing, consulting, implementation, training, and operation and maintenance, we will lower the trial threshold for small and medium-sized enterprises and gradually expand from Hong Kong into the Southeast Asian market, achieving gradient development of “local in-depth cultivation and regional expansion.” Through these efforts, we aim to consolidate our market position in Hong Kong and establish a solid foundation for regional business expansion.
- **Adopt scenario-based and subscription-integrated product and service strategy.** Centering on our core business segments, we will build a product system that combines standardization and customization. For general needs, we will launch standardized SaaS products (such as basic version of data middle platform and AI customer service suite) and collect service fees based on a subscription model. For in-depth industry needs, we will provide customized project services (such as development of intelligent risk control systems for financial institutions) and charge fees according to project implementation progress. Meanwhile, we will establish a customer success system, clarify service standards through SLA agreements, and enhance customer retention rate to drive long-term revenue growth.
- **Implement resource integration and capability complementation ecological cooperation strategy.** On one hand, we will establish partnerships with local system integrators (SIs), law firms, and audit institutions to provide one-stop “technology + compliance + consulting” services. On the other hand, we will collaborate with universities and research institutions to jointly cultivate compound talents with both technical capabilities and industry knowledge, addressing the shortage of high-end industry talents. Additionally, we will actively participate in the formulation of industry standards, and enhance our brand influence through certification endorsements and case sharing to gain competitive advantages in the market.
- **Adhere to compliance-first and diversified layout risk control strategy.** We will integrate compliance management into the entire business process, appoint full-time compliance specialists, and conduct regular risk inspections and compliance training to ensure adherence to relevant regulations. In terms of customer layout, we will avoid over-reliance on a single industry and initially focus on developing benchmark clients in 3-5 industries including finance, retail, and manufacturing to diversify operational risks. Technically, we will independently develop core modules, select qualified local suppliers for non-core businesses, and ensure data security and independent controllability of technology through NDA agreements, safeguarding the stable operation of our business.

Distribution Channels and Methods of Competition

Hong Kong Markets

Our core operations are centered in Hong Kong, leveraging its positioning as an international financial center and Asia-Pacific digital hub to serve local commercial clients, including leading financial institutions and cross-border enterprises. Following the divestiture of our legacy business in December 2025, we no longer maintain the previously mentioned regional offices in Shanghai, Zhengzhou, Bozhou, Beijing, Khorgos, and other mainland China locations.

Other International Markets

Our products and services are currently available in Hong Kong and Southeast Asia, and we are gradually building a global marketing system to expand our reach. We have prioritized regional expansion into Southeast Asia as part of our gradient development strategy, following in-depth cultivation of the Hong Kong market. Unlike our historical focus on mainland China, our growth efforts now focus on tapping into opportunities in the digital transformation and fintech sectors across Hong Kong and Southeast Asia, with ongoing plans to further expand our international footprint.

Marketing Channels

We employ a multi-channel synergy model to acquire customers efficiently:

- **Management Referrals.** We leverage our management resources to secure high-end customized projects from large financial institutions and conglomerates.
- **Direct Sales Teams.** Acting as our core acquisition channel, this team provides precise one-on-one docking to penetrate the SME market and regional financial institutions.
- **Channel Partnerships.** We collaborate with financial industry associations, software/hardware vendors, and cross-border service agencies to expand market coverage for our standardized SaaS products and cross-border solutions.

Activity Distribution of Revenues

The chart below is a breakdown of total continuing revenues by activities for the years ended December 31, 2025, 2024 and 2023, respectively.

	Fiscal 2025	Fiscal 2024[#]	Fiscal 2023[#]
Revenue generated from service			
SME Financing Solutions	59%	25%	26%
Supply Chain Solutions	-%	2%	2%
Information Technology Services	41%	-%	-%
Total revenue generated from service	100%	27%	28%
Revenue from supply chain trading	-%	73%	72%
Total revenue	100%	100%	100%

For the years ended December 31, 2024 and December 31, 2023, the Company's revenue was primarily derived from Nisun BVI, a subsidiary that had been disposed of as of December 23, 2025. Such revenue has been presented under the item Net profit (loss) from discontinued operations in the consolidated statements of operations and comprehensive (loss) income.

Substantially all of the Company's revenue from services is derived from customers that are located primarily in outside Mainland China, including Hong Kong.

Customer Concentration

For the year ended December 31, 2025, four customers accounted for 14%, 12%, 12%, and 11% of the Company's total revenue from the services business and three customers accounted for 38%, 37% and 25% of the Company's total accounts receivable balance.

For the years ended December 31, 2024 and 2023, the Company's revenue was primarily derived from NISUN BVI and its subsidiaries, which were disposed of on December 23, 2025. Substantially all of the Company's revenue from its former subsidiaries was derived from financial services and the supply chain trading business, which were primarily generated from customers located in China. The Company's former subsidiaries has a concentration of its revenues with specific customers. The Company's former subsidiaries has a concentration of its revenues with specific customers. For the year ended December 31, 2024, four customers accounted for 30%, 14%, 13%, and 13% of the Company's total revenue from the financial services business and two customer accounted for 23% and 13% of the Company's total revenue from its supply chain trading business. For the year ended December 31, 2023, four customers accounted for 28%, 19%, 15%, and 11% of the Company's total revenue from the financial services business and two customer accounted for 44% and 12% of the Company's total revenue from its supply chain trading business. As of December 31, 2024, three customers accounted for approximately 30%, 17% and 10% of the Company's total accounts receivable balance.

Methods of Competition

We plan to cultivate the Hong Kong financial market as our core, serving licensed institutions, fintech startups, and cross-border entities. From this hub, we will gradually expand our footprint into Southeast Asian markets, prioritizing Indonesia and the Philippines.

Our target customers primarily include small and medium-sized financial institutions, large financial conglomerates, and cross-border enterprises facing digital transition and compliance needs. We compete in the highly competitive IT and AI services market on the basis of our "AI + Technology Empowerment" positioning and our differentiated capability to blend high-end customized solutions with lightweight, cost-effective SaaS applications.

Seasonality

Our services do not experience significant seasonal fluctuations.

Our Competitive Position

IT and AI service is a highly competitive and constantly evolving business. Our principal competitors include established local IT service providers in Hong Kong and mainland fintech companies expanding into Hong Kong.

We believe our competitive position is built upon our "AI + Technology Empowerment" positioning and our differentiated capability to blend high-end customized solutions with lightweight SaaS applications. Compared to traditional local IT providers, our AI implementation capabilities are more cost-effective and adaptable for SMEs. Compared to mainland fintech entrants, we possess a deeper integration with Hong Kong's regulatory environment, offering cross-border data compliance solutions that are able to align with local compliance mandates.

Research and Development

We are committed to researching and developing AI technologies and IT solutions in the financial services, supply chain and other relevant industries. We believe that scientific and technological innovations will help our Company achieve its long-term strategic objectives. Our research and development efforts are an integral part of our operations and the crux of our competitive advantage and differentiation strategy.

For the years ended December 31, 2025, 2024 and 2023, we spent \$503,815, \$1,414,437 and \$1,093,457, respectively, on R&D. The R&D expenses in 2025 consisted primarily of the development of systems relating to the SME financing solutions business and compensation for research and development personnel. We anticipate that we will continue to focus our research and development efforts on developing new technology and improving existing products in the coming years.

Our Intellectual Property

As of December 31, 2025, we do not hold any intellectual property.

Our Employees

As of December 31, 2025, we employed 20 full-time employees.

We had no part-time employees in 2025.

Our employees are not represented by a labor organization or covered by a collective bargaining agreement. We have not experienced any work stoppages.

We are required under PRC law to make contributions to employee benefit plans at specified percentages of our after-tax profit. In addition, we are required by PRC law to cover employees in China with various types of social insurance. We believe that we are in material compliance with the relevant PRC employment laws.

Prior Business Operations

Prior to the divestiture of our legacy business in December 2025, we operated as a technology-driven, integrated financing solutions and supply chain services provider. Through our former operating entities, we engaged in supply chain trading and provided financing services to SMEs in China. As these legacy businesses ceased operations in the first half of 2025 due to low commercial value, we completed the divestiture of the relevant entities on December 23, 2025, to optimize our asset structure. We have no remaining operational involvement, assets, or liabilities related to our former SME financing and supply chain businesses operated by the VIEs in mainland China. Nevertheless, the Company continues to offer a comprehensive range of SME financing solutions, having launched its SME financing operations outside mainland China through AIOS Tech in December 2025.

During the reporting period up until the cessation of operations, our principal activities in this segment included: (i) SME financing solutions, where we provided advisory services and matched SMEs with financial institutions for one-time commissions; and (ii) supply chain trading and financing, where we engaged in the direct procurement and sale of products (acting as principal) while providing financing support to downstream vendors.

For the fiscal year ended December 31, 2025, revenue from our legacy SME financing solutions was US\$18.3 million, representing a 78% decrease compared to US\$84.3 million in 2024. Revenue from supply chain trading and financing was 21.6 million, representing a 92% decrease compared to US\$255.9 million in 2024.

Following the completion of this divestiture, we have no remaining operational involvement, assets, or liabilities related to our SME financing and former supply chain businesses.

Prior Contractual Arrangements with Our Consolidated Affiliated Entities and their Nominee Shareholders

We used to conduct our business through our former PRC subsidiaries, VIEs and VIE subsidiaries. Following our strategic restructuring and the divestiture of our legacy business in December 2025, we have dismantled our VIE structure and the contractual arrangements between the VIEs, their respective nominee shareholders and us have also been terminated.

Regulation

We operate in an increasingly complex legal and regulatory environment. We are subject to a variety of Hong Kong and foreign laws, rules and regulations across numerous aspects of our business. This section sets forth a summary of the principal Hong Kong and PRC laws, judicial interpretations, rules and regulations relevant to our business and operations in Hong Kong and formerly in PRC.

Employment Laws

In accordance with the PRC National Labor Law, which became effective in January 1995 and last amended on December 29, 2018, and the PRC Labor Contract Law, which became effective in January 2008 and was subsequently amended in 2012, employers must execute written labor contracts with full-time employees in order to establish an employment relationship. All employers must compensate their employees equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with appropriate workplace safety training. In addition, employers in China are obliged to pay contributions to the social insurance plan and the housing fund plan for employees.

We have entered into employment agreements with all of our full-time employees. We have contributed to the basic and minimum social insurance plan. Due to a high employee turnover rate in our industry, it is difficult for us to comply fully with the law. While we believe we have made adequate provision for any outstanding contributions to these plans in our financial statements, any failure to make sufficient payments to such plans would be in violation of applicable PRC laws and regulations and, if we are found to be in violation of such laws and regulations, we could be required to make up the contributions for such plans as well as to pay late fees and fines.

Regulations related to our Business Operation in Hong Kong

Regulations on Business Registration

Under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong), every person carrying on any business is required to make an application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid, and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch.

Regulations on Data Protection

Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong)

Under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (“PDPO”), data users (i.e. persons who, either alone or jointly with other persons, control the collection, holding, processing or use of personal data) should collect, handle and use personal data in compliance with the six Data Protection Principles (“DPP”) contained in Schedule 1 to the PDPO.

- DPP 1 — purpose and manner of collection of personal data;
- DPP 2 — accuracy and duration of retention of personal data;
- DPP 3 — use of personal data;
- DPP 4 — security of personal data;
- DPP 5 — information to be generally available; and
- DPP 6 — access to personal data.

According to section 37 of the PDPO, an individual may make a complaint to the Privacy Commissioner for Personal Data (the “Commissioner”) if a data user has breached the PDPO. Pursuant to section 38 of the PDPO, if the Commissioner receives a complaint or has reasonable grounds to believe there may be a breach of the PDPO, the Commissioner may conduct an investigation and publish a report setting out the investigation results and recommendations if it is in the public interest to do so. If it is found that the data user is contravening or has contravened the PDPO, the Commissioner may request the data user to take remedial or preventive steps by issuing an enforcement notice pursuant to section 50 of the PDPO.

The PDPO criminalizes certain activities, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorized disclosure of personal data obtained without the relevant data user’s consent. An individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned. The Company has complied the PDPO as at the date of this annual report.

Regulations on Cybersecurity and Cyber Resilience

Effective from January 1, 2026, the Protection of Critical Infrastructures (Computer Systems) Ordinance (Chapter 653 of the Laws of Hong Kong) (“PCICSO”) established a new statutory regime to enhance the cybersecurity and resilience of critical infrastructures in Hong Kong. The PCICSO focuses on protecting the computer systems of designated “Critical Infrastructure Operators” across essential sectors, including the Information Technology sector.

Under this regulatory framework, designated operators are required to comply with three categories of statutory obligations: (i) organizational obligations, such as maintaining a dedicated cybersecurity unit; (ii) preventive obligations, including conducting annual security risk assessments and independent audits; and (iii) incident reporting obligations, which mandate the notification of any significant cybersecurity incidents within prescribed timeframes.

While our current operations have not been formally designated as a “Critical Infrastructure Operator” as of the date of this annual report, we view the PCICSO as the compliance requirement for the IT solutions we provide to our clients, particularly those in regulated industries.

Regulations on Employment and Labor Protection

Employment Ordinance (Chapter 57 of the Laws of Hong Kong)

The Employment Ordinance contains provisions in relation to protection of employees’ wages and regulation of the general conditions of employment and employment agencies. Under the Employment Ordinance, employees are entitled to, among others, maternity and paternity protection, rest days, statutory or alternative holidays and paid annual leave, sickness allowance, severance payment, long service payment, end of year payment, notice of termination of employment contract or payment in lieu of notice.

Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)

The Employees’ Compensation Ordinance provides for the payment of compensation to employees injured in the course of employment. According to section 40 of the Employees’ Compensation Ordinance, it is compulsory for employers to obtain an insurance policy to cover his liabilities under the laws for injuries at work in respect of all his employees, irrespective of the length of employment contract or working hours. The insured amount depends on the number of employees of the company. It is a criminal offence if an employer fails to do so and the employer will be liable, on conviction upon indictment, to a fine of HKD100,000 and imprisonment for 2 years, and on summary conviction, to a fine of HKD100,000 and imprisonment for 1 year. An insured employer is required to display, in a conspicuous place on each of his premises where any employee is employed, a prescribed notice of insurance.

Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)

The Mandatory Provident Fund Schemes Ordinance (“MPFSO”) is enacted for the establishment a system of privately managed, employment-related mandatory provident fund schemes. Under section 7A of the MPFSO, employers are required to, from the employers’ own funds, contribute 5% of the employee’s relevant income to the Mandatory Provident Fund Scheme for employees aged between 18 to 64. It is a criminal offence for employers to fail to comply with the legal requirements stipulated in the MPFSO.

As at the date of this report, ACSL and ACL have made all contributions required under the MPFSO.

Regulations on Hong Kong Taxation

Profits Tax and Foreign-Sourced Income Exemption (“FSR”)

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), Hong Kong profits tax is generally imposed on every person carrying on a trade, profession, or business in Hong Kong in respect of profits arising in or derived from Hong Kong. The two-tiered profits tax rates regime applies to corporations, where the first HKD2 million of assessable profits are taxed at 8.25%, and profits above that amount are taxed at 16.5%.

Specifically, as a technology-driven enterprise, our Hong Kong subsidiaries may benefit from the “Super Deduction” for Research and Development (R&D) expenditures, which allows for a 300% tax deduction for the first HKD2 million of qualifying R&D expenditure and a 200% deduction for the remainder.

Furthermore, we are subject to the Foreign-Sourced Income Exemption (“FSR”) regime introduced in 2023 and expanded in 2024. Under this regime, certain “covered income” (such as interest, dividends, and equity interest disposal gains) derived from outside Hong Kong and received by a multinational enterprise entity in Hong Kong may be subject to profits tax unless the entity satisfies specified economic substance requirements or the relevant nexus requirements (for intellectual property income). We monitor our inter-company transactions and fund flows to ensure compliance with these substance requirements.

Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)

Under the Stamp Duty Ordinance, the Hong Kong stamp duty currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the value of the shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of Hong Kong shares). In addition, a fixed duty of HKD5 is currently payable on any instrument of transfer of Hong Kong shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), where an employer commences to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than three months after the date of commencement of such employment. Where an employer ceases or is about to cease to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than one month before such individual ceases to be employed in Hong Kong. The Company has complied with the Inland Revenue Ordinance as at the date of this annual report.

Capital gains

No tax is imposed in Hong Kong in respect of capital gains from the sale of shares.

Estate Duty

Hong Kong estate duty was abolished effective from February 11, 2006. No Hong Kong estate duty is payable by shareholders in relation to the shares owned by them upon death.

Regulations on Anti-Money Laundering and Counter-Terrorist Financing

Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)

The Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), or the AMLO, imposes requirements relating to client due diligence and record-keeping and provides regulatory authorities with the powers to supervise compliance with the requirements under the AMLO. In addition, the regulatory authorities are empowered to (i) ensure that proper safeguards exist to prevent contravention of specified provisions in the AMLO; and (ii) mitigate money laundering and terrorist financing risks. The Company has complied with the AMLO as at the date of this annual report.

The United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong), or the UNATMO, provides that it is a criminal offence to: (i) provide or collect funds (by any means, directly or indirectly) with the intention or knowledge that the funds will be used to commit, in whole or in part, one or more terrorist acts; or (ii) make any funds or financial (or related) services available, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate. The UNATMO also requires a person to report his knowledge or suspicion of terrorist property to an authorized officer, and failure to make such disclosure constitutes an offence under the UNATMO. The Company has complied with the UNATMO as at the date of this annual report.

Regulations related to our prior Business Operation in PRC

Regulations Relating to Foreign Investment

The establishment, operation and management of corporate entities in the PRC, including foreign-invested companies, are subject to the Company Law of the PRC, or the Company Law, which was issued by the SCNPC, or the NPC Standing Committee, on December 29, 1993 and took effect on July 1, 1994. The Company Law was last amended on December 29, 2023, with the amendments becoming effective on July 1, 2024. Unless otherwise provided in the PRC's foreign investment laws, the provisions of the Company Law shall prevail.

We are a British Virgin Islands company and thus, we are classified as a foreign enterprise under PRC laws. On March 15, 2019, the NPC promulgated the Foreign Investment Law, which came into effect on January 1, 2020 and replaced the trio of existing laws regulating foreign investment in China, namely, PRC Foreign Invested Enterprise Law, PRC Sino-Foreign Equity Joint Venture Law and PRC Sino-Foreign Cooperative Joint Venture Law. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation, and failure to take timely and appropriate measures to cope with the regulatory-compliance challenges could result in material and adverse effect on us. For instance, though the Foreign Investment Law does not explicitly classify contractual arrangements as a form of foreign investment, it contains a catch-all provision under the definition of "foreign investment", which includes investments made by foreign investors in China through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment, at which time it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if so, how our contractual arrangements should be dealt with. In addition, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. In the worst-case scenario, we may be required to unwind our existing contractual arrangements and/or dispose of the relevant business operations, which could have a material and adverse effect on our current corporate structure, corporate governance, business, financial condition and results of operations.

Investments in the PRC by foreign investors and foreign-invested enterprises are regulated by the Catalogue of Industries in which Foreign Investment is Encouraged (2022 Edition), or the 2022 Catalog, and the Special Administrative Measures for Foreign Investment Access (Negative List 2024), or the 2024 Negative List. The establishment of wholly foreign-owned enterprises is generally allowed in industries not included in the 2024 Negative List. Industries not listed in the 2024 Negative List are generally open to foreign investment unless specifically restricted by other applicable Chinese regulations. Under the 2024 Negative List, foreign equity in companies providing value-added telecommunications services, excluding e-commerce, domestic multi-party communications, data collection and transmission services, and call centers, should not exceed 50%. Part of our business is subject to this 50% foreign investment equity cap.

On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law of the PRC, which became effective on January 1, 2020. The Implementation Regulations for the Foreign Investment Law implement the legislative principles and purpose of the Foreign Investment Law, emphasize promoting foreign investment and refine the specific measures. They also replace the implementation rules of the Law of the PRC on Sino-foreign Equity Joint Ventures, the implementation rules of the Wholly Foreign-owned Enterprise Law of the PRC and the implementation rules of the Law of the PRC on Sino-foreign Cooperative Joint Ventures. On December 26, 2019, the Supreme People's Court issued an Interpretation on Several Issues Concerning the Application of the Foreign Investment law of the PRC, which also came into effect on January 1, 2020. The interpretation applies to any contractual dispute arising from the acquisition of the relevant rights and interests by a foreign investor through gift, division of property, merger of enterprises, division of enterprises, etc. On December 30, 2019, the MOFCOM and the SAMR jointly issued the Measures on Reporting of Foreign Investment Information, which replaced the previous filing and approval procedures regarding the establishment and change of foreign-invested companies. On December 31, 2019, the MOFCOM issued the Announcement on Matters Relating to Foreign Investment Information Reporting, which emphasized the information reporting requirements provided by the Measures on Reporting of Foreign Investment Information, and stipulated the forms for information reporting.

On December 19, 2020, the NDRC and the MOFCOM jointly issued the Measures for the Security Review of Foreign Investment which became effective on January 18, 2021. According to the Measures for the Security Review of Foreign Investment, a working mechanism was to be established for organizing, coordinating, and guiding the security review of foreign investments, and the office in charge of the security review process will be set up by the NDRC and the MOFCOM. Furthermore, the Measures for the Security Review of Foreign Investment provide that if foreign investors or their related parties in China engage in any foreign investment in industries with national security concerns such as important information technology, important internet products and services, or important financial services, they shall make applications for the security review to the designated office in advance.

Regulations Relating to Value-Added Telecommunication Services

The Telecommunications Regulations of the PRC, or the Telecommunications Regulations, issued by the State Council of the PRC on September 25, 2000 and last amended on February 6, 2016, provide the general framework for the provision of telecommunication services by PRC companies. They require a telecommunication service provider in China to obtain an operating license from the Ministry of Industry and Information Technology, or the MIIT, or its provincial counterparts, prior to commencement of operations.

The Telecommunications Regulations categorize telecommunication services in China as either basic telecommunications services or value-added telecommunications services. According to the Catalog of Telecommunications Business, attached to the Telecommunications Regulations and issued by the MIIT, on December 28, 2015 and last amended on June 6, 2019, online data processing, transaction processing and information services provided via fixed network, mobile network and internet, call center service and internet data center services are value-added telecommunication services.

On July 3, 2017, the MIIT issued the Measures for the Administration of Telecommunications Business Licensing, or the Telecom Permit Measures, which took effect on September 1, 2017. The Telecom Permit Measures set forth more specific provisions regarding the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for obtaining the licenses and the administration and supervision of these licenses. Operators are required to submit an application within the prescribed period to the original permit-issuing authority with respect to changes in the business scope or the operating entity resulting from shareholder changes or the merger and division of the Company as prescribed under relevant regulations.

On June 8, 2020, the MIIT issued the Notice of Strengthening the Administration of Call Center Service, which provides that any entities engaging in call center service shall obtain corresponding business permits as required by the relevant laws and regulations, and shall conduct the business subject to the Catalog of Telecommunications Business.

Regulations on Foreign Investment in the Value-Added Telecommunications Industry

Foreign direct investment in telecommunications companies in China is governed by the Administrative Rules on Foreign-invested Telecommunications Enterprises, or the FITE Regulations, which was issued by the State Council on December 11, 2001, last amended on March 29, 2022, and came into effect on May 1, 2022, made certain significant changes to the 2016 FITE Regulations. Under the 2016 FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests in a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in and a proven track record of operating value-added telecommunications businesses overseas (the “Qualification Requirements”), while the 2022 Decision repeals the Qualification Requirements. These restrictions of Qualification Requirements no longer apply to foreign investors, and foreign investors may be allowed to hold no more than 50% of the equity interests in a company providing value-added telecommunications services.

However, under the Circular on Loosening the Restriction on Foreign Shareholdings in Online Data Processing and Transaction Processing Business (for E-commerce), or Circular 196, issued by the MIIT on June 19, 2015, foreign investors may hold up to 100% of all equity interest in an online data processing and transaction processing business operating e-commerce in China, while other requirements provided by the FITE Regulations shall still apply. Pursuant to the Special Administrative Measures for Foreign Investment Access (2024 Negative List), foreign investors are not allowed to hold more than 50% of the equity interests of any company providing value-added telecommunications services, including ICP services, with exception for e-commerce, domestic multi-party communications, storage-forwarding, and call centers businesses. The MIIT’s Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business, or the MIIT Circular, issued on July 13, 2006, requires foreign investors to set up foreign-invested enterprises and obtain a license for value-added telecommunications services. It prohibits domestic companies holding value-added telecommunications services licenses from leasing, transferring or selling their licenses in any form, or providing any resource, sites or facilities, to any foreign investors intending to conduct this type of businesses in China.

In addition to restricting dealings with foreign investors, the MIIT Circular contains a number of detailed requirements applicable to operators of value-added telecommunications services, including that operators or their shareholders must legally own the domain names and trademarks used in their daily operations and each operator must possess the necessary facilities for its approved business operations and maintain its facilities in the regions covered by its license. The MIIT or its provincial counterparts have the power to require corrective actions after they discover any non-compliance by operators, and where operators fail to take those steps, the MIIT or its provincial counterparts can revoke the value-added telecommunications services licenses.

In view of the foregoing foreign ownership restrictions, we have established several VIEs to engage in the business of value-added telecommunications services. Due to the lack of interpretative guidance from the relevant PRC governmental authorities, there are uncertainties regarding whether PRC governmental authorities would consider our corporate structure and contractual arrangements compliant with applicable PRC foreign investment laws and regulations.

Regulations on Internet Information Services

Administrative Measures for Internet Information Services, which was issued by the State Council on September 25, 2000, amended for the second time on December 6, 2024 (and became effective on the same date of December 6, 2024), set out guidelines on the provision of internet information services. Pursuant to the Internet Information Measures, “internet information services” are defined as services that provide information to online users through the internet. The Internet Information Measures require internet information services operators to obtain a value-added telecommunications business operating license for internet information services, or the ICP License, from the relevant government authorities before engaging in any commercial internet information services operations in China.

In addition, internet information service providers are required to monitor their websites to ensure that they do not contain content prohibited by law or regulation. The PRC government may require corrective actions to address non-compliance by ICP License holders or revoke their ICP License for serious violations. Furthermore, the Measures for the Administration of Internet Domain Names (the “Domain Name Measures”), issued by the MIIT on August 24, 2017 and became effective on November 1, 2017, requires internet information service providers to use duly registered and lawfully compliant domain names with accurate and verified registration information in providing internet information services .

Regulations on Mobile Internet Application Information Services

In 2022, the Cyber Administration of China issued Provisions on the Administration of Information Services of Mobile Internet Apps (2022 Revision), which took effect on August 1, 2022, requiring app providers, who provide users with services such as information release and instant messaging, to authenticate the identity of users who apply for registration, establish and improve information content examination and registration mechanism. If app providers violate these regulations, app distribution platforms shall issue warning, restricted functions, remove the account and/or report to the competent departments.

ICPs are also required under the Interim Measures on the Administration of Pre-Installation and Distribution of Applications for Mobile Smart Terminals, which was issued on December 16, 2016 and took effect on July 1, 2017, to ensure that apps, as well as its ancillary resource files, configuration files and user data, can be conveniently uninstalled by a user, unless it is a basic function software (i.e., software that supports the normal functioning of hardware and operating system of a mobile smart device).

On July 22, 2020, the MIIT issued the Notice by the Ministry of Industry and Information Technology of Launching a Special Campaign to Further Crack Down on APP Infringements on Users’ Rights and Interests on Users’ Personal Rights and Interests by APPs, or the Notice. The Notice requires inspection of certain practices of application service providers, including: (i) collecting personal information without user’s consent, collecting or using personal information beyond the necessary scope of service provided, and forcing users to receive advertisements; (ii) frequently or automatically launching third-parties apps without user permission, and (iii) deceiving and misleading users to download apps or providing personal information. The Notice also specifies the period of special inspection of the Apps for supervision, the Ministry of Industry and Information Technology will order the offending party to rectify the business within five working days, otherwise a public announcement will be made, and the App will be removed from the Apps store, and the offending party will be subject to other administrative penalties.

The Provisions on the Administration of Internet Users’ Account Information, which was issued by the CAC on June 27, 2022 and became effective on August 1, 2022, stipulate that internet information service providers must, among other things, equip themselves with professional and technical capabilities appropriate to the scale of services, establish, improve and strictly implement systems for identity authentication, account verification, information safekeeping, ecological governance, emergency response, personal information protection, among others. The provisions also require that the internet information service providers should handle and protect personal information in internet users’ account information in accordance with law, and take measures to prevent unauthorized access, as well as leakage, tampering, or loss of personal information. The internet information service providers must set up convenient portals for complaints and whistleblowing at an easily seen location, provide channels for complaints and whistleblowing, improve the acceptance, screening, disposal and feedback mechanisms, specify the handling process and feedback time limit and timely handle the complaints and whistleblowing of users and the public.

On September 9, 2022, the CAC, the MIIT, and the SAMR issued the Administrative Provisions on Internet Pop-up Push Notification Services, which took effect on September 30, 2022. The provisions require that internet pop-up push notification service providers should implement the responsibilities as subjects of information content management and establish and improve management systems for censoring of information content, ecological governance, data security, and personal information protection, and protection of minors.

Regulations Relating to Information Security and Privacy Protection

Regulations on Information Security

In recent years, PRC government authorities have enacted laws and regulations with respect to internet information security and protection of personal information from abuse or unauthorized disclosure. Pursuant to the Decision on the Maintenance of Internet Security issued by the NPC Standing Committee on December 28, 2000, which was amended on August 27, 2009, persons may be subject to criminal liability in China for any attempt to: (i) gain improper entry to a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe upon intellectual property rights and other activities prohibited by relevant laws and regulations.

The Administration Measures on the Security Protection of Computer Information Network with International Connections, issued by the Ministry of Public Security, or MPS, on December 16, 1997, and amended by the State Council of the PRC on January 8, 2011, prohibits any unit or individual from using the international network to endanger state security, divulge state secrets, infringe on national, social and collective interests, the legitimate rights and interests of citizens, or engage in illegal or criminal activities. The MPS has supervisory and inspection powers and relevant local security bureaus may also have jurisdiction. If a value-added-telecommunications service license holder violates these measures, the PRC government may revoke its value-added-telecommunications service license and shut down its websites.

On November 7, 2016, the NPC Standing Committee promulgated the Cyber Security Law of the PRC, or Cyber Security Law, which took effect on June 1, 2017, pursuant to which, network operators must comply with laws and regulations and fulfil their obligations to safeguard security of the network when conducting business and providing services. Entities that provide services through networks must take technical measures and other necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal or criminal activities, and maintain the integrity, confidentiality and usability of network data. It also stipulate that network operators may not collect personal information that is irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties.

The Regulations on Cyber Security Supervision and Inspection of Public Security Organs, which was issued by the MPS on September 15, 2018 and came into effect on November 1, 2018, is an important basis for the Public Security Bureau to strengthen the enforcement of the Cyber Security Law.

On September 12, 2022, the Cyber Administration of China issued the Cyber Security Law (Draft for Comments) to solicit public comments. The draft mainly adjusted the penalties stipulated in Cyber Security Law. Subsequently, the SCNPC formally adopted the Decision on Amending the Cyber Security Law of the PRC on October 28, 2025, which came into force on January 1, 2026.

Pursuant to the Ninth Amendment to the Criminal Law issued by the NPC Standing Committee on August 29, 2015, which took effect on November 1, 2015, any internet service provider that fails to fulfill the obligations related to internet information security administration as required by applicable laws and refuses to comply with rectification orders is subject to criminal penalties for (i) any dissemination of illegal information on a large scale, (ii) any severe consequences due to leakage of the client's information, (iii) any severe loss of criminal evidence, or (iv) other severe situation. These amendments also state that any individual or entity that (i) sells or provides personal information to others that violates applicable law, or (ii) steals or illegally obtains any personal information, is subject to criminal penalties for severe violations.

On May 8, 2017, the Supreme People's Court and the Supreme People's Procuratorate released the Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens' Personal Information, which took effect on June 1, 2017. It clarifies several concepts regarding the crime of "infringement of citizens' personal information," including "citizens' personal information," "provision," and "unlawful acquisition."

Pursuant to the Announcement of Conducting Special Supervision against the Illegal Collection and Use of Personal Information by Apps, which was issued on January 23, 2019, app operators should collect and use personal information in compliance with the Cyber Security Law and should be responsible for the security of personal information obtained from users and take effective measures to strengthen personal information protection. Furthermore, app operators should not force their users to grant authorization by means of bundling, suspending installation or in other default forms and should not collect personal information in violation of laws, regulations or in breach of user agreements. Such regulatory requirements were emphasized by the Notice on the Special Rectification of APPs Infringing upon User's Personal Rights and Interests, which was issued by the MIIT on October 31, 2019.

On October 21, 2019, the Supreme People's Court and the Supreme People's Procuratorate jointly issued the Interpretations on Certain Issues Regarding the Applicable of Law in the Handling of Criminal Case Involving Illegal Use of Information Networks and Assisting Committing Internet Crimes, which came into effect on November 1, 2019, and further clarified the meaning of "Internet service provider" and the severe situations of the relevant crimes.

The recommended national standard, Information Security Technology - Personal Information Security Specification, sets forth specific refined requirements on the collection, preservation, use, and commissioned processing, sharing, transfer, public disclosure, etc. Although it is not mandatory, in the absence of clear implementation rules and standards for the law on cyber security and other personal information protection, it serves as the basis for assessing compliance and making determinations. On November 28, 2019, The Notice of Identification Method of Application Illegal Collection and Use of Personal Information was issued, which provides a reference for identifying illegal collection and use of personal information by apps, and provides guidance for app operators' self-inspection, self-correction and netizens' public supervisions.

On December 15, 2019, the Provisions on Ecological Governance of Network Information Content was issued by the Cyberspace Administration of China, which came into effect on March 1, 2020. These provisions require network information content service platforms to perform their duties as administrator of information content, strengthen the ecological governance of the network information contents on their platforms, and foster a positive, healthy, progressive and amicable cyber culture.

On June 10, 2021, the SCNPC promulgated the Data Security Law which took effect in September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and assigns responsibilities for data security protection. The Data Security Law provides for data security and privacy obligations of entities and individuals carrying out data activities, prohibits entities and individuals in China from providing any foreign judicial or law enforcement authority with any data stored in China without approval from the competent PRC authority, and sets forth the legal liabilities of entities and individuals found to be in violation of their data protection obligations, including rectification order, warning, fines of up to RMB10 million, suspension of relevant business, and revocation of business permits or licenses.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Severe and Lawful Crackdown on Illegal Securities Activities, which became effective on the same day. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies. These opinions proposed to take effective measures, such as promoting the construction of relevant regulatory systems, to deal with the risks and incidents facing China-based overseas-listed companies and the demand for cybersecurity and data privacy protection.

On December 28, 2021, the Cyberspace Administration of China issued the Measures for Cybersecurity Review which took effect on February 15 2022. These measures authorize the relevant government authorities to conduct cybersecurity review on a range of activities that affect or may affect national security, including listings in foreign countries by online platform operator that possess personal data of more than one million users. They also stipulate that any key information infrastructure operators or online platform operators in violation of the regulations shall be penalized in accordance with the Cyber Security Law and the Data Security Law.

On July 7, 2022, the CAC issued the Measures for Security Assessment of Cross-border Data Transfer, which took effect on September 1, 2022. According to these measures, in addition to the requirement to conduct self-assessment on the risks of the outbound data transfer, to provide data abroad under any of the following circumstances, a data processor must apply to the national cyberspace department for data security assessment through the provincial-level cyberspace administration authority: (i) outbound transfer of important data by a data processor; (ii) outbound transfer of personal information by a critical information infrastructure operator or a personal information processor who has processed the personal information of more than one million people; (iii) outbound transfer of personal information by a personal information processor who has made outbound transfers of the personal information of 100,000 people cumulatively or the sensitive personal information of 10,000 people cumulatively since January 1 of the previous year; and (iv) other circumstances where an application for the security assessment of an outbound data transfer is required as prescribed by the national cyberspace administration authority.

The Measures for the Standard Contractual Measures for Cross-border Transfer of Personal Information, which was issued by the CAC on February 22, 2023 and came into effect on June 1, 2023, specified the applicable scope of, conditions to enter into and detailed filing requirements for standard contracts on cross-border transfer of personal information, which will become a part of the compliance mechanism for personal information protection.

The Regulation on Network Data Security Management, which was promulgated on September 24, 2024 and became effective on January 1, 2025, set forth several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is handled. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers.

Regulations on Privacy Protection

On December 13, 2005, the MPS issued the Regulations on Technological Measures for Internet Security Protection, or the Internet Protection Measures, which took effect on March 1, 2006, requiring internet service providers to utilize standard technical measures for internet security protection.

Under the Several Provisions on Regulating the Market Order of Internet Information Services, issued by the MIIT on December 29, 2011 and that took effect on March 15, 2012, ICPs are also prohibited from collecting any personal user information or providing any information to third parties without the consent of the user. The Cyber Security Law provides an exception to the consent requirement where the information is anonymous, not personally identifiable and unrecoverable. ICPs must expressly inform the users of the method, content and purpose of the collection and processing of user personal information and may only collect information necessary for its services. ICPs are also required to properly maintain user personal information, and in case of any leak or likely leak of user personal information, ICPs must take remedial measures immediately and report any material leak to the telecommunications regulatory authority.

In addition, the Decision on Strengthening Network Information Protection issued by the NPC Standing Committee on December 28, 2012, emphasizes the need to protect electronic information that contains personal identification information and other private data. The decision requires ICPs to establish and publish policies regarding the collection and use of personal electronic information and to take necessary measures to ensure the security of the information and to prevent leakage, damage or loss. Furthermore, the MIIT's Order on Protection of Personal Information of Telecommunications and Internet Users, issued on July 16, 2013 and took effect on September 1, 2013, contains detailed requirements on the use and collection of personal information as well as the security measures to be taken by ICPs.

On August 22, 2019, the Cyberspace Administration of China promulgated the Provisions on the Cyber Protection of Children's Personal Information, which took effect on October 1, 2019, requiring that before collecting, using, transferring or disclosing the personal information of a child, any internet service operator should inform that child's guardians in a noticeable and clear manner and obtain their consent. In addition, internet service operators should take measures like encryption when storing children's personal information.

On May 28, 2020, the Civil Code of the PRC was issued by the National People's Congress and became effective on January 1, 2021. The Civil Code defines the processing of personal information as the collection, storage, use, processing, transmittal, provision, and disclosure of personal information. Furthermore, according to the Civil Code, any entity that engages in the processing of personal information shall follow the principles of lawfulness, fairness, and necessity and shall not overuse personal information. Entities shall also obtain the consent from the natural person or his or her guardian, except as otherwise provided by laws and regulations.

On August 31, 2020, the Administrative Provisions for Text Message and Voice Call Service (Draft) were published for public comments. It provides that no entity or individual can send commercial text messages or make commercial calls to users without their consent. The relevant governmental authorities may order rectification, impose warnings or fines, make public announcements, or enforce other administrative measures on violation. In case of serious circumstances, the relevant governmental authorities may revoke telecommunication licenses and phone number sources of the violating entity or individual.

On July 22, 2020, the Ministry of Public Security issued the Guiding Opinions on Implementing the Network Security Level Protection System and Critical Information Infrastructure Security Protection System. It stipulates that internet operators shall cooperate with public security authorities to crack down on illegal and criminal online activities. In the event of online crimes, or material cyber security threats and incidents, the internet operators shall promptly report and provide necessary assistance to the public security authorities.

On August 20, 2021, the SCNPC adopted the Personal Information Security Law, which took effect on November 1, 2021. The Personal Information Protection Law includes the basic rules for personal information processing, the rules for cross-border provision of personal information, the rights of individuals in personal information processing activities, the obligations of personal information processors, and the legal responsibilities for illegal collection, processing, and use of personal information.

On March 16, 2023, the National Information Security Standardization Technical Committee (NISSTC) published the Notice on Soliciting Opinions on the National Standard< Requirements for Certification of Cross-Border Transmission of Personal Information for Information Security Technology> (Draft for Opinion). The draft standard stipulates the basic principles, basic requirements and requirements for safeguarding the rights and interests of the subject of personal information for the cross-border provision of personal information by personal information processors, and applies to the certification body's certification of personal information protection for the activities of cross-border provision of personal information by personal information processors.

Regulations on Anti-Monopoly Matters Related to Internet Platform Companies

The PRC Anti-Monopoly Law, which was last amended on June 24, 2022, and took effect on August 1, 2022, prohibits monopolistic conduct, such as entering into monopoly agreements, abusing market dominance, and undertaking concentrations that may have the effect of eliminating or restricting competition. On February 7, 2021, the Anti-Monopoly Commission of the State Council officially promulgated the Anti-Monopoly Guidelines on Platform Economics. The guidelines prohibit certain monopolistic conducts of internet platforms to protect market competition, safeguard interests of users and operators who participate in internet platform economics, including without limitation, prohibiting platforms with dominant position from abusing their market dominance (such as discriminating customers in terms of pricing and other transactional conditions using big data and analytics, coercing counterparties into exclusivity arrangements, using technology methods to block competitors' interface, tying or attaching unreasonable trading conditions, compulsory collection of unnecessary user data). In addition, the guidelines also reinforce the requirement of antitrust merger review for internet platform related transactions to safeguard market competition.

Regulations Relating to Loan Facilitation

On December 1, 2017, the Company Head Office of Internet Financial Risk Special Rectification and the Company Head Office of the P2P Network Loan Risks jointly issued the Notice on the Regulation and Rectification of the “Cash Loan” Business, or Circular 141, which regulates “cash loan” businesses conducted by internet micro-finance companies, banking financial institutions and online lending information intermediaries. Circular 141 defines “cash loans” as loans that are unrelated to the circumstances of their use, with no designated use for the loan proceeds, no qualification requirement for the borrower and no collateral for the loan. The definition of a cash loan under Circular 141 is vague and subject to further regulatory interpretation. Circular 141 sets forth various prohibitions and obligations on banking financial institutions participating in “cash loan” businesses, including that: (i) banking financial institutions (including banks, trust companies, consumer finance companies, etc.) shall, in strict compliance with the Interim Measures for the Administration of Personal Loans and other regulatory and risk management requirements, regulate the lending activities; (ii) extension of loans jointly with any third-party institution that has not obtained approvals for the lending business, or funding to such institutions for the purpose of extending loans in any form, is prohibited; (iii) with respect to a lending business conducted in collaboration with a third-party institution, outsourcing of the core business (including the credit assessment and risk control) is prohibited, and any credit enhancement service, whether or not in disguised form (including the commitment to bear the risk of default), provided by any third-party institutions without guarantee qualification are also prohibited. The banking financial institutions must require and ensure that such third-party institutions do not collect any interest or fees from the borrowers; and (iv) banking financial institution and the asset management products issued or managed thereby shall not invest directly or in a disguised manner in any securitization product or any other product sold with “cash loans,” “campus loans” and “down payment loans,” among others, as the underlying assets. Any violation of Circular 141 may result in criminal liability and various penalties, including suspension or cessation of business operations, sanctions, rectification, rejection of filing, and revocation of license.

In addition, the Notice on Specific Rectification Implementation Plans for Risk of Online Microfinance Businesses of Microfinance Companies, or Circular 56, provides that the online lending business conducted by microfinance companies in collaboration with a third-party institution, may not involve any credit enhancement service in disguised form (including the provision of a “drawer agreement” guarantee) or underlying commitments by the third-party institution. Third-party institutions collaborating with microfinance companies are also prohibited from collecting any interest or fees from borrowers. Violations of Circular 56 may result in various penalties.

On August 1, 2019, the General Office of the State Council issued and promulgated the Guidance on Promoting the Healthy Development of the Platform Economy, which provides that the market-access management and supervision of financial services provided through online platforms in the finance sector are regulated by laws, regulations and other relevant rules. In addition, entities conducting financial information intermediaries services and transaction-matching services are subject to the market-access management pursuant to relevant laws.

The Interim Measures for Administration of Internet Loans Issued by Commercial Banks, or the Internet Loans Interim Measures, promulgated by the CBIRC, came into effect on July 12, 2020, and was amended on June 21, 2021. While the Interim Measures apply to commercial banks, consumer finance companies and auto finance companies directly, the Interim Measures also require these banking financial institutions to strengthen the management of cooperation related to loan business, which would affect the cooperated institutions in internet loan business and their existing business models. Pursuant to these Interim Measures, commercial banks shall evaluate their cooperation agencies and implement a name list management. Commercial banks shall not accept direct and disguised credit enhancement services from unqualified cooperation agencies, nor entrust third-party collection agencies with illegal records. The Interim Measures also provide that, except for cooperating institutions that jointly provide loans, commercial banks shall not entrust cooperating institutions to perform key operations, such as loan issuance, loan principal and interest recovery, and suspension of funding. Pursuant to the Interim Measures, commercial banks shall independently carry out risk assessment and credit approval for loans they fund, and take primary responsibility for post-loan management. Commercial banks shall not entrust third-party institutions with records of violent collection or other illegal records to collect loans. Furthermore, according to the Interim Measures, commercial banks shall forbid third-party partners from charging any fees or interests on borrowers, and shall clarify such rule in written agreements with their partners. The CBIRC and its local branches shall evaluate reports and relevant materials submitted by commercial banks, and the key assessment factors include independent control of credit approval procedures, contract signing, and other core risk management procedures of commercial banks.

On February 19, 2021, the CBIRC issued the Notice of Further Regulating Online Loan Business of Commercial Banks, and it provides that commercial banks shall not outsource material procedures of loan origination, loan servicing, and delinquency management to third-party institutions, and in addition, commercial banks shall not engage in online loan business outside its registered place.

On July 12, 2022, CBIRC issued the Notice on Strengthening the Management of Commercial Banks’ Internet Loan Business and Improving the Quality and Efficiency of Financial Services, which further requires commercial banks to: (i) effectively conduct security assessments on the cooperating institutions which provide and process personal information; (ii) strengthen loan fund management, take effective measures to monitor loan usage, ensure safety of the loan funds, and prevent cooperating institutions from intercepting, pooling, or misappropriating fund; (iii) standardize the Internet loan cooperation business with third-party institutions, and restrict or refuse to cooperate with those that are in violation of relevant regulations on Internet loans; and (iv) strengthen the protection of consumer rights and interests, strengthen the compliance management of the marketing and publicity behaviors of cooperating institutions, and clearly stipulate relevant prohibited behaviors in the cooperation agreement. The transition period for the existing stock business of Internet loans of commercial banks ended on June 30, 2023. During the transition period, new Internet loans businesses of commercial banks shall meet the requirements of the Interim Measures, the Internet Loans Circular, and this Notice.

Regulation related to Exchange Administered Financial Asset Securities Distribution

The distribution of exchange administered financial asset securities is currently regulated by the Decision Regarding Straightening out and Rectifying Various Types of Trading Venues to Effectively Prevent Financial Risks (“Document 38”) and the Implementation Opinions on Straightening out and Rectifying Various Types of Trading Venues (“Document 37”), promulgated by the General Office of the State Council on November 11, 2011 and July 12, 2012, respectively. Both Document 38 and Document 37 stipulate that exchanges that are subject to the approval of the State Council or its administration department of finance for establishment, shall be regulated by the administration department of finance of the State Council; all other exchanges shall be regulated by the local People’s Government at the provincial level, which in practice, are the offices of finance at municipal and provincial levels. Document 38 and Document 37 emphasize on the prohibitive activities relating to the issuance and distribution of exchange administered funds, for example, the number of investors of exchange administered funds shall not exceed 200 accumulatively.

Regulation on Foreign Exchange Control

Foreign exchange in China is primarily regulated by:

- The Foreign Currency Administration Regulations (1996), as amended on January 14, 1997 and August 5, 2008; and
- The Administration Rules of the Settlement, Sale and Payment of Foreign Exchange (1996), or the Administration Rules.

Under the Foreign Currency Administration Regulations, the RMB is convertible for current account items, including the distribution of dividends, interest payments, and trade service-related foreign exchange transactions. Conversion of RMB into foreign currency for capital account items, such as loans, investment in securities and repatriation of investments, however, remains subject to registration with SAFE or its local counterparts as required by law. Under the Administration Rules, foreign-invested enterprises may buy, sell and remit foreign currencies at banks authorized to conduct foreign exchange transactions for settlement of current account items after providing valid commercial documents and, in the case of capital account item transactions, only after registration with SAFE and, if applicable, other relevant PRC government authorities as required by law. Capital investments directed outside of China by foreign-invested enterprises are also subject to restrictions, which include registration filing with the MOFCOM. If the investment is made in sensitive countries, regions, or industries, it needs to be approved by the MOFCOM.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in China's political and economic conditions. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on rates set by the PBOC. On July 21, 2005, the PRC government changed its policy of pegging the value of the RMB to the U.S. dollar. Under the new policy, the RMB will be permitted to fluctuate within a band against a basket of foreign currencies. We receive a significant portion of our revenue in Renminbi, which is not a freely convertible currency. Under our current structure, our income is primarily derived from dividend payments from our subsidiaries in China. Although we may remit the income from China to other jurisdictions, the fluctuation in exchange rates may be a disadvantage to us if the RMB depreciates.

Regulation on Foreign Exchange Registration of Offshore Investment by PRC Residents

The Notice on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, promulgated by SAFE on July 14, 2014 and designed to replace the former circular commonly known as "Notice 75", requires registration of PRC residents with local branches of SAFE with respect to their direct establishment or indirect control of an offshore entity (referred to in Notice 37 as "special purpose vehicle"), where such offshore entities are established for the purpose of overseas investment or financing, provided that PRC residents contribute their legally owned assets or equity into such entities.

Notice 37 further requires PRC residents to amend their registration where any significant changes with respect to the special purpose vehicle capitalization or structure of the itself, such as capital increase, capital reduction, share transfer or exchange, merger or spin off.

Regulation on Dividend Distributions

The principal regulations governing the distribution of dividends paid by wholly foreign-owned enterprises include:

- Company Law (1993), as last amended on December 29, 2023 that became effective on July 1, 2024.
- The Foreign Investment Law promulgated on March 15, 2019 that became effective on January 1, 2020;
- The Implementation Regulations for the Foreign Investment Law promulgated on December 12, 2019, and became effective on January 1, 2020;
- The Enterprise Income Tax Law (2007), which was amended on December 29, 2018; and
- The Implementation Regulations for the Enterprise Income Tax Law that was promulgated on December 6, 2024 and became effective on January 20, 2025.

Under these regulations, wholly foreign-owned and joint venture enterprises in China may pay dividends only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. In addition, an enterprise in China is required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its general reserves until its cumulative total reserve fund reaches 50% of its registered capital. Our Company's reserve fund has not yet reached this level. The board of directors of a wholly foreign-owned enterprise has the discretion to allocate a portion of its after-tax profits to its employee welfare and bonus funds. These reserve funds, however, may not be distributed as cash dividends.

Under the Enterprise Income Tax Law and its implementation regulations, dividends payable by a foreign-invested enterprise in the PRC to its foreign investor who is a non-resident enterprise will be subject to a 10% withholding tax, unless such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a lower withholding tax rate. See "Taxation."

M&A Rules and Regulation on Overseas Listings and Securities Offerings

On August 8, 2006, six PRC regulatory agencies, the MOFCOM, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, CSRC and SAFE, jointly adopted the Regulation on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, which became effective on September 8, 2006, and was amended in June 2009. The M&A Rules purport, among other things, to require that offshore SPVs that are controlled by PRC companies or individuals and that have been formed for overseas listing purposes through acquisitions of PRC domestic interests held by such PRC companies or individuals, obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, the CSRC published a notice on its official website specifying documents and materials required to be submitted to it by SPVs seeking CSRC approval for their overseas listings.

While the application of the M&A Rules remains unclear, our PRC legal counsel has advised us that, based on their understanding of the current PRC laws and regulations as well as the notice announced on September 21, 2006:

- the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings such as our initial public offering are subject to the CSRC approval procedures under the M&A Rules; and
- despite the lack of any definitive rule or interpretation from the CSRC, the main purpose of the M&A Rules is for national security and national industrial policy and so far none of the Chinese companies that have completed their public listing in the U.S. have obtained such approval; and
- our business operations in China do not belong to a prohibited industry for foreign investment; and
- our merges and acquisitions involving our Chinese subsidiary companies have all obtained properly the approval from the local governmental authorities; and
- our BVI company was not established by a Chinese citizen. Accordingly, although the purpose of the BVI incorporation is for overseas listing, the M&A Rules should not apply to us.

Our PRC counsel also advises us, however, that there is still uncertainty as to how the M&A Rules will be interpreted and implemented. If the CSRC or other PRC regulatory agencies, subsequently determine that CSRC approval was required for our initial public offering, we may need to apply for remedial approval from the CSRC and we may be subject to penalties and administrative sanctions administered by these regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in the PRC, limit our operating privileges in the PRC, or take other actions that could materially adversely affect our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our Class A common shares. Consequently, even though our PRC counsel believes the probability of the aforementioned actions is small, if you engage in market trading or other activities in anticipation of, and prior to, settlement and delivery, you do so at the risk that settlement and delivery may not occur.

On February 17, 2023, the CSRC issued the Trial Measures and five application guidelines, or the Overseas Listing Rules, which took effect on March 31, 2023. According to the Overseas Listing Rules, among other things, after making initial applications with overseas stock markets for offerings or listings, all China-based companies shall file with the CSRC within three business days. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets other than where it has offered and listed shall be filed with the CSRC within three business days after the applications are made. In addition, overseas offerings and listings are prohibited for such China-based companies when any of the following applies: (a) where such the securities offering and listing is explicitly prohibited by provisions in PRC laws, administrative regulations and relevant state rules; (b) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (c) 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; (d) 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; (e) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. The Overseas Listing Rules further stipulate that a fine between RMB 1 million and RMB 10 million may be imposed if a company fails to fulfill the filing requirements with the CSRC or conducts an overseas offering or listing in violation of the Overseas Listing Rules. According to the Notice on the Filing Management Arrangements for Overseas Offerings and Listings by Domestic Companies published by the CSRC on February 17, 2023, existing listed companies are not required to make any filings until they conduct a new offering or financing transaction in the future. A company is regarded as an existing listed company if it (a) has already completed overseas listing or offering, or (b) has already obtained the approval for the offering or listing from overseas securities regulatory authorities or stock exchanges but has not completed such offering or listing before the effective date of the Overseas Listing Rules and also completes the offering or listing before September 30, 2023. On the effective date of the Overseas Listing Rules, PRC companies that have already submitted offering and listing applications but have not yet obtained the approvals from overseas securities regulators or exchanges shall make filings with the CSRC at a reasonable time before the completion of the offerings or listings. For those that have already obtained the CSRC's approvals for overseas listings or offerings may continue their process without additional filings but shall make the filing pursuant to the Overseas Listing Rules if they cannot complete the offering or listing before the expiration of the original approval from the CSRC.

Regulation Related to Stock Incentive Plans

On February 15, 2012, SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies. Under this notice and other rules and regulations, domestic individuals, which means the Chinese residents and non-PRC citizens residing in mainland China for a continuous period of not less than one year, subject to a few exceptions, who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are Chinese residents must retain a qualified mainland China agent, which could be a Chinese subsidiary of the overseas publicly listed company or another qualified institution selected by the Chinese subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the mainland China agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the mainland China agent or the overseas entrusted institution or other material changes. The mainland China agents must, on behalf of the Chinese residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the Chinese residents' exercise of the employee share options. The foreign exchange proceeds received by the Chinese residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in mainland China opened by the mainland China agents before distribution to such Chinese residents. In addition, the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles provides that Chinese residents who participate in a share incentive plan of an overseas unlisted special purpose company may register with SAFE or its local branches before exercising rights.

Regulations on Offshore Parent Holding Companies' Direct Investment in and Loans to Their PRC Subsidiaries

Shareholder loans made by offshore parent holding companies to their PRC subsidiaries are regarded as foreign debts in China for regulatory purposes, and are subject to a number of PRC laws and regulations, including the PRC Foreign Exchange Administration Regulations, the Interim Measures on Administration on Foreign Debts, the Tentative Provisions on the Statistics Monitoring of Foreign Debts and its implementation rules, and the Administration Rules on the Settlement, Sale and Payment of Foreign Exchange.

Under these regulations, shareholder loans from offshore parent holding companies to their PRC subsidiaries shall be registered with SAFE. Furthermore, the total amount of foreign debts that can be incurred by such PRC subsidiaries, including any shareholder loans, shall not exceed the difference between the total investment amount and the registered capital amount of the PRC subsidiaries.

Regulations on Enterprise Income Tax

On March 16, 2007, the NPC Standing Committee issued the Enterprise Income Tax Law of the PRC, which took effect on January 1, 2008, or the Old EIT Law. The Old EIT Law was amended on February 24, 2017 and December 29, 2018. On December 6, 2024, the State Council amended the Implementation Regulations for the Enterprise Income Tax Law, which became effective on January 20, 2025, or the EIT Rules. The Old EIT Law, as amended, and the EIT Rules are collectively referred to as the "EIT Law". According to the EIT Law, taxpayers consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or *de facto* control entity is within the PRC. Non-resident enterprises are defined as enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but (i) have entities or premises in China, or (ii) have no entities or premises but have income generated from China. According to the EIT Law, foreign-invested enterprises in the PRC are subject to a uniform enterprise income tax rate of 25%. A non-resident enterprise that has an establishment or premises within the PRC must pay enterprise income tax at a rate of 25% on its income that is derived from such establishment or premises inside the PRC and that is sourced outside the PRC but is actually connected with the said establishment or premises. However, if a non-resident enterprise has not formed permanent establishments or premises in the PRC, or if it has formed permanent establishment institutions or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for its income sourced from inside the PRC.

Enterprises that are recognized as high and new technology enterprises in accordance with the Notice of the Ministry of Science, the Ministry of Finance and the State Administration of Taxation on Amending and Issuing the Administrative Measures for the Determination of High and New Tech Enterprises are entitled to a preferential enterprise income tax rate of 15%. Pursuant to the Administrative Measures for the Recognition of High and New Technology Enterprises, the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate as a high and new technology enterprise. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

On February 3, 2015, the State Administration of Taxation, or SAT, issued the Announcement on Several Issues Concerning Enterprise Income Tax on Indirect Transfer of Assets by Non-Resident Enterprises, or Circular 7. Circular 7 provides comprehensive guidelines relating to, and heightening the Chinese tax authorities' scrutiny of, indirect transfers by a non-resident enterprise of assets (including assets of organizations and premises in the PRC, immovable property in the PRC, and equity investments in PRC resident enterprises), or the PRC Taxable Assets. For instance, when a non-resident enterprise transfers equity interest in an overseas holding company that directly or indirectly holds certain PRC Taxable Assets and if the transfer is believed by the Chinese tax authorities to have no reasonable commercial purpose other than to evade enterprise income tax, Circular 7 allows the Chinese tax authorities to reclassify the indirect transfer of PRC Taxable Assets as a direct transfer and therefore impose PRC enterprise income tax at a rate of 10% on the non-resident enterprise. On the other hand, indirect transfers falling into the scope of the safe harbors under Circular 7 may not be subject to PRC tax under Circular 7. The safe harbors include qualified group restructurings, public market trades and exemptions under tax treaties or arrangements.

On October 17, 2017, the SAT issued the Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises, or the SAT Circular 37, which took effect on December 1, 2017 and was amended on June 15, 2018. According to SAT Circular 37, the balance after deducting the equity net value from the equity transfer income shall be the taxable income amount for equity transfer income.

Under SAT Circular 7 and the Law on the Administration of Tax Collection issued by the NPC Standing Committee on September 4, 1992 and last amended on April 24, 2015, in the case of an indirect transfer, entities or individuals that are obligated to pay the transfer price to the transferor shall act as withholding agents. If they fail to make withholding or withhold the full amount of tax payable, the transferor of equity must declare and pay tax to the tax authorities in charge within seven days from the date the occurrence of the tax payment obligation arises. If a withholding agent does not make withholding, and the transferor of equity does not pay the payable amount, the tax authority may impose interest for late payment on the transferor. In addition, the tax authority may also hold the withholding agents liable and impose a penalty ranging from 50% to 300% of the unpaid tax on them. The penalty imposed on the withholding agents may be reduced or waived if the withholding agents have submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with Circular 7.

Regulations on Dividend Tax

Pursuant to the SAT Circular on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements, which took effect on February 20, 2009, all of the following requirements must be satisfied to enjoy the preferential tax rates provided under the tax agreements: (1) the tax resident that receives dividends should be a company as provided in the tax agreement; (2) the equity interest and voting shares of the PRC resident company directly owned by the tax resident satisfy the percentages specified in the tax agreement; and (3) the equity interest of the PRC resident company directly owned by such tax resident at any time during the 12 months prior to receiving the dividends satisfy the percentage specified in the tax agreement.

The EIT Law provides that an income tax rate of 10% will normally be applicable to dividends payable to investors that are “non-resident enterprises,” and gains derived by such investors, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within the PRC. The income tax on the dividends may be reduced pursuant to a tax treaty between China and other applicable jurisdictions. 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, or the Double Tax Avoidance Arrangement, issued by the SAT on August 21, 2006 that took effect on December 8, 2006, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement, its protocols and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon receiving approval from the in-charge tax authority. However, based on the SAT Circular on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements, issued and effective on February 20, 2009, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. Based on the SAT Announcement of Taxation on Issues Relating to “Beneficial Owner” in Tax Treaties, issued on February 3, 2018 and effective on April 1, 2018, to determine the “beneficial owner” status of a resident of the treaty counterparty seeking to enjoy tax treaty benefits, a comprehensive analysis must be carried out in accordance with the factors set out in the announcement.

On August 27, 2015, the SAT issued the Announcement on Promulgating the Administrative Measures for Tax Convention Treatment for Non-resident Taxpayers, which took effect on November 1, 2015 and was amended on June 15, 2018. This announcement was repealed by the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits, which was promulgated on October 14, 2019 and took effect on January 1, 2020. Under such announcement, non-resident taxpayers that meet the conditions for enjoying the convention treatment may be entitled to the convention treatment themselves when filing a tax return or making a withholding declaration through a withholding agent, subject to the subsequent administration by the tax authorities. Such taxpayers who make their own declaration must self-assess whether they are entitled to tax treaty benefits, make truthful declarations and submit the relevant reports, statements and materials required by the relevant tax authorities.

Regulations on Value-added Tax

All entities and individuals engaged in the sale of goods, provision of processing, repairs and replacement services, and the importation of goods within the territory of the PRC must pay value-added tax, or VAT, in accordance with the Provisional Regulations on Value-added Tax of the PRC, or the Provisional Regulations on VAT, and its implementation rules, or collectively, the VAT Law. The Provisional Regulations on VAT, which was issued by the State Council on December 13, 1993 and took effect on January 1, 1994, was amended by the Notice of Adjustment of VAT Rates issued on April 4, 2018 and by the Notice of Strengthening Reform of VAT Policies issued on March 20, 2019. Pursuant to the VAT Law, VAT payable is calculated as “output VAT” minus “input VAT”. The applicable VAT rates are 13%, 9% and 6% depending on the type of product or service.

In accordance with the Circular of the Ministry of Finance and SAT on Comprehensively Promoting the Pilot Program of the Collection of Value-added Tax in Lieu of Business Tax, issued on March 23, 2016 and effective from May 1, 2016, upon approval of the State Council of the PRC, the pilot program to replace business tax with VAT was implemented nationwide on May 1, 2016.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC, which will become effective on January 1, 2026, and will replace the Provisional Regulations on Value-added Tax of the PRC.

Regulations on Trademarks

Trademarks are protected by the PRC Trademark Law adopted in 1982, as last amended in 2019, as well as the Implementation Regulations of the PRC Trademark Law adopted by the State Council in 2002 and amended in 2014. The Trademark Office under the SAIC handles trademark registrations. Trademarks can be registered for a term of ten years and can be extended for another ten years if requested upon expiration of the first or any renewed ten-year term. The PRC Trademark Law has adopted a “first-to-file” principle with respect to trademark registration. Where a trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or has been subject to a preliminary examination and approval for use on the same type of or similar commodities or services, the application for such trademark registration may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such other party’s use. Trademark license agreements must be filed with the Trademark Office or its regional offices.

Regulations on Copyright and Software Products

Under the Copyright Law of the PRC issued by the NPC Standing Committee on September 7, 1990, which has been amended by its latest version promulgated on June 1, 2020, and which became effective on June 1, 2021, works of Chinese citizens, legal persons or other organizations, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Similarly, under the Computer Software Protection Regulations issued by the State Council on June 4, 1991, last amended on January 30, 2013 and effective on March 1, 2013, Chinese citizens, legal persons and other organizations are entitled to enjoy copyright in the software they develop, regardless of whether the software has been publicly released. Software copyright commences from the date on which the development of the software is completed. A software copyright owner may register with the software registration institution recognized by the copyright administration department of the State Council of the PRC. A registration certificate issued by the software registration institution is a preliminary proof of the registered items. The protection period for software copyright of a legal person or other organization shall be fifty years, concluding on December 31 of the fiftieth year after the software’s initial release. In order to further implement the Computer Software Protection Regulations, the National Copyright Administration issued the Measures for the Registrations of Computer Software Copyright, effective on February 20, 2002, which provides procedures for software copyright registration, license contract registration and transfer contract registration. The Copyright Protection Center of the PRC is mandated as the software registration institution under the regulations.

Regulations on Domain Names

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Internet Domain Names, which were promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017, and the Implementing Rules on the Registration of National Top-level Domain Names, which were promulgated by China Internet Network Information Center, and became effective on June 18, 2019. Domain name owners are required to register their domain names, and the MIIT is in charge of the administration of PRC internet domain names. The domain name services follow a “first come, first served” principle. Applicants for registration of domain names shall provide their true, accurate and complete domain name information to, and enter into registration agreements with, domain name registration service institutions. The applicants will become the domain name holders upon the completion of the registration process.

Regulations on Patents

Patents in mainland China are principally protected under the PRC Patent Law, which became effective on April 1, 1985 and was last amended on June 1, 2021, and the Implementation Rules of the PRC Patent Law, which was promulgated by the State Council on June 15, 2001 and last amended on January 20, 2024. The Chinese patent system adopts a “first-to-file” principle. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness and practicability. The duration of a patent right is 10 years, 15 years or 20 years from the date of application, depending on the type of patent right.

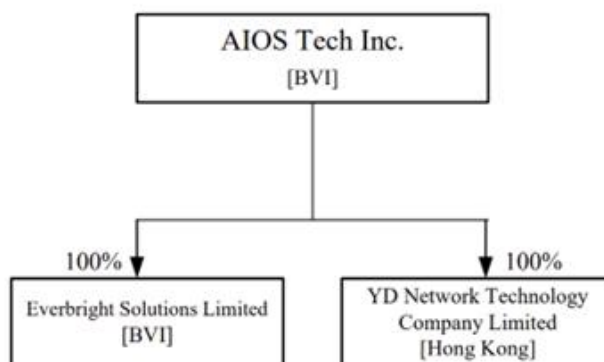
Employment Laws

In accordance with the PRC National Labor Law, which became effective in January 1995 and last amended on December 29, 2018, and the PRC Labor Contract Law, which became effective in January 2008 and was subsequently amended in 2012, employers must execute written labor contracts with full-time employees in order to establish an employment relationship. All employers must compensate their employees equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with appropriate workplace safety training. In addition, employers in China are obliged to pay contributions to the social insurance plan and the housing fund plan for employees.

C. Organizational structure

Corporate Structure

The following chart illustrates our Company's organizational structure, including our subsidiaries and consolidated affiliated entities as of the date of this annual report:



D. Property, plant and equipment

Description of Property

There is no private land ownership in China. Individuals and entities are permitted to acquire land use rights for specific purposes.

Our headquarter is located in Room 407, Tower 2, Harbour Centre, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong, where we leased approximately 150 square meters of office space as of December 31, 2025. In 2025, our total rental expenses were RMB3.5 million (US\$0.5 million), which were incurred by our former subsidiaries

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear in this annual report. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this annual report, particularly in “Risk Factors.”

Overview

AIOS Tech Inc., formerly known as Hebron Technology Co., Ltd. or Nisun International Enterprise Development Group Co., Ltd., was established under the laws of the British Virgin Islands (“BVI”) as a company limited by shares on May 29, 2012. On September 22, 2020, the Company changed its name from “Hebron Technology Co., Ltd.” to “Nisun International Enterprise Development Group Co., Ltd”. On February 12, 2026, the Company changed its name from “Nisun International Enterprise Development Group Co., Ltd” to “AIOS Tech Inc.” Prior to November 30, 2025, the Company primarily conducted its operations through its subsidiaries, variable interest entities (“VIEs”), and subsidiaries of the VIEs located in the PRC. On November 30, 2025, as part of a strategic shift, the Company completed the transfer of Nisun BVI and all of its subsidiaries to an unrelated third-party enterprise, and discontinued its former financial services and supply chain trading businesses operated through its entities in mainland China. Following the divestiture, the Company has centered its new operations in Hong Kong and other international markets. Effective December 1, 2025, the Company acquired YD Network Technology Company Limited (“YD Network”) to progressively implement the management’s strategic focus on positioning the Company as a provider of artificial intelligence and technology-empowered professional services.

We are a former technology-driven financing solutions provider and integrated supply chain services provider, offering comprehensive management and operational support for supply chain trading and supply chain financing solutions. Our business previously comprised three main service areas: SME financing solutions, supply chain financing solutions, and supply chain trading businesses. Following the Company’s strategic restructuring, our current operations primarily consist of two service segments: SME financing solutions and information technology services.

We provide technology-driven customized comprehensive financing solutions to SMEs to improve SMEs’ access to capital and financings. Leveraging our closed-loop fintech ecosystem, we help SMEs channel working capital and liquidity resources by connecting SMEs to the investors and solving risk control issues in the financing process. Our comprehensive financing solutions enable SMEs to acquire financing in a convenient, efficient and customized manner to facilitate healthy enterprise development.

We provide information technology services to our clients, primarily delivering digital transformation services to commercial customers. These services include custom software development, system integration, and advanced cloud-based technology solutions. We assist our clients in enhancing their operational efficiency, optimizing business processes, and accelerating digitalization through tailored, scalable, and secure technology offerings that align with their specific operational needs.

The accompanying financial statements and the following discussion reflect the historical results of continuing operations. In connection with the disposal of the majority of our operating entities during the year ended December 31, 2025, which are presented as discontinued operations, all prior period amounts have been reclassified to conform to the current presentation. Accordingly, all discussions of our financial condition and results of operations relate solely to continuing operations.

Financial Results for fiscal years 2025 and 2024

The following table presents an overview of our results of operations for fiscal years 2025 and 2024:

	Year ended December 31,		Changes	
	2025	2024	(\$)	(%)
Revenue	\$ 5,067,754	\$ -	\$ 5,067,754	-
Cost of revenue	(1,421,368)	-	(1,421,368)	-
Gross profit	3,646,386	-	3,646,386	-
General and administrative expenses	(2,175,028)	(9,953,175)	7,778,147	(78.1)%
Income from operations	1,471,358	(9,953,175)	11,424,533	114.8%
Other (expenses) income	(225,106,572)	95,689	(225,202,261)	(235,348.1)%
Loss before income taxes from continuing operations	(223,635,214)	(9,857,486)	(213,777,728)	2,168.7%
Income tax expenses	(67,367)	-	(67,367)	-
Net loss from continuing operations	(223,702,581)	(9,857,486)	(213,845,095)	2,169.4%
Net profit from discontinued operations	2,796,798	15,757,277	(12,960,479)	(82.3)%
Less: net profit attributed to non-controlling interest from discontinued operations	(3,306)	(112,375)	109,069	(97.1)%
Net (loss) profit attributed to the shareholders	(220,909,089)	5,787,416	(226,696,505)	(3,917.1)%
Foreign currency translation gains (losses)	17,491,144	(6,017,982)	23,509,126	390.6%
Comprehensive (loss) income	\$ (203,417,945)	\$ (230,566)	\$ (203,187,379)	88,125.5%

The following table presents an overview of our results of operations for fiscal years 2024 and 2023:

	Year ended December 31,		Changes	
	2024	2023	(\$)	(%)
General and administrative expenses	(9,953,175)	(472,422)	(9,480,753)	2,006.8%
Loss from operations	(9,953,175)	(472,422)	(9,480,753)	2,006.8%
Other income(expenses)	95,689	(67,815)	163,504	241.1%
Loss before income taxes from continuing operations	(9,857,486)	(540,237)	(9,317,249)	1,724.7%
Income tax expenses	-	-	-	-%
Net loss from continuing operations	(9,857,486)	(540,237)	(9,317,249)	1,724.7%
Net profit from discontinued operations	15,757,277	18,243,917	(2,486,640)	(13.6)%
Less: net profit attributed to non-controlling interest from discontinued operations	(112,375)	(125,942)	13,567	(10.8)%
Net profit attributed to the shareholders	5,787,416	17,577,738	(11,790,322)	(67.1)%
Foreign currency translation losses	(6,017,982)	(4,536,797)	(1,481,185)	32.6%
Comprehensive (loss) income	\$ (230,566)	\$ 13,040,941	(13,271,507)	(101.8)%

Revenues

The following table presents a breakdown of our revenue for fiscal years 2025 and 2024.

	Year ended December 31,				Changes (\$)	Changes (%)
	2025	%	2024	%		
Revenue from financial services:						
SME financing solutions	\$ 3,000,000	59%	\$ 84,320,613	25%	\$ (81,320,613)	(96)%
Supply chain financing solutions	-	-%	5,712,543	2%	(5,712,543)	(100)%
Information Technology Services	2,067,754	41%	-	-%	2,067,754	-%
Total revenue from financial services	5,067,754	100%	90,033,156	27%	(84,965,402)	(94)%
Revenue from supply chain trading	-	-%	250,186,390	73%	(250,186,390)	(100)%
Total revenue	\$ 5,067,754	100%	\$ 340,219,546	100%	\$ (335,151,792)	(99)%

As the Company's revenues for the years ended December 31, 2024 and 2023 were primarily generated by the mainland China and Hong Kong subsidiaries under Nisun BVI, a disposed subsidiary, and revenues from Nisun BVI and its subsidiaries have been reclassified to discontinued operations. The following table presents a breakdown of our revenue for fiscal years 2024 and 2023.

	Year ended December 31,				Changes (\$)	Changes (%)
	2024	%	2023	%		
Revenue from financial services:						
SME financing solutions	\$ 84,320,613	25%	\$ 101,823,899	26%	\$ (17,503,286)	(17)%
Supply chain financing solutions	5,712,543	2%	6,153,645	2%	(441,102)	(7)%
Total revenue from financial services	90,033,156	27%	107,977,544	28%	(17,944,388)	(17)%
Revenue from supply chain trading	250,186,390	73%	278,693,355	72%	(28,506,965)	(10)%
Total revenue	\$ 340,219,546	100%	\$ 386,670,899	100%	\$ (46,451,353)	(12)%

Total revenue for the year ended December 31, 2025, was approximately \$5.1 million, representing a decrease of \$335.2 million, or 99%, from \$340.2 million for the year ended December 31, 2024. The decrease was primarily due to the fact that the Company's parent entity, acting as a holding company, generated no revenue during fiscal year 2024. Instead, the majority of the Company's revenue was derived from NISUN BVI, a subsidiary disposed of on December 23, 2025. Revenue from NISUN BVI has been reclassified to net profit from discontinued operations. In December 2025, in furtherance of its strategic transformation, the Company transferred part of its SME financing solution business to operations outside mainland China, with the parent company conducting overseas business. Meanwhile, the Company acquired a new operating entity, YD Network, and gradually shifted its business focus to information technology services.

The Company offers a comprehensive range of financing solutions to SMEs, encompassing the design, issuance, distribution, and management of financial products. For the year ended December 31, 2025, the revenue from SME financing solution services was \$3.0 million, decreased by \$81.3 million, or 96%, from \$84.3 million for the year ended December 31, 2024. The decrease was primarily due to the fact that the parent company acted as a holding company and was not an operating entity in 2024. In December 2025, to implement its strategic transformation, the Company launched SME financing solution operations outside mainland China through the parent company. For the year ended December 31, 2024, revenue from SME financing was primarily generated by the disposed subsidiary NISUN BVI through its operations in Chinese Mainland. During January–May 2025, NISUN BVI still recognized revenue from SME financing solutions, which has been reclassified to discontinued operations.

The Company launched its supply chain solution business in January 2020 focusing on finance and industry linkages to serve both the upstream and downstream segments of the supply chain while facilitating supply-side sub-sector reform. Revenue generated from supply chain solutions includes financing and management services provided to downstream vendors. For the year ended December 31, 2025, revenue from the supply chain financing solutions was nil, a decrease of \$5.7 million, or 100%, from \$5.7 million for the year ended December 31, 2024, was primarily due to revenue from the supply chain solution business generated by the Company in 2025 was derived from subsidiaries of the disposed subsidiary NISUN BVI operating in Chinese Mainland, and such revenue has been reclassified to net profit from discontinued operations. For the fiscal year 2024, revenue from the supply chain solution business was mainly generated by the mainland China-based subsidiaries of the disposed subsidiary NISUN BVI.

In connection with its strategic transformation, the Company launched information technology services in December 2025, providing customers with digital transformation services, including customized software development, system integration, and advanced cloud technology solutions. As this business was newly added in December 2025, there is no comparable data for 2024.

The Company launched its supply chain trading business in July 2021, leveraging high-quality customer base and resources through its supply chain financing solutions. For the year ended December 31, 2025, revenue from the supply chain trading business was nil, a decrease of \$250.2 million, or 100%, from \$250.2 million for the year ended December 31, 2024, was mainly due to the Company's 2025 supply chain trading revenue was generated by subsidiaries of the disposed subsidiary NISUN BVI in Chinese Mainland and has been reclassified to net profit from discontinued operations. For fiscal year 2024, supply chain trading revenue was primarily derived from the Chinese Mainland operations of subsidiaries of the disposed subsidiary NISUN BVI.

Cost of Revenue

The following table presents a breakdown of our cost of revenue for fiscal years 2025 and 2024:

	Year ended December 31,				Changes (\$)	Changes (%)
	2025	%	2024	%		
Cost of revenue for services:						
SME financing solutions	\$ -	-%	\$ 56,870,151	18%	(56,870,151)	(100)%
Supply chain financing solutions	-	-%	1,949,245	1%	(1,949,245)	(100)%
Information Technology Services	1,421,368	100%	-	-%	1,421,368	-%
Total cost of revenue - service	1,421,368	100%	58,819,396	19	(57,398,028)	(98)%
Cost of revenue – supply chain trading	-	-%	249,887,524	81%	(249,887,524)	(100)%
Business and sales related tax	-	-%	600,605	0%	(600,605)	(100)%
Total cost of revenue	\$ 1,421,368	100%	\$ 309,307,525	100%	(307,886,157)	(99.5)%

As the Company has disposed of its subsidiary Nisun BVI, and the revenues for the years ended December 31, 2024 and 2023 were primarily generated by the mainland China and Hong Kong subsidiaries under Nisun BVI, whose revenues have been reclassified to discontinued operations. The following table presents a breakdown of our cost of revenue for fiscal years 2024 and 2023:

	Year ended December 31,				Changes (\$)	Changes (%)
	2024	%	2023	%		
Cost of revenue for services:						
SME financing solutions	\$ 56,870,151	18%	\$ 67,727,708	20%	(10,857,557)	(16)%
Supply chain financing solutions	1,949,245	1%	427,125	0%	1,522,120	356%
Total cost of revenue - service	58,819,396	19%	68,154,833	20%	(9,335,437)	(14)%
Cost of revenue – supply chain trading	249,887,524	81%	278,002,800	80%	(28,115,276)	(10)%
Business and sales related tax	600,605	0%	527,336	0%	73,269	14%
Total cost of revenue	\$ 309,307,525	100%	\$ 346,684,969	100%	(37,377,444)	(11)%

Costs of revenue from services primarily consist of cost of sales, direct operational costs, direct costs associated with personnel responsible for designing and managing the SME financing solutions and other business and sales related taxes.

For the year ended December 31, 2025, the cost of revenue was \$1.4 million, reflecting a decrease of \$307.9 million, or 99.5%, from \$309.3 million for the year ended December 31, 2024. The costs primarily consist of outsourced personnel costs for information system construction related to revenue from the Company's newly added information technology services business. For the SME financing solution business, the Company provided services to customers utilizing its existing resources, which did not result in additional costs. The decrease was primarily due to the fact that the costs of revenue for the fiscal year 2025 were mainly generated by operations of the disposed subsidiary NISUN BVI, which have been reclassified to net profit from discontinued operations. For fiscal year 2024, the Company's cost of revenue was primarily derived from the disposed subsidiary NISUN BVI.

Gross Profit

For the years ended December 31, 2025, gross profit was \$3.6 million.

As the Company disposed of subsidiary Nisun BVI, whose revenues for the years ended December 31, 2024 and 2023 were primarily generated by its mainland China and Hong Kong subsidiaries, and such revenues have been reclassified to discontinued operations, there are no comparable data available for gross profit analysis.

Operating Expenses

The following table presents a breakdown of operating expenses for fiscal years 2025 and 2024:

	Year ended December 31,				Changes	Changes
	2025	%	2024	%	(\$)	(%)
General and administrative expenses	\$ 2,175,028	100%	\$ 9,953,175	100%	\$ (7,778,147)	(78.1)%
Total operating expenses	\$ 2,175,028	100%	\$ 9,953,175	100%	\$ (7,778,147)	(78.1)%

The following table presents a breakdown of operating expenses for fiscal years 2024 and 2023:

	Year ended December 31,				Changes	Changes
	2024	%	2023	%	(\$)	(%)
General and administrative expenses	\$ 9,953,175	100%	\$ 472,422	100%	\$ 9,480,753	2,006.8%
Total operating expenses	\$ 9,953,175	100%	\$ 472,422	100%	\$ 9,480,753	2,006.8%

Operating expenses primarily comprised of general and administrative expenses. Total operating expenses were \$2.2 million for fiscal year 2025, a decrease of \$7.8 million, or 78.1%, from \$10.0 million in the same period of the prior year.

For fiscal year 2025, the Company incurred general and administrative expenses of approximately \$2.2 million, as compared to approximately \$10.0 million for fiscal year 2024, representing a decrease of approximately \$7.8 million or 78.1%. The decrease in expenses was primarily due to a non-cash expense of \$9.2 million related to the issuance of common shares during the fiscal year of 2024 under the Company's employee equity incentive plan to reward exceptional employees who had made significant contributions to the Company.

Other (expenses) income

Other (expenses) income, is used to record our non-operating income and expenses, interest income and expenses, investment income, loss on disposal of subsidiaries and other income and expenses.

For fiscal year 2025, the Company had other expenses, of \$225.1 million, representing an increase of \$225.2 million or 235,348.1%, compared to other income \$0.01 million for fiscal year 2024. The increase was mainly due to a disposal loss of \$225.3 million recognized upon the disposal of Nisun BVI and its subsidiaries for cash consideration of \$50,000 on December 23, 2025. The consolidated net assets of Nisun BVI and its subsidiaries were \$194.1 million as of the disposal date, and the related accounts receivable from Nisun BVI and its subsidiaries, which were deemed uncollectible, were also included in the disposal loss.

Income tax expenses

For fiscal year 2025, income tax expense was \$ 67,367, the income tax expense mainly relates to income tax recognized on the net income generated by YD Network, a subsidiary newly consolidated in December 2025, from its operations in Hong Kong.

Net profit from discontinued operations

Discontinued operations represent our former PRC-based business, which was disposed of in 2025. These operations accounted for substantially all of our revenue in fiscal years 2024 and 2023, and continued to contribute significantly to our results in fiscal year 2025 prior to disposal.

Revenue from discontinued operations was approximately \$39.9 million for the year ended December 31, 2025, compared to \$340.2 million and \$386.7 million for the years ended December 31, 2024 and 2023, respectively. The decrease in revenue was primarily attributable to the substantial cessation of operations of the disposed subsidiary, NISUN BVI, in mainland China as of May 31, 2025. In addition, during the five months ended May 31, 2025, revenue from our supply chain trading business declined significantly as we strategically shifted our focus toward supply chain financing solutions.

Costs and expenses associated with discontinued operations were \$36.1 million, \$321.5 million, and \$359.7 million for the years ended December 31, 2025, 2024, and 2023, respectively. The decrease in costs and expenses was primarily attributable to the decline in revenue, which resulted in a corresponding reduction in associated costs. In addition, as our operations in mainland China were conducted only during the five months ended May 31, 2025, our expenses decreased significantly compared to fiscal years 2024 and 2023.

Net profit from discontinued operations was \$2.8 million, \$15.7 million, and \$18.2 million for the years ended December 31, 2025, 2024, and 2023, respectively. The decrease was primarily attributable to the factors discussed above,

Following the completion of the disposal, we no longer generate revenue from these operations, and they are not expected to contribute to our future results. Accordingly, our future financial performance will depend entirely on our continuing operations.

Net (loss) profit attributed to the shareholders

For fiscal year 2025, the Company generated net loss of \$220.9 million, compared to net income of approximately \$5.9 million for fiscal year 2024, the decrease was primarily driven by a disposal loss of \$225.3 million recognized in connection with the disposal of NISUN BVI, a subsidiary, on December 23, 2025.

Net loss (income) per share

For fiscal year 2025, the net loss per share was \$47.65 compared to net income per share \$1.43 for fiscal year 2024, representing a decrease of approximately \$49.08 per share.

Liquidity and Capital Resources

As of December 31, 2025, the Company had cash, cash equivalents of \$1.4 million, compared to \$6.1 million as of December 31, 2024. This decline was primarily attributable to the outflows of \$26.9 million used in operating activities and \$14.5 million used in investing activities, offset by \$0.7 million generated from financing activities.

In evaluating our liquidity, the Company diligently monitors and analyzes our cash reserves alongside our operating and capital expenditure commitments. Our liquidity requirements are primarily directed at meet our working capital needs, covering operating expenses, and fulfilling capital expenditure obligations.

Given these considerations, management is confident that we possess sufficient funds to meet our working capital requirements for the twelve months following the date of this report.

Prior to December 23, 2025, the majority of our operations are situated in China, with all revenues, expenses, and cash transactions are denominated in Renminbi (RMB). Due to the exchange control regulation governing RMB in China and, as a result, we may face challenge in distributing dividends outside of China, as PRC regulations restrict the conversion of RMB into U.S. Dollars.

In accordance with applicable PRC regulations, foreign-invested enterprises in China may only distribute dividends from their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. Furthermore, enterprises in China are required to allocate a minimum of 10% of its after-tax profit, based on PRC accounting standards, to a general reserve each year until the cumulative balance of such reserve reaches 50% of its registered capital. These reserves are not distributable as cash dividends. As of December 31, 2024, the statutory reserve balance for the Company's former entities established in the PRC were \$13,229,313 (RMB 81,696,532). As of December 31, 2025, following the disposal of subsidiary Nisun BVI and its subsidiaries, the Company's statutory reserve was nil. As a result of the divestiture of our mainland China operations, the PRC regulations regarding dividend distribution and statutory reserves are no longer applicable to our current corporate structure and do not materially impact our ability to transfer funds or pay dividends from our continuing operations.

To date, we have not declared or paid any cash dividends to our shareholders. The Board of Directors may consider declaring dividends in the future, taking into account our operational performance, earnings, financial condition, cash requirements, and other relevant factors at that time. Any declaration and payment of dividends, as well as the specific amount, will be subject to our Memorandum and Articles of Association, as amended, and applicable PRC, BVI and U.S. securities laws and regulations.

The following table provides summary information about our net cash flows for financial statement periods presented in this report:

	For the Years Ended December 31,		
	2025	2024	2023
Net cash used in (provided by) operating activities	\$ (26,877,738)	\$ (75,687,925)	\$ 35,499,780
Net cash used in investing activities	(14,471,564)	(32,901,932)	(87,160,021)
Net cash provided by (used in) financing activities	695,284	(739,845)	(6,747,302)
Effect of exchange rate change in cash, cash equivalents and restricted cash	(2,957,067)	786,545	(1,234,680)
Net change in cash, cash equivalents and restricted cash	<u>(43,611,085)</u>	<u>(108,543,157)</u>	<u>(59,642,223)</u>

Operating Activities

Net cash used in operating activities for fiscal 2025 was approximately \$26.9 million, which was primarily attributable to net loss of approximately \$220.9 million, which was adjusted for non-cash items of approximately \$228.3 million, along with adjustments for changes in working capital that totaled approximately negative \$34.3 million.

Net cash used in operating activities for fiscal 2024 was approximately \$75.7 million, which was primarily attributable to net income of approximately \$5.9 million, which was adjusted for non-cash items of approximately \$16.0 million, along with adjustments for changes in working capital that totaled approximately negative \$97.6 million. The working capital adjustments included the following key factors: (i) a decrease in accounts receivable of \$34.6 million due to delays in follow-up of accounts receivable collections during the year, (ii) an increase of \$34.0 million in other receivables related to the supply chain solutions business, attributable to the recovery of a substantial amount of prior year receivables during the year, (iii) a decrease in accounts payable of \$11.2 million due to the decrease in unliquidated accounts payable in the current year compared to the previous year, (iv) a decrease of \$56.2 million in advances to suppliers, necessitated by a significant volume of bulk commodity transactions that require advance payments, and (v) a decrease of \$35.2 million in advances from customers resulting from fewer prepayment contracts in the current year compared to the previous year.

Investing Activities

Net cash used in investing activities was \$14.5 million for the fiscal year 2025. This was primarily attributable to \$4.2 million received from the sale of short-term investments and \$2.0 million received from the sale of derivative assets, partially offset by a cash outflow of \$16.0 million resulting from the disposal of Nisun BVI and its subsidiaries, as well as \$4.8 million used for the purchase of short-term investments.

Net cash used in investing activities was \$32.9 million for fiscal year 2024, primarily attributable to \$44.8 million received from the sale of short-term investments and \$2.5 million received from loans to third parties, partially offset by a cash outflow of \$38.9 million in connection with the disposal of Nisun BVI and its subsidiaries, as well as \$39.1 million used for the purchase of short-term investments and \$1.5 million used for loans to third parties.

Financing activities

Net cash provided by financing activities was \$0.7 million for fiscal year 2025, primarily attributable to \$0.7 million of proceeds from short-term loans.

Net cash used in financing activities was \$0.7 million for fiscal year 2024, primarily attributable to (i) \$5.4 million of proceeds from short-term loans, (ii) \$2.1 million repayment of short-term bank loans, (iii) \$2.9 million of repayment of third party loans, and (iv) \$1.1 million for the purchase of shares under our 2024 repurchase program, pursuant to which we were authorized to repurchase up to \$15 million of our issued and outstanding Class A common shares over a twelve-month period from October 9, 2024.

Material Cash Requirements

Aside from our ordinary cash requirements for our operations, our material cash requirements as of December 31, 2025 and for any subsequent interim period, primarily include our capital expenditures and operating lease obligations, as well as cash requirements for potential investments.

Our capital expenditures primarily consist of purchases of servers, computers, other office equipment and intangible assets. Our capital expenditures were nil in 2025, \$0.03 million in 2024 and \$0.5 million in 2023. We will continue to make capital expenditures to support the anticipated growth of our business.

Our operating lease obligations primarily represent the commitments under the lease agreements for our office premises. We lease our office facilities under non-cancellable operating leases with various expiration dates. Our leasing expense was \$1.2 million and \$0.8 million for the years ended December 31, 2024 and 2023 respectively. The majority of our former operating lease commitments are related to our office lease agreements in China mainland. As of December 31, 2025, the Company had no non-cancelable operating leases.

We intend to fund our existing and future material cash requirements through our current cash balance and other financing alternatives. We will continue to make cash commitments, including capital expenditures, to support the growth of our business.

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We do not have retained or contingent interests in assets transferred, nor have we entered into contractual arrangements that support the credit, liquidity or market risk for transferred assets. Additionally, we do not have obligations that arise or could arise from variable interests held in an unconsolidated entity, or obligations related to derivative instruments that are both indexed to and classified in our own equity, or not reflected in the statement of financial position.

Other than as discussed above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2025.

Impact of Inflation

We do not believe the impact of inflation on our Company has been material. Almost all our former operations are based in China, we have observed that the inflation rate has remained relatively stable in the past three years: 0% in 2025, 0.2% in 2024 and 0.2% in 2023.

Impact of Foreign Currency Fluctuations

For the years ended December 31, 2025, the Company recorded a foreign currency translation gain of \$17.5 million.

We do not currently engage in and have not engaged in any foreign currency hedge investments, borrowings, or other hedging instruments. Instead, we manage our exchange rate risks through productivity improvements and cost-containment measures.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during each reporting period. Actual results could differ from those estimates. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Accounts receivable

In January 2022, the Company adopted ASU 2016-13, “Financial Instruments — Credit Losses (Topic 326): Measurement on Credit Losses on Financial Instruments”, including certain subsequent amendments, transitional guidance and other interpretive guidance within ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-11, ASU 2020-02 and ASU 2020-03 (collectively, including ASU 2016-13, “ASC 326”). ASC 326 introduces an approach based on expected losses to estimate the allowance for doubtful accounts, which replaces the previous incurred loss impairment model. The Company’s estimation of allowance for doubtful accounts considers factors such as historical credit loss experience, age of receivable balances, current market conditions, reasonable and supportable forecasts of future economic conditions, as well as an assessment of receivables due from specific identifiable counterparties to determine whether these receivables are considered at risk or uncollectible. The Company assesses collectability by pooling receivables that have similar risk characteristics and evaluates receivables individually when specific receivables no longer share those risk characteristics. For receivables evaluated individually, when it is determined that foreclosure is probable or when the debtor is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of collateral, expected credit losses are based on the fair value of the collateral at the reporting date. The adoption of ASC 326 did not have a material impact on the Company’s financial position, results of operations and cash flows. No credit impairment losses were recognized as of December 31, 2025, 2024 and 2023. The Company regularly reviews the creditworthiness of its customers to determine whether a credit impairment has occurred on their carrying amounts. The Company writes off accounts and contract receivables against the allowance when a balance is determined to be uncollectible.

Business Combinations

Business combinations are recorded using the acquisition method of accounting. We allocate the purchase consideration to the intangible assets acquired based on their estimated fair values. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, expected cash flows and discount rates.

Management’s estimates of fair value are based upon assumptions believed to be reasonable, but are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. We use various techniques to determine fair value in such instances, including the income approach. Significant estimates used in determining fair value include, but are not limited to, cash flow projections, discount rate and useful lives. Allocating the acquisition consideration to identifiable assets and liabilities will affect our amortization expense, as intangible assets acquired in the business combination are required to be amortized over their estimated useful lives. Changes in these estimates and assumptions could materially affect the determination of the asset’s fair value. See Note 3 of the Notes to the Consolidated Financial Statements for information regarding business combination.

Recently issued and adopted accounting pronouncements

Please refer to Note 2 for recent accounting pronouncements.

Safe Harbor

See “SPECIAL CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS.”

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Management

The following table provides information regarding our executive officers and directors:

Name	Age	Position(s)
Xin Liu	37	Co-Chief Executive Officer
Li Guo	46	Co-Chief Executive Officer and Director
Xuemei Zhang	36	Chairperson of the Board, President of the Company and Director
Sylvia Kong Bit Hee	48	Chief Financial Officer
Chui Kwan Pui	30	Chief Compliance and Operation Officer
Yun Zhao	41	Independent Director
Yishi Huang	31	Independent Director
Ziming Huang	41	Independent Director

The business address of each of the directors and senior management is c/o AIOS Tech Inc., Room 407, Tower 2, Harbour Centre, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

Xin Liu. Mr. Liu has served as our director since September 2020 and as our Chief Executive Officer since May 2024. Mr. Liu has been the Vice President of Luyao Shanghai, a consolidated VIE, since April 2016. In that role, he manages operational aspects of Luyao Shanghai's business. From October 2014 to March 2016, he was the Head Manager of the administration and operations department of the Shandong branch of Huizhong Business Consulting (Beijing) Co. Mr. Liu had been the Head of the International Trade department of Qingdao Antaixin Group Co., Ltd. from September 2012 to October 2014. Mr. Liu received a bachelor's degree in International Business in 2012 from Qingdao University of Technology. We have chosen Mr. Liu to serve as a director because of his management skills and cross-border trade and business experience.

Li Guo. Mr. Guo has served as our Co-Chief Executive Officer and our director since December 2025. He is an executive with over 15 years of experience in sales and management in information technology and big data sector. From 2009 to 2025, Mr. Guo held various positions at Capital Online Data Service Co., Ltd. During his tenure, he served as Senior Sales Manager, Sales Director, Vice President of the Sales Department, and Deputy General Manager. In these roles, Mr. Guo oversaw the operations of the sales department and was responsible for daily business operations. Mr. Guo holds a Bachelor's degree in Computer Science and Technology from Northeast Agricultural University, which he earned in 2008.

Xuemei Zhang. Ms. Zhang has been our Chairperson and President since February 12, 2026. She has extensive management and operational experience. From 2023 to 2025, Ms. Zhang served as Managing Director of Nepstar Inc., where she was responsible for overseeing overall business and strategic planning. Prior to that, she was Head of Operation at Vanrei International from 2020 to 2023, managing daily operations and business functions. She obtained a bachelor's degree in business management from Keele University in 2011.

Sylvia Bit Hee Kong. Ms. Kong has been our Chief Financial Officer since December 2025. She served as a consultant to Okwis Inc. from 2023 to December 2025, where she was responsible for providing strategic development planning, as well as advisory services in finance, investment, mergers and acquisitions, and risk management. From 2020 to 2023, Ms. Hee served as Financial Manager of Rivta Global Company Limited, responsible for financial planning, internal control, and compliance matters. Ms. Hee obtained a Bachelor's degree in Business Administration from the University of Hertfordshire in 2000.

Chui Kwan Pui. Mr. Chui has been our chief compliance and operation officer since February 12, 2026. He was a lawyer at Fujian Shuangding Law Office from 2024 to 2025, where he provided legal advices to corporate clients. Prior to that, he served as a Registered Foreign Lawyer and Legal Assistant in the Corporate Finance Practice Group at Deacons from 2019 to 2024, where he handled corporate finance matters and IPO projects. He obtained a bachelor's degree in law from Xiamen University in 2018 and a master's degree in law from City University of Hong Kong in 2019.

Yun Zhao. Ms. Zhao has been our independent director since December 2025. She has been a financial risk analyst at Guoshi Data Technology (Shanghai) Co., Ltd. since 2022, with responsibility for financial risk management. From 2019 to 2022, she served as a senior financial advisor at Jiayu Wealth Management (Shanghai) Co., Ltd., where she provided financial advisory services. Ms. Zhao obtained a Bachelor's degree in Finance from Guangdong University of Foreign Studies in 2023.

Yishi Huang. Ms. Huang has been our independent director since December 2025. She is a qualified legal professional with a background in corporate compliance and legal advisory services. Since July 2025, Ms. Huang has served as Legal Counsel at Innovation Global Financial Group Limited, where she manages compliance management and provides legal guidance. Prior to this role, she worked as a Lawyer at Sundial Law Firm from October 2020 to September 2024, delivering legal services to clients. Ms. Huang holds a Master of Law degree in Chinese Law from Hong Kong University, earned in 2017, and a Bachelor of Law degree from Sun Yat-sen University, obtained in 2016.

Ziming Huang. Mr. Huang has been our independent director since December 2025. He is an accounting and finance professional with over 15 years of experience in accounting. He joined Shenzhen Tianjian (Group) Co., Ltd in 2008, where he served as a cost accounting clerk, tax supervisor, accounting supervisor and project manager. He is responsible for managing accounting operations and leading project related matters. Mr. Huang holds a Bachelor's degree in Accounting from Southwestern University of Finance and Economics, which he earned in 2008.

Election of Officers

Our executive officers are elected by, and serve at the discretion of, our board of directors. There is no family relationship among any of our directors or executive officers.

Board of Directors and Board Committees

Our board of directors consists of five (5) directors. We expect that all current directors will continue to serve until the next annual meeting of shareholders at which their respective class of directors is re-elected or until their successors have been duly elected and qualified. A majority of our board of directors (namely, Ms. Yun Zhao, Ms. Yishi Huang and Mr. Ziming Huang) are independent, as such term is defined by the Nasdaq Capital Market.

The directors are divided into three classes, as nearly equal in number as the then total number of directors permits. Class III directors shall face re-election at our annual general meeting of shareholders in 2025 and every three years thereafter. Class I directors shall face re-election at our annual general meeting of shareholders in 2026 and every three years thereafter. Class II directors shall face re-election at our annual general meeting of shareholders in 2027 and every three years thereafter.

If the number of directors changes, any increase or decrease will be apportioned among the classes so as to maintain the number of directors in each class as nearly as possible. Any additional directors of a class elected to fill a vacancy resulting from an increase in such class will hold office for a term that coincides with the remaining term of that class. Decreases in the number of directors will not shorten the term of any incumbent director. These board provisions could make it more difficult for third parties to gain control of our company by making it difficult to replace members of the board of directors.

A director may vote in respect of any contract or transaction in which he is interested, provided, however that the nature of the interest of any director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote on that matter. A general notice or disclosure to the directors or otherwise contained in the minutes of a meeting or a written resolution of the directors or any committee thereof of the nature of a director's interest shall be sufficient disclosure and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may be counted toward a quorum upon a motion in respect of any contract or arrangement which he shall make with our Company, or in which he is so interested and may vote on such motion.

Ms. Xuemei Zhang currently holds the position of Chairperson of the Board. We do not have a lead independent director because we believe our independent directors are encouraged to freely voice their opinions on a relatively small company board. We believe this leadership structure is appropriate because we are a relatively small company; as such we deem it appropriate to be able to benefit from the guidance of Ms. Zhang as both an executive director and Chairperson of the Board. Our board of directors plays a key role in our risk oversight. The board of directors makes all relevant Company decisions. As a smaller company with a relatively small board of directors, we believe it is appropriate to have the involvement and input of all of our directors in risk oversight matters.

Board Committees

We have established three standing committees under the board: the audit committee, the compensation committee and the nominating committee. The audit committee is responsible for overseeing the accounting and financial reporting processes of our Company and audits of the financial statements of our Company, including the appointment, compensation and oversight of the work of our independent auditors. The compensation committee reviews and makes recommendations to the board regarding our compensation policies for our officers and all forms of compensation, and also administers our incentive compensation plans and equity-based plans (but our board retains the authority to interpret those plans). The nominating committee is responsible for the assessment of the performance of the board, considering and making recommendations to the board with respect to the nominations or elections of directors and other governance issues. The nominating committee considers diversity of opinion and experience when nominating directors.

Ziming Huang qualifies as an audit committee financial expert and he is the chair of the audit committee. Yishi Huang and Yun Zhao serve on the audit committee. Yun Zhao is the chair of the compensation committee. Ziming Huang and Yishi Huang serve on the compensation committee. Yishi Huang is the chair of the nominating committee. Yun Zhao and Ziming Huang are members of the nomination committee. Each member of the three committees is an independent director.

Duties of Directors

Under British Virgin Islands law, our directors have a duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our amended and restated memorandum and articles of association. We have the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- appointing officers and determining the term of office of the officers;
- authorizing the payment of donations to religious, charitable, public or other bodies, clubs, funds or associations as deemed advisable;
- exercising the borrowing powers of the Company and mortgaging the property of the Company;
- executing checks, promissory notes and other negotiable instruments on behalf of the Company; and
- maintaining or registering a register of mortgages, charges or other encumbrances of the Company.

Interested Transactions

A director may vote, attend a board meeting or sign a document on our behalf with respect to any contract or transaction in which he or she is interested. A director must promptly disclose the interest to all other directors after becoming aware of the fact that he or she is interested in a transaction we have entered into or intend to enter into. A general notice or disclosure to the board or otherwise contained in the minutes of a meeting or a written resolution of the board or any committee of the board that a director is a shareholder, director, officer or trustee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company will be sufficient disclosure, and, after such general notice, it will not be necessary to give special notice relating to any particular transaction.

Remuneration and Borrowing

The directors may receive such remuneration as our board of directors may determine from time to time. Each director is entitled to be repaid or prepaid all traveling, hotel and incidental expenses reasonably incurred or expected to be incurred in attending meetings of our board of directors or committees of our board of directors or shareholder meetings or otherwise in connection with the discharge of his or her duties as a director. The compensation committee will assist the directors in reviewing and approving the compensation structure for the directors. Our board of directors may exercise all the powers of the Company to borrow money and to mortgage or charge our undertakings and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

Qualifications

There are no membership qualifications for directors. Further, there are no share ownership qualifications for directors unless so fixed by us in a general meeting. There are no other arrangements or understandings pursuant to which our directors are selected or nominated.

Limitation of Director and Officer Liability

Under British Virgin Islands law, each of our directors and officers, in performing his or her functions, is required to act honestly and in good faith with a view to our best interests and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. British Virgin Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the British Virgin Islands courts to be contrary to public policy, such as providing indemnification against civil fraud or the consequences of committing a crime.

Under our memorandum and articles of association, we may indemnify our directors, officers and liquidators against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with civil, criminal, administrative or investigative proceedings to which they are party or are threatened to be made a party by reason of their acting as our director, officer or liquidator. To be entitled to indemnification, these persons must have acted honestly and in good faith with a view to the best interest of the Company and, in the case of criminal proceedings, they must have had no reasonable cause to believe their conduct was unlawful. Such limitation of liability does not affect the availability of equitable remedies such as injunctive relief or rescission. These provisions will not limit the liability of directors under United States federal securities laws.

We may indemnify any of our directors or anyone serving at our request as a director of another entity against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings. We may only indemnify a director if he or she acted honestly and in good faith with the view to our best interests and, in the case of criminal proceedings, the director had no reasonable cause to believe that his or her conduct was unlawful. The decision of our board of directors as to whether the director acted honestly and in good faith with a view to our best interests and as to whether the director had no reasonable cause to believe that his or her conduct was unlawful, is in the absence of fraud sufficient for the purposes of indemnification, unless a question of law is involved. The termination of any proceedings by any judgment, order, settlement, conviction or the entry of no plea does not, by itself, create a presumption that a director did not act honestly and in good faith and with a view to our best interests or that the director had reasonable cause to believe that his or her conduct was unlawful. If a director to be indemnified has been successful in defense of any proceedings referred to above, the director is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the director or officer in connection with the proceedings.

We may purchase and maintain insurance in relation to any of our directors or officers against any liability asserted against the directors or officers and incurred by the directors or officers in that capacity, whether or not we have or would have had the power to indemnify the directors or officers against the liability as provided in our amended and restated memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers or persons controlling our company under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, nor has any been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in “Related Party Transactions,” our directors and officers have not been involved in any transactions with us or any of our affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics that applies to the Company’s directors, officers, employees and advisors. The Code of Ethics is attached as an exhibit to this annual report. We have also posted a copy of our code of business conduct and ethics on our website at .

B. Compensation

Director Compensation

All directors hold office until the next annual meeting of shareholders at which their respective class of directors is re-elected or until their successors have been duly elected and qualified. Officers are elected by and serve at the discretion of the board of directors. Employee directors do not receive any compensation for their services. Non-employee directors are entitled to receive compensation in cash or stock, or both, for serving as directors and may receive option grants from the Company. We also reimburse all directors for any out-of-pocket expenses incurred by them in connection with their services provided in such capacity. Non-employee directors are entitled to receive reimbursement for their actual travel expenses for each board of directors meeting attended. In addition, from time to time, we may grant our directors incentive grants of stock, options or other securities convertible into or exchangeable for, our securities.

During the years ended December 31, 2025 and 2024, no employee members of our board of directors received compensation in their capacity as directors.

During the years ended December 31, 2025 and 2024, the aggregate cash compensation to our then non-executive directors was approximately \$58,669 and \$58,669, respectively. 4,500 common shares were issued to certain former non-executive directors as equity-based compensation in 2024.

Executive Compensation

We have a compensation committee that approves our salary and benefit policies. Our compensation committee determines the compensation to be paid to our executive officers based on our financial and operating performance and prospects, and contributions made by the officers’ to our success. Each of the named officers will be measured by a series of performance criteria established by the board of directors, or by the compensation committee on a yearly basis. Such criteria will be set forth based on certain objective parameters such as job characteristics, required professionalism, management skills, interpersonal skills, related experience, personal performance and overall corporate performance.

Our board of directors has not adopted or established a formal policy or procedure for determining the amount of compensation paid to our executive officers. The board of directors will make an independent evaluation of appropriate compensation to key employees, with input from management. The board of directors oversees executive compensation plans, policies and programs.

During the years ended December 31, 2025 and 2024, the aggregate cash compensation to our then executive officers was approximately \$155,738 and \$334,207, respectively. nil and 354,500 common shares were issued to certain former executive officers as equity-based compensation in 2024 and 2025, respectively.

Equity-Based Compensation

In addition to base salary, we also offer certain equity-based compensation to employees, officers, directors and consultants. Our existing stock-based compensation plan, the 2022 Equity Incentive Plan, was approved by our board of directors on November 9, 2022 (the “2019 Plan”). This plan has served as a primary vehicle by which we offer long-term incentives and rewards to our executive officers and key employees. We regard equity-based compensation as a key retention tool. Retention serves as an important factor in our determination of the type of award to grant and the number of underlying shares that are granted in connection with that award.

On September 12, 2024, our compensation committee and board of directors approved the grant of stock awards of an aggregate of 700,000 Class A common shares to six officers and employees. Awards granted under the plan were valued at the market price on the date granted and recognized at issuance or over the vesting period, if any, and have been recorded in General and administrative expenses.

Compensation Recoupment (Clawback) Policy

We maintain a compensation clawback policy, which we adopted in November 2023 in compliance with Nasdaq listing requirements. In the event that the Company is required to prepare an accounting restatement due to its material noncompliance with any financial reporting requirement under U.S. federal securities law, the policy provides that the Company will recoup compensation from each current or former executive officer who, during the three-year period preceding the date on which an accounting restatement is required, received incentive compensation based on the erroneous financial data that exceeds the amount of incentive-based compensation the executive would have received based on the restatement. The Compensation Committee administers the Company’s Clawback Policy and has discretion to determine how to seek recovery under the policy and may forgo recovery if it determines that recovery would be impracticable.

Employment Agreements

Our employment agreements with our officers generally provide for employment for a specific term with annual salaries, health insurance, pension insurance, and paid vacation and family leave time. The agreement may be terminated by either party as permitted by law. In the event of a breach or termination of the agreement by our company, we may be obligated to pay the employee up to twice the ordinary statutory rate. In the event of a breach or termination causing loss to our company by the employee, the employee may be required to indemnify us against loss.

Each of our executive officers has entered into an employment agreement with us. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate the employment for cause, at any time, without notice or remuneration, for certain acts of the employee, including but not limited to a conviction or plea of guilty to a felony, negligence or dishonesty to our detriment, failure to perform the agreed-to duties after a reasonable opportunity to cure the failure and failure to achieve the performance measures specified in the employment agreement. An executive officer may terminate his employment at any time with one-month prior written notice if there is a material reduction in his authority, duties and responsibilities or in his annual salary before the next annual salary review. Furthermore, we may terminate an executive officer's employment at any time without cause upon two-month advance written notice.

Each executive officer has agreed to hold, both during and after the employment agreement expires or is earlier terminated, in strict confidence and not to use, except as required in the performance of his duties in connection with the employment, any confidential information, trade secrets and know-how of our company or the confidential information of any third-party, including our consolidated VIE and our subsidiaries, received by us. In addition, each executive officer has agreed to be bound by non-competition restrictions set forth in his employment agreement. Specifically, each executive officer has agreed not to, while employed by us and for one year following the termination or expiration of the employment agreement, (i) approach our clients, customers or contacts or other persons or entities introduced to the executive officer for the purpose of doing business with such person or entities, and will not interfere with the business relationship between us and such persons and/or entities; (ii) assume employment with or provide services as a director for any of our competitors, or engage, whether as principal, partner or otherwise, in any business which is in direct or indirect competition with our business; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us at the date of the executive officer's termination, or in the year preceding such termination.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Major Shareholders

The following table sets forth information with respect to beneficial ownership of our common shares as of March 31, 2026 by:

- Each person who is known by us to beneficially own more than 5% of our outstanding common shares;
- Each of our directors, director nominees and named executive officers; and
- All directors and named executive officers as a group.

The number and percentage of Common Shares beneficially owned are based on 64,985,096 Common Shares issued and outstanding as of March 31, 2026, 2026. Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of 5% or greater of our Common Shares. Beneficial ownership is determined in accordance with the rules of the SEC and generally requires that such person have voting or investment power with respect to securities. In computing the number of Common Shares beneficially owned by a person listed below and the percentage ownership of such person, Common Shares underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of March 31, 2026 are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated in the footnotes to this table, or as required by applicable community property laws, all persons listed have sole voting and investment power for all Common Shares shown as beneficially owned by them. Unless otherwise indicated in the footnotes, the address for each principal shareholder is in the care of AIOS Tech Inc., Room 407, Tower 2, Harbour Centre, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong PRC 200050. As of March 31, 2026, we had 132 shareholders of record.

Named Executive Officers and Directors	Amount of Beneficial Ownership⁽¹⁾	Percentage Ownership
Directors and Named Executive Officers:		
Xuemei Zhang, Chairperson of the Board	0	0%
Xin Liu, Co-Chief Executive Officer	0	0%
Sylvia Kong Bit Hee, Chief Financial Officer	0	0%
Li Guo, Co-Chief Executive Officer and Director	0	0%
Chui Kwan Pui, Chief Compliance and Operation Officer	0	0%
Yun Zhao, independent director	0	0%
Ziming Huang, independent director	0	0%
Yishi Huang, independent director	0	0%
All directors and executive officers as a group (eight persons)	0	0%
5% Beneficial Owners:		
Lamor Blossom Limited ⁽²⁾	21,185,000	32.6%
Yanto ⁽²⁾	21,185,000	32.6%

(1) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the Common Shares (given retroactive effect of the reverse stock split effected on May 18, 2023). All shares represent only Common Shares held by shareholders as no options are issued or outstanding.

(2) Represents 21,185,000 Class A Common Shares of the Company directly held by Lamor Blossom Limited. Yanto is the sole shareholder of Lamor Blossom Limited. The business address of Lamor Blossom Limited is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and the business address of Yanto is 28 Duchess Road, #02-13 The Tresor, Singapore.

Related party transactions

In addition to the executive officer and director compensation arrangements discussed in “Executive Compensation,” below we describe transactions since January 1, 2023, in which we have been a participant, where the amount involved in the transaction is considered material and in which any of the following was a party: (a) enterprises that directly or indirectly through one or more intermediaries, control, are controlled by, or are under common control with our Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of our Company that gives them significant influence over our Company, and close members of any such individual’s family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of our Company, including directors and senior management of companies and close members of such individuals’ families; and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence.

There were no other related party transactions for the years ended December 31, 2025, 2024 and 2023, except for the transactions mentioned below.

The table below sets forth the major related parties of our Company and their relationships with our Company:

Entity or individual name	Relationship with the Company
Zhao Yun	Independent Director and Chairman of the Remuneration Committee of the Company

(a) We entered into the following related party transactions:

For the year ended December 31, 2025 and 2024, the Company had no material related party transactions.

(b) We had the following significant related party balances:

As of December 31, 2025, the Company had a due to related party balance of \$12,083 owing to Zhao Yun.

Future Related Party Transactions

The Audit Committee of our board of directors (which consists solely of independent directors) approves all related party transactions.

C. Interests of experts and counsel

Not applicable for annual reports on Form 20-F.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Please refer to Item 18.

Legal and Administrative Proceedings

We are not aware of any other material legal or administrative proceedings brought against us during the three-year period covered by this annual report and through the date that this report was issued. We may from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Dividend Policy

We have never declared or paid any cash dividends on our common shares. We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any future determination relating to our dividend policy will be made at the discretion of our board of directors and will depend on a number of factors, including future earnings, capital requirements, financial condition, future prospects and other factors the board of directors may deem relevant.

Under British Virgin Islands law, we may only pay dividends from surplus (the excess, if any, at the time of the determination of the total assets of our company over the sum of our liabilities, as shown in our books of account, plus our capital), and we must be solvent before and after the dividend payment such that we will be able to satisfy our liabilities as they become due in the ordinary course of business; and the realizable value of assets of our company will not be less than the sum of our total liabilities, other than deferred taxes as shown on our books of account, and our capital.

If we determine to pay dividends on any of our common shares in the future, Following the complete divestiture of our mainland China operations and VIEs in December 2025, we now operate primarily through our Hong Kong subsidiary and other overseas entities, as a holding company, we will be dependent on receipt of funds from our operating subsidiaries.

B. Significant Changes

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and listing details

Our common shares (or Class A common shares since March 19, 2018) have been listed and traded on the Nasdaq Capital Market since December 27, 2016 under the symbol “HEBT” until November 15, 2020, under the symbol “NISN” since November 16, 2020 and under the symbol “AIOS” since February 12, 2026.

B. Plan of distribution

Not applicable for annual reports on Form 20-F.

C. Markets

Our Class A common shares are listed on the Nasdaq Capital Market under the symbol “AIOS.”

D. Selling shareholders

Not applicable for annual reports on Form 20-F.

E. Dilution

Not applicable for annual reports on Form 20-F.

F. Expenses of the issue

Not applicable for annual reports on Form 20-F.

ITEM 10. ADDITIONAL INFORMATION

A. Share capital

Not applicable for annual reports on Form 20-F.

B. Memorandum and articles of association

The information required by this item is incorporated by reference to the material headed “Description of Share Capital” in our Registration Statement on Form F-1, File no. 333-208583, filed with the SEC on July 13, 2016, as amended, and our Amended and Restated Memorandum and Articles of Association filed as Exhibit 1.1 hereto.

The following are summaries of material provisions of our Amended and Restated Memorandum and Articles of Association and the Companies Act insofar as they relate to the material terms of our common shares.

Common shares

The Company is authorized to issue a maximum of 10,000,000,000 common shares divided into:

(a) 9,600,000,000 Class A common shares of a nominal or par value of US\$0.01 each (**Class A common shares**); and

(b) 400,000,000 Class B common shares of a nominal or par value of US\$0.01 each (**Class B common shares**, together with Class A common shares, the **common shares** or **shares**).

Dividend distributions

The holders of our common shares are entitled to such dividends as may be declared by our board of directors subject to the BVI Business Companies Act.

Voting rights

Any action required or permitted to be taken by the shareholders must be effected at a duly called meeting of the shareholders entitled to vote on such action and may be effected by a resolution in writing. At each shareholder's meeting, each shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) will be entitled to one vote for each Class A common share which such shareholder holds and be entitled to 80 votes for each Class B common share which such shareholder holds on all matters subject to vote at each shareholders' meeting of the Company.

Conversion

Each Class B common share is convertible into one (1) Class A common share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B common share delivering a written notice to the Company that such holder elects to convert a specified number of Class B common shares into Class A common shares.

The number of Class B common shares held by a holder thereof will be automatically and immediately converted into an equal and corresponding number of Class A common shares upon any direct or indirect sale, transfer, assignment or disposition of such number of Class B common shares by the holder thereof or an Affiliate or such holder or the direct or indirect transfer or assignment of the voting power attached to such number of Class B common shares through voting proxy or otherwise to any person or entity that is not an affiliate of such holder. For the avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party right of whatever description on any of Class B common shares to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third-party right is enforced and results in the third party holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to the related Class B common shares, in which case all the related Class B common shares shall be automatically converted into the same number of Class A common shares.

Election of directors

Delaware law permits cumulative voting for the election of directors only if expressly authorized in the certificate of incorporation. The laws of the British Virgin Islands, however, do not specifically prohibit or restrict the creation of cumulative voting rights for the election of our directors. Cumulative voting is not a concept that is accepted as a common practice in the British Virgin Islands, and we have made no provisions in our amended and restated memorandum and articles of association to allow cumulative voting for elections of directors.

Meetings

We must provide written notice of all meetings of shareholders, stating the time, place and, in the case of a special meeting of shareholders, the purpose or purposes thereof, at least 7 days before the date of the proposed meeting to those persons whose names appear as shareholders in the register of members on the date of the notice and are entitled to vote at the meeting. Our board of directors shall call a special meeting upon the written request of shareholders holding at least 30% of our outstanding voting shares. In addition, our board of directors may call a special meeting of shareholders on its own motion. A meeting of shareholders held in contravention of the requirement to give notice is valid if shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a shareholder at the meeting shall constitute waiver in relation to all the shares which that shareholder holds.

The management of us is entrusted to our board of directors, who will make corporate decisions by board resolution. Our directors are free to meet at such times and in such manner and places within or outside the BVI as the directors determine to be necessary or desirable. A 3 days' notice of a meeting of directors must be given. At any meeting of directors, a quorum will be present if half of the total number of directors is present, unless there are only 2 directors in which case the quorum is 2. If a quorum is not present, the meeting will be dissolved. If a quorum is present, votes of half of present directors are required to pass a resolution of directors.

A meeting of shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than one-third (1/3) of the votes of the shares entitled to vote on resolutions of shareholders to be considered at the meeting. A quorum may comprise a single shareholder or proxy and then such person may pass a resolution of shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid resolution of shareholders. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third (1/3) of the votes of the shares or each class or series of shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved. No business may be transacted at any general meeting unless a quorum is present at the commencement of business. If present, the chairman of our board of directors shall be the chairman presiding at any meeting of the shareholders.

A corporation that is a shareholder shall be deemed for the purpose of our amended and restated memorandum and articles of association to be present in person if represented by its duly authorized representative. This duly authorized representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were our individual shareholder.

Protection of minority shareholders

We would normally expect British Virgin Islands courts to follow English case law precedents, which permit a minority shareholder to commence a representative action, or derivative actions in our name, to challenge (1) an act which is ultra vires or illegal, (2) an act which constitutes a fraud against the minority by parties in control of us, (3) the act complained of constitutes an infringement of individual rights of shareholders, such as the right to vote and pre-emptive rights and (4) an irregularity in the passing of a resolution which requires a special or extraordinary majority of the shareholders.

Pre-emptive rights

There are no pre-emptive rights applicable to the issue by us of new common shares under either British Virgin Islands law or our amended and restated memorandum and articles of association.

Transfer of common shares

Subject to the restrictions in our amended and restated memorandum and articles of association and applicable securities laws, any of our shareholders may transfer all or any of his or her common shares by written instrument of transfer signed by the transferor and containing the name and address of the transferee. Our board of directors may resolve by resolution to refuse or delay the registration of the transfer of any common share. If our board of directors resolves to refuse or delay any transfer, it shall specify the reasons for such refusal in the resolution. Our directors may not resolve or refuse or delay the transfer of a common share unless the shareholder has failed to pay an amount due in respect of the share.

Liquidation

If we are wound up and the assets available for distribution among our shareholders are more than sufficient to repay all amounts paid to us on account of the issue of shares immediately prior to the winding up, the excess shall be distributable *pari passu* among those shareholders in proportion to the amount paid up immediately prior to the winding up on the shares held by them, respectively. If we are wound up and the assets available for distribution among the shareholders as such are insufficient to repay the whole of the amounts paid to us on account of the issue of shares, those assets shall be distributed so that, to the greatest extent possible, the losses shall be borne by the shareholders in proportion to the amounts paid up immediately prior to the winding up on the shares held by them, respectively. If we are wound up, the liquidator appointed by us may, in accordance with the BVI Business Companies Act, divide among our shareholders in specie or kind the whole or any part of our assets (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as the liquidator deems fair upon any property to be divided and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

Calls on common shares and forfeiture of common shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their common shares in a notice served to such shareholders at least 14 days prior to the specified time of payment. The common shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption of common shares

The Company may purchase, redeem or otherwise acquire and hold its own shares in such manner and upon such other terms as the directors may agree with the relevant shareholder(s) save that the Company may not purchase, redeem or otherwise acquire its own shares without the consent of shareholders whose shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the BVI Business Companies Act or any other provision in the amended and restated memorandum or articles to purchase, redeem or otherwise acquire the shares without their consent.

The Company may only offer to purchase, redeem or otherwise acquire shares if the resolution of directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

Modifications of rights

If at any time our shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued shares in that class.

Changes in the number of shares we are authorized to issue and those in issue

We may from time to time by resolution of our board of directors:

- amend our amended and restated memorandum of association to increase or decrease the maximum number of shares we are authorized to issue;
- subject to our amended and restated memorandum, divide our authorized and issued shares into a larger number of shares; and
- subject to our amended and restated memorandum, combine our authorized and issued shares into a smaller number of shares.

Inspection of books and records

Under British Virgin Islands Law, holders of our common shares are entitled, upon giving written notice to us, to inspect (i) our amended and restated memorandum and articles of association, (ii) the register of members, (iii) the register of directors and (iv) minutes of meetings and resolutions of members, and to make copies and take extracts from the documents and records. However, our directors can refuse access if they are satisfied that to allow such access would be contrary to our interests.

Rights of non-resident or foreign shareholders

There are no limitations imposed by our amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Issuance of additional common shares

Our amended and restated memorandum and articles of association authorizes our board of directors to issue additional common shares from authorized but unissued shares, to the extent available, from time to time as our board of directors shall determine.

Differences in Corporate Law

The BVI Business Companies Act and the laws of the British Virgin Islands affecting British Virgin Islands companies like us and our shareholders differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the material differences between the provisions of the laws of the British Virgin Islands applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and similar arrangements

Under the laws of the British Virgin Islands, two or more companies may merge or consolidate in accordance with Section 170 of the BVI Business Companies Act. A merger means the merging of two or more constituent companies into one of the constituent companies and a consolidation means the uniting of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent company must approve a written plan of merger or consolidation, which must be authorized by a resolution of shareholders.

While a director may vote on the plan of merger or consolidation even if he has a financial interest in the plan, the interested director must disclose the interest to all other directors of the company promptly upon becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the company.

A transaction entered into by our company in respect of which a director is interested (including a merger or consolidation) is voidable by us unless the director's interest was (a) disclosed to the board prior to the transaction or (b) the transaction is (i) between the director and the company and (ii) the transaction is in the ordinary course of the company's business and on usual terms and conditions.

Notwithstanding the above, a transaction entered into by the company is not voidable if the material facts of the interest are known to the shareholders and they approve or ratify it or the company received fair value for the transaction.

Shareholders not otherwise entitled to vote on the merger or consolidation may still acquire the right to vote if the plan of merger or consolidation contains any provision which, if proposed as an amendment to the amended and restated memorandum or articles of association, would entitle them to vote as a class or series on the proposed amendment. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting to approve the plan of merger or consolidation.

The shareholders of the constituent companies are not required to receive shares of the surviving or consolidated company but may receive debt obligations or other securities of the surviving or consolidated company, other assets, or a combination thereof. Further, some or all of the shares of a class or series may be converted into a kind of asset while the other shares of the same class or series may receive a different kind of asset. As such, not all the shares of a class or series must receive the same kind of consideration.

After the plan of merger or consolidation has been approved by the directors and authorized by a resolution of the shareholders, articles of merger or consolidation are executed by each company and filed with the Registrar of Corporate Affairs in the British Virgin Islands.

A shareholder may dissent from a mandatory redemption of his shares, an arrangement (if permitted by the court), a merger (unless the shareholder was a shareholder of the surviving company prior to the merger and continues to hold the same or similar shares after the merger) or a consolidation. A shareholder properly exercising his dissent rights is entitled to a cash payment equal to the fair value of his shares.

A shareholder dissenting from a merger or consolidation must object in writing to the merger or consolidation before the vote by the shareholders on the merger or consolidation, unless notice of the meeting was not given to the shareholder. If the merger or consolidation is approved by the shareholders, the company must give notice of this fact to each shareholder within 20 days who gave written objection. These shareholders then have 20 days to give to the company their written election in the form specified by the BVI Business Companies Act to dissent from the merger or consolidation, provided that in the case of a merger, the 20 days starts when the plan of merger is delivered to the shareholder.

Upon giving notice of his election to dissent, a shareholder ceases to have any shareholder rights except the right to be paid the fair value of his shares. As such, the merger or consolidation may proceed in the ordinary course notwithstanding his dissent.

Within seven days of the later of the delivery of the notice of election to dissent and the effective date of the merger or consolidation, the company must make a written offer to each dissenting shareholder to purchase his shares at a specified price per share that the company determines to be the fair value of the shares. The company and the shareholder then have 30 days to agree upon the price. If the company and a shareholder fail to agree on the price within the 30 days, then the company and the shareholder shall, within 20 days immediately following the expiration of the 30-day period, each designate an appraiser and these two appraisers shall designate a third appraiser. These three appraisers shall fix the fair value of the shares as of the close of business on the day prior to the shareholders' approval of the transaction without taking into account any change in value as a result of the transaction.

Shareholders' suits

There are both statutory and common law remedies available to our shareholders as a matter of British Virgin Islands law. These are summarized below:

Prejudiced members

A shareholder who considers that the affairs of the company have been, are being, or are likely to be, conducted in a manner that is, or any act or acts of the company have been, or are, likely to be oppressive, unfairly discriminatory or unfairly prejudicial to him in that capacity, can apply to the court under Section 184I of the BVI Business Companies Act, inter alia, for an order that his shares be acquired, that he be provided compensation, that the Court regulate the future conduct of the company, or that any decision of the company which contravenes the BVI Business Companies Act or our amended and restated memorandum and articles of association be set aside.

Derivative actions

Section 184C of the BVI Business Companies Act provides that a shareholder of a company may, with the leave of the Court, bring an action in the name of the company to redress any wrong done to it.

Just and equitable winding up

In addition to the statutory remedies outlined above, shareholders can also petition for the winding up of a company on the grounds that it is just and equitable for the court to so order. Save in exceptional circumstances, this remedy is only available where the company has been operated as a quasi partnership and trust and confidence between the partners has broken down.

Indemnification of directors and executive officers and limitation of liability

British Virgin Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any provision providing indemnification may be held by the British Virgin Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

Under our amended and restated memorandum and articles of association, we indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings for any person who:

- is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was our director; or
- is or was, at our request, serving as a director or officer of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

These indemnities only apply if the person acted honestly and in good faith with a view to our best interests and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Anti-takeover provisions in our amended and restated memorandum and articles of association

Some provisions of our amended and restated memorandum and articles of association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorise our board of directors to issue additional unissued common shares without further approval from our shareholders. However, under British Virgin Islands law, our directors may only exercise the rights and powers granted to them under our amended and restated memorandum and articles of association, as amended and restated from time to time, as they believe in good faith to be in the best interests of our company.

Directors' fiduciary duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a transaction that is material to the company. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

Under British Virgin Islands law, our directors owe the company certain statutory and fiduciary duties including, among others, a duty to act honestly, in good faith, for a proper purpose and with a view to what the directors believe to be in the best interests of the company. Our directors are also required, when exercising powers or performing duties as a director, to exercise the care, diligence and skill that a reasonable director would exercise in comparable circumstances, taking into account without limitation, the nature of the company, the nature of the decision and the position of the director and the nature of the responsibilities undertaken. In the exercise of their powers, our directors must ensure neither they nor the company acts in a manner which contravenes the BVI Business Companies Act or our amended and restated memorandum and articles of association, as amended and re-stated from time to time. A shareholder has the right to seek damages for breaches of duties owed to us by our directors.

Shareholder action by written consent

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. British Virgin Islands law provides that shareholders may approve corporate matters by way of a written resolution without a meeting signed by or on behalf of shareholders sufficient to constitute the requisite majority of shareholders who would have been entitled to vote on such matter at a general meeting; provided that if the consent is less than unanimous, notice must be given to all non-consenting shareholders. Our amended and restated memorandum and articles of association permit shareholders to act by written consent.

Shareholder proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A meeting of shareholders may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling meetings of shareholders. British Virgin Islands law and our amended and restated memorandum and articles of association allow our shareholders holding not less than 30% of the votes of the outstanding voting shares to requisition a shareholders' meeting. We are not obliged by law to call shareholders' annual general meetings, but our amended and restated memorandum and articles of association do permit the directors to call such a meeting. The location of any shareholders' meeting can be determined by the board of directors and can be held anywhere in the world.

Cumulative voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under British Virgin Islands law, our amended and restated memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our amended and restated memorandum and articles of association, a director may be removed from office, (a) with or without cause, by resolution of shareholders passed at a meeting of shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written resolution passed by at least 75 percent of the votes of the shareholders of the Company entitled to vote; or (b) with cause, by resolution of directors passed at a meeting of directors called for the purpose of removing the director or for purposes including the removal of the director.

Transactions with interested shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an “interested shareholder” for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who or which owns or owned 15% or more of the target’s outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target’s board of directors. British Virgin Islands law has no comparable statute.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation’s outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under the BVI Business Companies Act and our amended and restated memorandum and articles of association, we may appoint a voluntary liquidator by a resolution of the shareholders or by resolution of directors.

Variation of rights of shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our amended and restated memorandum and articles of association, if at any time our shares are divided into different classes of shares, the rights attached to any class may only be varied, whether or not our company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued shares in that class.

Amendment of governing documents

Under the Delaware General Corporation Law, a corporation’s governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by British Virgin Islands law, our amended and restated memorandum and articles of association may be amended by a resolution of shareholders and, subject to certain exceptions, by a resolution of directors. Any amendment is effective from the date it is registered at the Registry of Corporate Affairs in the British Virgin Islands.

C. Material contracts

We have not entered into any material contracts other than in the ordinary course of business and otherwise described elsewhere in this annual report.

D. Exchange controls

The British Virgin Islands currently has no exchange control regulations or currency restrictions.

E. Taxation

The following sets forth the material British Virgin Islands, Chinese and U.S. federal income tax consequences related to an investment in our Class A common shares. It is directed to U.S. Holders (as defined below) of our Class A common shares and is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This description does not deal with all possible tax consequences relating to an investment in our Class A common shares, such as the tax consequences under state, local and other tax laws.

The following brief description applies only to U.S. Holders (defined below) that hold Class A common shares as capital assets and that have the U.S. dollar as their functional currency. This brief description is based on the tax laws of the United States in effect as of the date of this annual report and on U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this annual report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The brief description below of the U.S. federal income tax consequences to “U.S. Holders” will apply to you if you are a beneficial owner of shares and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

General

AIOS Tech and Everbright Solutions are tax-exempt companies incorporated in the British Virgin Islands. YD Network is subject to Hong Kong profits tax rate. The rest of the Company’s subsidiaries in China are governed by PRC laws.

Our company pays PRC enterprise income taxes and value added taxes in China for revenues from our subsidiaries.

People’s Republic of China Enterprise Taxation

The following brief description of Chinese enterprise laws is designed to highlight the enterprise-level taxation on our earnings, which will affect the amount of dividends, if any, we are ultimately able to pay to our shareholders. See “Dividend Policy.”

PRC enterprise income tax is calculated based on taxable income determined under PRC accounting principles. The EIT Law, effective as of January 1, 2008, provides that enterprises pay a unified income tax rate of 25% and that unified tax deduction standards are applied equally to both domestic-invested enterprises and foreign-invested enterprises.

Under the EIT Law, an enterprise established outside of the PRC with “de facto management bodies” within the PRC is considered a resident enterprise and is generally subject to enterprise income tax at the rate of 25% on its global income. If the PRC tax authorities subsequently determine that we, NiSun BVI, NiSun HK, Nami Cayman, Nami HK, or any future non-PRC subsidiary should be classified as a PRC resident enterprise, then such entity’s global income would be subject to PRC income tax at a rate of 25%. In addition, under the EIT Law, payments from our subsidiaries and VIEs in PRC to us may be subject to a withholding tax. The EIT Law currently provides for a withholding tax rate of 20%. If NiSun HK or Nami HK is deemed to be a non-resident enterprise, then it would be subject to a withholding tax at the rate of 10% on any dividends paid by its Chinese subsidiaries to such entity. In practice, the tax authorities typically impose the rate of 10% , as prescribed in the implementation regulations; however, there can be no guarantee that this practice will continue as more guidance is provided by relevant government authorities. We are actively monitoring the proposed withholding tax and are evaluating appropriate organizational changes to minimize the corresponding tax impact.

Following the divestiture of our mainland China operations in December 2025, our business operations and management functions have transitioned to Hong Kong. Therefore, we do not consider that our offshore holding company should be classified as a PRC resident enterprise.

PRC Value Added Tax

Pursuant to the Provisional Regulation of China on Value Added Tax and its implementing rules issued in November 2017, all entities and individuals that engage in sales of goods, provision of services, or importation of goods into China are generally subject to a VAT at a rate ranging from 6% to 17% of the gross sales proceeds received, less any VAT already paid or borne by the taxpayer on the goods or services purchased and used in the production of goods or provisions of services that have generated the gross sales proceeds.

On December 25, 2024, the SCNPC promulgated the VAT Law of the PRC, which will take effect on January 1, 2026, and will replace the Provisional Regulations on Value-added Tax of the PRC.

Following the divestiture of our mainland China operations in December 2025, our business operations and management functions have transitioned to Hong Kong. Accordingly, we do not avail ourselves of such tax policy as of the date of December 31, 2025.

British Virgin Islands Taxation

Under the BVI Business Companies Act as currently in effect, a holder of common shares who is not a resident of the British Virgin Islands is exempt from British Virgin Islands income tax on dividends paid with respect to the common shares and all holders of common shares are not liable to the British Virgin Islands for income tax on gains realized during that year on the sale or disposition of such shares. The British Virgin Islands does not impose a withholding tax on dividends paid by a company incorporated or re-registered under the BVI Business Companies Act.

There are no capital gains, gift or inheritance taxes levied by the British Virgin Islands on companies incorporated or re-registered under the BVI Business Companies Act. In addition, except to the extent that our Company has any interest in real property in the British Virgin Islands, all instruments relating to transactions in respect of the common shares, debt obligations or other securities of the Company and all instruments relating to other transactions relating to the business of the Company are exempt from the payment of stamp duty in the British Virgin Islands.

There is no income tax treaty or convention currently in effect between the United States and the British Virgin Islands or between China and the British Virgin Islands.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to our company levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not a party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

United States Federal Income Taxation

The following does not address the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to mark-to-market;
- U.S. expatriates;
- tax-exempt entities;
- persons liable for alternative minimum tax;
- persons holding our common shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our voting shares;
- persons who acquired our common shares pursuant to the exercise of any employee share option or otherwise as consideration; or
- persons holding our common shares through partnerships or other pass-through entities.

Prospective purchasers are urged to consult their own tax advisors about the application of the U.S. Federal tax rules to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of our common shares.

Tax Treaties

As mentioned above, according to the Sino-U.S. Tax Treaty, which became effective on January 1, 1987, and is intended to avoid double taxation, income that is incurred in one country should be taxed by that country and exempted from the other. However, for dividends generated in China and distributed to foreign recipients, a withholding tax at a rate of 10% applies.

Taxation of Dividends and Other Distributions on our Common Shares

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by us to you with respect to the common shares (including the amount of any taxes withheld therefrom) will generally be includable in your gross income as dividend income on the date of receipt, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Such dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) the common shares are readily tradable on an established securities market in the United States, or we are eligible for the benefits of an approved qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are not a passive foreign investment company (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, and (3) certain holding period requirements are met. Under U.S. Internal Revenue Service authority, common shares are considered for purpose of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on the NASDAQ Capital Market. You are urged to consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to our common shares.

Dividends will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to our common shares will constitute “passive category income” but could, in the case of certain U.S. Holders, constitute “general category income.”

To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), it will be treated first as a tax-free return of your tax basis in your Class A common shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Taxation of Dispositions of Common Shares

Subject to the passive foreign investment company rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a share equal to the difference between the amount realized (in U.S. dollars) for the share and your tax basis (in U.S. dollars) in the common shares. The gain or loss will generally be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the Class A common shares for more than one year, you will generally be eligible for reduced tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize will generally be treated as U. S. source income or loss for foreign tax credit limitation purposes.

Passive Foreign Investment Company

A non-U.S. corporation is considered a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year if either:

- at least 75% of its gross income is passive income, defined as income from interest, dividends, rents, royalties, gains on property producing foreign personal holding company income, and certain other income that does not involve the active conduct of a trade or business; or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the “asset test”).

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

Based on the market price of our common shares, the value of our assets and the composition of our assets and income, we believe that we were not a PFIC for our taxable year ended December 31, 2024, 2023 and 2022. However, given the factual nature of the analyses and the lack of guidance, no assurance can be given. We do not expect to be a PFIC for our taxable year ending December 31, 2025. However, because PFIC status is a factual determination for each taxable year which cannot be made until the close of the taxable year, our actual PFIC status will not be determinable until the close of the taxable year and, accordingly, there is no guarantee that we will not be a PFIC for the current taxable year or any future taxable year.

We must make a separate determination each year as to whether we are a PFIC. As a result, our PFIC status may change. In particular, because the value of our assets for purposes of the asset test will generally be determined based on the market price of our common shares, our PFIC status will depend in large part on the market price of our common shares. Accordingly, fluctuations in the market price of our common shares may cause us to become a PFIC. In addition, the application of the PFIC rules is subject to uncertainty in several respects and the composition of our income and assets will be affected by how, and how quickly, we spend the cash we raised in our initial public offering. If we are a PFIC for any year during which you hold common shares, we will continue to be treated as a PFIC for all succeeding years during which you hold common shares. However, if we cease to be a PFIC, you may avoid some of the adverse effects of the PFIC regime by making a “deemed sale” election with respect to the common shares.

If we are a PFIC for any taxable year during which you hold common shares, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you realize from a sale or other disposition (including a pledge) of the common shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the common shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the common shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the common shares cannot be treated as capital, even if you hold the common shares as capital assets.

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the tax treatment discussed above. If you make a mark-to-market election for the common shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the common shares as of the close of your taxable year over your adjusted basis in such common shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the common shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the common shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the common shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the common shares, as well as to any loss realized on the actual sale or disposition of the common shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such common shares. Your basis in the common shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations that are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for qualified dividend income discussed above under “Taxation of Dividends and Other Distributions on our Common shares” generally would not apply.

The mark-to-market election is available only for “marketable stock”, which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market (as defined in applicable U.S. Treasury regulations), including The NASDAQ Capital Market. If the common shares are regularly traded on The NASDAQ Capital Market and if you are a holder of common shares, the mark-to-market election would be available to you were we to be or become a PFIC.

Alternatively, a U.S. Holder of stock in a PFIC may make a “qualified electing fund” election with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year such holder’s pro rata share of the corporation’s earnings and profits for the taxable year. However, the qualified electing fund election is available only if such PFIC provides such U.S. Holder with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. We do not currently intend to prepare or provide the information that would enable you to make a qualified electing fund election. If you hold common shares in any year in which we are a PFIC, you will be required to file U.S. Internal Revenue Service Form 8621 regarding distributions received on the common shares and any gain realized on the disposition of the common shares.

You are urged to consult your tax advisors regarding the application of the PFIC rules to your investment in our common shares and the elections discussed above.

Information Reporting and Backup Withholding

Dividend payments with respect to our common shares and proceeds from the sale, exchange or redemption of our common shares may be subject to information reporting to the U.S. Internal Revenue Service and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification on U.S. Internal Revenue Service Form W-9 or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on U.S. Internal Revenue Service Form W-9. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the U.S. Internal Revenue Service and furnishing any required information.

Under the Hiring Incentives to Restore Employment Act of 2010, certain United States Holders are required to report information relating to common shares, subject to certain exceptions (including an exception for common shares held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold common shares. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

F. Dividends and paying agents

Not applicable for annual reports on Form 20-F.

G. Statement by experts

Not applicable for annual reports on Form 20-F.

H. Documents on display

We are subject to the information requirements of the Exchange Act. In accordance with these requirements, the Company files reports and other information with the SEC. You may read and copy any materials filed with the SEC at the Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a web site at <http://www.sec.gov> that contains reports and other information regarding registrants that file electronically with the SEC.

I. Subsidiary Information

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to a variety of financial risks, including market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. Our overall risk management program focuses on the preservation of capital and the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance and position.

Foreign Exchange Risk

Our reporting currency is the U.S. Dollar. Historically, substantially all of our operations were conducted in the PRC, and our sales and costs were denominated in Renminbi (“RMB”). Following our strategic expansion into the Artificial Intelligence sector in late 2025, a portion of our operations is now conducted through our Hong Kong subsidiaries, where transactions are primarily denominated in Hong Kong Dollars (“HKD”).

We are exposed to foreign exchange risk as our results of operations may be affected by fluctuations in the exchange rate between the U.S. Dollar, the RMB, and the HKD.

RMB: If the RMB depreciates against the U.S. Dollar, the value of our RMB sales, earnings and assets as expressed in our U.S. Dollar financial statements will decline. The RMB appreciated approximately 4.25% in 2025.

HKD: The HKD is currently pegged to the U.S. Dollar. However, there is no assurance that the Hong Kong government will maintain the peg in the future. Any significant fluctuation in the exchange rate between the HKD and the U.S. Dollar may materially and adversely affect our financial condition and results of operations.

Assets and liabilities are translated at exchange rates as of the balance sheet dates, revenue and expenses are translated at average exchange rates, and stockholders’ equity is translated at historical exchange rates. Any resulting translation adjustments are not included in determining net income but are included in determining other comprehensive income, a component of stockholders’ equity. We have not entered into any hedging transactions to reduce our exposure to foreign exchange risk.

Credit Risk

Our cash is invested primarily in savings and deposit accounts with original maturities of three months or less. Savings and deposit accounts generate a small amount of interest income.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, and accounts receivable.

Cash Concentration: As of December 31, 2025 and 2024, approximately \$1.4 million and \$6.1 million of our cash and cash equivalents were on deposit at financial institutions in Hong Kong.

In Hong Kong: Deposits in Hong Kong are generally protected by the Deposit Protection Scheme (DPS) up to a limit of HK\$500,000 (or HK\$800,000 effective Oct 2024) per depositor per bank. However, the Company believes that the risk of failure of any of these banks is remote.

Accounts Receivable: The Company has identified the relevant risk characteristics of its customers. Following the divestiture of our legacy supply chain business in December 2025, our customer base has shifted towards technology and enterprise clients. For each pool of customers, the Company considers the historical credit loss experience, current economic conditions, and reasonable forecasts in assessing the lifetime expected credit losses.

Inflation

Inflationary factors such as increases in the cost of our products and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material effect on our financial position or results of operations to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain current levels of gross profit and selling, general and administrative expenses as a percentage of net sales if the selling prices of our products do not increase with these increased costs.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

With the exception of Items 12.D.3 and 12.D.4, this Item 12 is not applicable for annual reports on Form 20-F. As to Items 12.D.3 and 12.D.4, this Item 12 is not applicable, as the Company does not have any American Depositary Shares.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

We do not have any material defaults in the payment of principal, interest, or any instalments under a sinking or purchase fund after giving effect to the disposal of our former business and the acquisition of YD Network Technology Company Limited in December 2025.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITIES HOLDERS AND USE OF PROCEEDS

Material Modifications to the Rights of Security Holders

See “Item 10. Additional Information” for a description of the rights of shareholders, which remain unchanged. The disposal of our former business and the acquisition of YD Network did not result in any modification to the rights of holders of our Class A ordinary shares.

Use of Proceeds

Not applicable, as we disclosed application of all the offering proceeds in our Annual Report on Form 20-F, File 001-37829, filed with the SEC on May 15, 2019. The consideration for the acquisition of YD Network Technology Company Limited was funded by internal resources.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures.

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time period specified in the SEC’s rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow for timely decisions regarding disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of December 31, 2025, the end of the fiscal year covered by this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2025, our disclosure controls and procedures were ineffective. Such conclusion is due to the presence of material weakness in internal control over financial reporting as described below.

(b) Management’s annual report on internal control over financial reporting.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. As previously disclosed, we assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2025. In making its assessment, management used the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the “2013 COSO Framework”). The 2013 COSO Framework outlines the 17 underlying principles and the following fundamental components of a company’s internal control: (i) control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. Our management implemented and tested internal control over financial reporting based on the Company’s operations, organizational structure and business activities as they existed as of December 31, 2024, and identified certain material weaknesses set forth below. Based on the assessment, management determined that, as of December 31, 2025, we did not maintain effective internal control over financial reporting due to the existence of the following material weaknesses:

- The Company does not have adequate internal accounting personnel with sufficient knowledge of U.S. GAAP and SEC reporting standards, which could lead to material misstatements being undetected in a timely manner.

Management's Planned Remediation Activities

During fiscal year 2025, we undertook efforts to remediate previously disclosed material weaknesses and strengthen our internal controls. Management, under the supervision and direction of our CEO and CFO, continue to take steps to remediate the material weaknesses described above. The Company has set up a financial reporting team and recruited financial reporting staff who have experience with U.S. GAAP and SEC reporting knowledge to prepare and review the financial statements and related disclosures in accordance with U.S. GAAP and SEC financial reporting requirements. Management's internal control remediation efforts are underway, and management plans to implement several measures, including, among others::

To enhance the financial reporting competencies:

- Establish a formal and regular training program for accounting personnel to equip them with sufficient knowledge and practical experience in preparing financial statements under U.S. GAAP and SEC reporting requirements, including mandatory requirements for accounting staff to attend U.S. GAAP course programs offered by third-party organizations or accounting firms on a periodic basis; and
- Enhance communications between accounting personnel and financial reporting team, including mandatory requirement for financial reporting team to review the accounting team's work and work papers on a periodic basis.

However, we cannot assure you that all these measures, whether implemented prior to or following the Company's business transformation, will be sufficient to remediate our material weaknesses in time, or at all. The process of designing and implementing an effective financial reporting system is a continuous effort that requires us to anticipate and react to changes in our business and the economic and regulatory environments and to expend significant resources to maintain a financial reporting system that is adequate to satisfy our reporting obligations. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—If we continue to be unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common shares may decline."

(c) Attestation report of the registered public accounting firm.

Not applicable.

(d) Changes in internal control over financial reporting.

Other than as described above, there were no changes in our internal control over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Company's board of directors has determined that Mr. Ziming Huang qualifies as an "audit committee financial expert" in accordance with applicable Nasdaq Capital Market standards. The Company's board of directors has also determined that Mr. Huang and the other members of the Audit Committee are all "independent" in accordance with the applicable Nasdaq Capital Market standards.

ITEM 16B. CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics that applies to the Company's directors, officers, employees and advisors. The Code of Ethics is attached as an exhibit to this annual report. We have also posted a copy of our code of business conduct and ethics on our website at <https://ir.aiosinc.com/corporate-governance/documents-charters>.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Enrome LLP was appointed by the Company to serve as its independent registered public accounting firm for the 2023 fiscal year on June 1, 2024. Audit services provided by Enrome LLP for the 2025 and 2024 fiscal years included the examination of the consolidated financial statements of the Company and services related to periodic filings made with the SEC.

Information relating to audit services for the fiscal year ended December 31, 2025 will be updated upon completion of the Company's consolidated financial statements and audit procedures.

Fees Paid To Independent Registered Public Accounting Firm

Audit Fees

Enrome LLP's fees for the annual audit of our financial statements and review of the financial statements for fiscal 2025 were \$300,000.

Enrome LLP's fees for the annual audit of our financial statements for fiscal 2024 were \$470,000.

Audit-Related Fees

The Company has not paid for audit-related services in fiscal 2025.

The Company paid Wei, Wei & Co., LLP \$22,000 for audit-related services in fiscal 2024.

Tax Fees

The Company has not paid for tax services in fiscal 2025 or 2024.

All Other Fees

The Company has not paid for any other services in fiscal 2025 or 2024.

Audit Committee Pre-Approval Policies

Before Enrome LLP was engaged by the Company to render audit or non-audit services, the engagement was approved by the Company's audit committee. All services rendered by Enrome LLP and Yu CPA PC have been so approved.

Percentage of Hours

All hours expended on the principal accountants' engagement to audit our consolidated financial statements for 2025 and 2024 were attributed to work performed by Enrome LLP's full-time permanent employees.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services Performed by the Independent Registered Public Accounting Firm

Pursuant to applicable law, and as set forth in the terms of its charter, the Audit Committee is responsible for overseeing the work of our Company's independent registered public accounting firm. Any audit or non-audit services proposed to be performed are considered by and, if deemed appropriate, approved by the Audit Committee in advance of the performance of such services. All of the fees earned by Enrome LLP described above was attributable to services pre-approved by the Audit Committee.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On September 30, 2024, our board of directors authorized a share repurchase program of up to \$15 million of our issued and outstanding Class A common shares over a twelve-month period from October 9, 2024, subject to relevant rules under the Securities Exchange Act of 1934, as amended. The repurchases may be made from time to time through open market transactions at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on market conditions and in accordance with applicable rules and regulations.

For the year ended December 31, 2025, we did not repurchase any shares of Class A common stock.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

On November 1, 2023, the Company’s Audit Committee and board of directors approved and ratified the appointment of Yu Certified Public Accountant PC (“Yu CPA PC”) as the Company’s independent registered public accounting firm for the year ended December 31, 2023, and the dismissal of the Company’s previous independent auditors, Wei, Wei & Co., LLP (“Wei & Wei”), on October 12, 2023. During the two fiscal years ended December 31, 2022 and 2021 and through the dismissal of Wei & Wei on October 12, 2023, there were no disagreements between the Company and Wei & Wei on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Wei & Wei, would have caused it to make reference to the subject matter of the disagreements in connection with its report on the Company’s consolidated financial statements for such periods. In addition, Wei & Wei’s reports on the financial statements as of and for the years ended December 31, 2022 and 2021 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles. During the fiscal years ended December 31, 2022 and 2021, and through the dismissal of Wei & Wei on October 12, 2023, there were no “reportable events” as that term is defined in Item 16F(a)(1)(v) of Form 20-F.

During the fiscal years ended December 31, 2022 and 2021, and any subsequent interim period prior to engaging Yu CPA PC, neither the Company nor anyone on its behalf consulted Yu CPA PC regarding either (i) the application of accounting principles to any proposed or completed transaction, or the type of audit opinion that might be rendered on the Company’s financial statements, and neither a written report nor oral advice was provided to the Company that Yu CPA PC concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (as defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions to Item 16F of Form 20-F) or a reportable event.

On June 1, 2024, the Audit Committee approved the appointment of Enrome LLP as the Company’s independent registered public accounting firm and the dismissal of the Company’s previous independent auditors, Yu CPA PC, on the same date. Prior to the dismissal, Yu CPA PC had not issued an audit report with respect to the Company’s financial statements for the year ended December 31, 2023. During the Company’s most recent fiscal year ended December 31, 2023 through the dismissal of Yu CPA PC, there was no adverse opinion, disclaimer, qualification or modification as described in Item 16F(a)(1)(ii) of Form 20-F. During the year ended December 31, 2023, and through the dismissal of Yu CPA PC on June 1, 2024, there were no disagreements with Yu CPA PC on any matter of accounting principles or practices, financial statement disclosure, auditing scope or procedure as described in Item 16F(a)(1)(iv) of Form 20-F, and there were no reportable events as defined in Item 16F(a)(1)(v) of Form 20-F, except as described as follows: Yu CPA PC has advised the Company that Yu CPA PC believes the Company’s financial statements for each of the two years ended December 31, 2022 may contain material restatements in the financial statements for each of the two years ended December 31, 2022.

During the two most recent fiscal years ended December 31, 2023 and 2022 and any subsequent interim period prior to engaging Enrome LLP, neither the Company nor anyone on its behalf consulted Enrome LLP regarding either (i) the application of accounting principles to any proposed or completed transaction, or the type of audit opinion that might be rendered on the Company’s financial statements, and neither a written report nor oral advice was provided to the Company that Enrome LLP concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing, or financial reporting issue; or (ii) any matter that was either the subject of a disagreement (as defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions to Item 16F of Form 20-F) or a reportable event.

ITEM 16G. CORPORATE GOVERNANCE

We are incorporated in the British Virgin Islands, and our corporate governance practices are governed by applicable British Virgin Islands law. In addition, because our Class A common shares are listed on The Nasdaq Capital Market, we are subject to Nasdaq’s corporate governance requirements.

Other than as described in this section, our corporate governance practices do not differ from those followed by domestic companies listed on the NASDAQ Capital Market. NASDAQ Listing Rule 5635 (“NASDAQ Rule 5635”) generally provides that shareholder approval is required of U.S. domestic companies listed on the NASDAQ Capital Market prior to an issuance (or potential issuance) of securities in connection with: (i) the acquisition of the stock or assets of another company; (ii) equity-based compensation of officers, directors, employees, or consultants; (iii) a change of control; and (iv) certain transactions other than a public offering involving issuances equaling 20% or more of the Company’s common shares or voting power for less than the greater of market or book value. Notwithstanding this general requirement, NASDAQ Listing Rule 5615(a)(3)(A) permits foreign private issuers like the Company to follow their home country practice rather than this shareholder approval requirement. The corporate governance practice in our home country, the British Virgin Islands, does not require obtaining such shareholder approval prior to entering into a transaction with the potential to issue securities as described in NASDAQ Rule 5635 above. The Company has adopted and opted to follow British Virgin Islands practices in lieu of the requirements of NASDAQ Rule 5635 in connection with an issuance of securities.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted our insider trading policy to provide guidance on the purchases, sales and other dispositions of our securities by our directors, officers, employees and other covered persons in compliance with insider trading laws, rules and regulations and the listing standards of Nasdaq. The insider trading policy is filed as Exhibit 11.2 to this annual report on Form 20-F.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

Our subsidiaries are required to comply with rapidly evolving and complex PRC laws and regulations with respect to cybersecurity, data security and personal information protection. In response to the recent changes in the regulatory requirements, we have designed a data and information protection mechanism as part of our risk management process. We have implemented processes for assessing, identifying and managing material risks from cybersecurity threats and monitoring the detection, mitigation and remediation of material cybersecurity incidents.

We have developed a comprehensive cybersecurity threat defense system to address both internal and external cyber threats. This system spans multiple security domains, including network, host and application layers. It integrates a range of security capabilities, such as threat defense, continuous monitoring, in-depth analysis, rapid response, as well as strategic deception and countermeasures. Our approach to managing cybersecurity risks and safeguarding sensitive data is multi-faceted, involving technological safeguards, procedural protocols, a rigorous program of surveillance on our corporate network, continuous testing of aspects of our security posture internally and with third-party business partners and third-party service providers, such as third-party online payment system providers, a solid incident response framework and regular cybersecurity training sessions for our employees. Our cybersecurity officer is actively engaged in continuous monitoring of our applications, systems and infrastructure to ensure prompt identification and response to potential cybersecurity issues, including emerging cybersecurity threats.

We have not engaged any third parties in connection with the processes for assessing, identifying, and managing material risks from cybersecurity threats. As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition. We have implemented a set of procedures to ensure effective management of the cybersecurity risks associated with the use of third-party service providers. These procedures include, but are not limited to, controlled user access in accordance with our enterprise-wide policy to restrict access to and use of malicious websites and programs. Cybersecurity awareness training is provided for all employees.

Governance

Our Company's board of directors has oversight responsibility for the Company's overall risk management, including cybersecurity risks, and has not delegated oversight authority for cybersecurity risks to any committee. Our management, led by our Chief Executive Officers and Chief Financial Officer, is responsible for assessing, identifying and managing material cybersecurity risks and threats to our Company and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incidents if any. Our cybersecurity officer, as the management representative, reports to the board of directors on a quarterly basis with respect to the status and updates of any material cybersecurity incidents or risks our Company may face and disclosure issues, if any, and on disclosure concerning cybersecurity matters in our annual report on Form 20-F.

In 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, we face potential cybersecurity threats that, if realized, would materially affect us. These threats include but are not limited to ransomware and malware attacks, compromised business email and other social engineering threats. Our service providers, suppliers and business partners also face similar cybersecurity risks, which could have an adverse impact on our business. Additional information on cybersecurity risks we face is discussed in Part I, Item 1A, "Risk Factors - While we are not aware of any data breach in the past, future cyberattacks, computer viruses or any failure to adequately maintain security and prevent unauthorized access to our information technology system or data could result in a disruption of our business operations and materially adversely affect our reputation, financial condition and operating results."

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18.

ITEM 18. FINANCIAL STATEMENTS

Our consolidated financial statements are included at the end of this annual report, beginning with page F-1.

ITEM 19. EXHIBITS

Exhibit No.	Description of Exhibit
1.1	Amended and Restated Memorandum and Articles of Association
2.1	Registrant's Form of Class A common share Certificate (incorporated by reference to Exhibit 2.1 to Form 6-K filed with the SEC on November 16, 2020)
2.2*	Description of Securities Registered under Section 12 of the Exchange Act
4.1	Employment Agreement, dated May 22, 2024, between the Company and Xin Liu (incorporated by reference to Exhibit 10.1 to our Current Report on Form 6-K filed with the SEC on June 7, 2024)
4.2	Employment Agreement, dated December 9, 2025, between the Company and Li Guo (incorporated by reference to Exhibit 10.1 to our Current Report on Form 6-K filed with the SEC on December 11, 2025)
4.3	Employment Agreement, dated December 23, 2025, between the Company and Sylvia Kong Bit Hee (incorporated by reference to Exhibit 10.1 to our Current Report on Form 6-K filed with the SEC on December 23, 2025)
8.1*	List of Subsidiaries of the Registrant
11.1	Code of Business Conduct and Ethics (incorporated by reference to Exhibit 11.1 to Form 20-F filed with the SEC on April 11, 2017)
11.2*	Insider Trading Policy
12.1*	Certification of Co-Chief Executive Officer Guo Li Required by Rule 13a-14(a)
12.2*	Certification of Co-Chief Executive Officer Xin Liu Required by Rule 13a-14(a)
12.3*	Certification of Chief Financial Officer Required by Rule 13a-14(a)
13.1**	Certification of Co-Chief Executive Officer Guo Li Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
13.2**	Certification of Co-Chief Executive Officer Xin Liu Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
13.3**	Certification of Chief Financial Officer Required by Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code
15.1*	Consent of Enrome LLP
15.2*	Consent of Ogier
15.3*	Consent of Jingtian & Gongcheng Law Firm
16.1	Letter from Yu Certified Public Accountant PC dated June 3, 2024 (incorporated by reference to Exhibit 99.1 to our Current Report on Form 6-K filed on June 4, 2024)
97.1	Clawback Policy (incorporated by reference to Exhibit 97.1 to our Annual Report on Form 20-F filed with the SEC on July 12, 2024)
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

(1) Incorporated by reference to Exhibits to Form 20-F filed with the SEC on April 24, 2020

* Filed herewith

** Furnished herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AIOS TECH INC.

By: /s/ Xin Liu

Name: Xin Liu

Title: Co-Chief Executive Officer

Date: April 20, 2026

AIOS TECH INC.
(Formerly known as Nisun International Enterprise Development Group Co., Ltd)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
AIOS Tech Inc.(Formerly known as Nisun International Enterprise Development Group Co., Ltd)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AIOS Tech Inc and its subsidiaries. (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive (loss) income, changes in shareholders’ equity and cash flows for the years ended December 31, 2025, 2024 and 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31,2025 and 2024, and the results of its operations and its cash flows for the years ended December 31, 2025, 2024 and 2023, in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments.

We determined that there are no critical audit matters.

/s/ Enrome LLP

We have served as the Company’s auditor since 2024

Singapore
April 20, 2026

AIOS TECH INC.
(Formerly known as Nisun International Enterprise Development Group Co., Ltd)
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN US DOLLARS)

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,410,674	\$ 6,108,783
Short-term investments	2,930	-
Accounts receivable, net	1,580,000	-
Other receivables	2,050,000	-
Current assets of discontinued operations	-	245,220,464
TOTAL CURRENT ASSETS	<u>5,043,604</u>	<u>251,329,247</u>
NON-CURRENT ASSETS:		
Intangible assets, net	54,083	-
Non-current assets of discontinued operations	-	20,092,039
TOTAL NON-CURRENT ASSETS	<u>54,083</u>	<u>20,092,039</u>
TOTAL ASSETS	<u>\$ 5,097,687</u>	<u>\$ 271,421,286</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accrued expenses and other current liabilities	\$ 331,882	\$ 380,096
Due to related parties - current	12,083	-
Taxes payable	67,367	-
Current liabilities of discontinued operations	-	59,093,952
TOTAL CURRENT LIABILITIES	<u>411,332</u>	<u>59,474,048</u>
NON-CURRENT LIABILITIES		
Non-current liabilities of discontinued operations	-	818,128
TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>818,128</u>
TOTAL LIABILITIES	<u>411,332</u>	<u>60,292,176</u>
SHAREHOLDERS' EQUITY*:		
Class A common stock, \$0.01 par value, 30,000,000 and 30,000,000 shares authorized, 4,985,096 and 4,725,096 shares issued, and 4,798,358 and 4,538,358 shares outstanding as of December 31, 2025 and 2024, respectively	49,851	47,251
Class B common stock, \$0.01 par value, 1,000,000 shares authorized, no shares issued and outstanding as of December 31, 2025 and 2024	-	-
Treasury shares	(1,469,517)	(1,253,012)
Additional paid-in capital	141,267,807	139,712,207
Accumulated deficit (retained earnings)	(135,161,786)	72,517,990
Statutory reserves	-	13,229,313
Accumulated other comprehensive loss	-	(17,491,069)
COMMON SHAREHOLDERS' EQUITY	<u>4,686,355</u>	<u>206,762,680</u>
Non-controlling interests	-	4,366,430
TOTAL SHAREHOLDERS' EQUITY	<u>4,686,355</u>	<u>211,129,110</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 5,097,687</u>	<u>\$ 271,421,286</u>

* The financial statements give retroactive effect to the May 18, 2023 one-for-ten reverse share split.

The accompanying notes are an integral part of these consolidated financial statements.

AIOS TECH INC.
(Formerly known as Nisun International Enterprise Development Group Co., Ltd)
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
(EXPRESSED IN US DOLLARS)

	For the Year Ended December 31,		
	2025	2024	2023
REVENUES:			
Revenue generated from services:			
Small and Medium Enterprise financing solutions	\$ 3,000,000	\$ -	\$ -
Information Technology services	2,067,754	-	-
Total revenue generated from services	<u>5,067,754</u>	<u>-</u>	<u>-</u>
Total revenues	<u>5,067,754</u>	<u>-</u>	<u>-</u>
COST OF REVENUE:			
Cost of revenue - services	(1,421,368)	-	-
Total cost of revenue	<u>(1,421,368)</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	<u>3,646,386</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES:			
General and administrative expenses	(2,175,028)	(9,953,175)	(472,422)
Total operating expenses	<u>(2,175,028)</u>	<u>(9,953,175)</u>	<u>(472,422)</u>
INCOME (LOSS) FROM OPERATIONS	<u>1,471,358</u>	<u>(9,953,175)</u>	<u>(472,422)</u>
OTHER (EXPENSES) INCOME:			
Loss on disposal of subsidiaries	(225,328,551)	-	-
Interest and investment income (expense)	223,101	98,946	(64,402)
Other expense, net	(1,122)	(3,257)	(3,413)
Total other (expenses) income	<u>(225,106,572)</u>	<u>95,689</u>	<u>(67,815)</u>
LOSS BEFORE INCOME TAXES FROM CONTINUING OPERATIONS	<u>(223,635,214)</u>	<u>(9,857,486)</u>	<u>(540,237)</u>
INCOME TAX EXPENSES	<u>(67,367)</u>	<u>-</u>	<u>-</u>
NET LOSS FROM CONTINUING OPERATIONS	<u>(223,702,581)</u>	<u>(9,857,486)</u>	<u>(540,237)</u>
Net profit from discontinued operations	2,796,798	15,757,277	18,243,917
NET (LOSS) INCOME	<u>(220,905,783)</u>	<u>5,899,791</u>	<u>17,703,680</u>
Net profit attributable to non-controlling interests:			
Discontinued operations	(3,306)	(112,375)	(125,942)
NET (LOSS) PROFIT ATTRIBUTABLE TO SHAREHOLDERS	<u>\$ (220,909,089)</u>	<u>\$ 5,787,416</u>	<u>\$ 17,577,738</u>
Continuing operations	(223,702,581)	(9,857,486)	(540,237)
Discontinued operations	2,793,492	15,644,902	18,117,975
OTHER COMPREHENSIVE INCOME (LOSS)			
Foreign currency translation gains (losses)	17,491,144	(6,017,982)	(4,536,797)
COMPREHENSIVE (LOSS) INCOME	<u>(203,417,945)</u>	<u>(230,566)</u>	<u>13,040,941</u>
Comprehensive income (loss) attributable to non-controlling interests	(75)	1,595	65
COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO SHAREHOLDERS	<u>\$ (203,418,020)</u>	<u>\$ (228,971)</u>	<u>\$ 13,041,006</u>
BASIC AND DILUTED EARNINGS PER COMMON SHARE:			
EARNINGS (LOSS) PER COMMON SHARE- BASIC AND DILUTED	<u>\$ (47.65)</u>	<u>\$ 1.43</u>	<u>\$ 4.46</u>
Weighted average number of shares outstanding-basic and diluted*	<u>4,636,769</u>	<u>4,053,108</u>	<u>3,943,793</u>

* The financial statements give retroactive effect to the May 18, 2023 one-for-ten reverse share split.

The accompanying notes are an integral part of these consolidated financial statements.

AIOS TECH INC.
(Formerly known as Nisun International Enterprise Development Group Co., Ltd)
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023
(EXPRESSED IN US DOLLARS)

	Class A Common Stock*		Class B Common Stock		Additional paid-in capital	Unearned Compensation	Accumulated deficit (Retained Earnings)	Statutory reserves	Accumulated Other Comprehensive Loss	Non- controlling Interests	Treasury shares		Total Shareholders' Equity
	Shares	Amount	Shares	Amount							Shares	Amount	
Balance as of January 1, 2023	4,006,263	\$ 40,063	-	\$ -	\$ 130,503,387	\$ -	\$ 53,214,304	\$ 9,167,845	\$ (6,937,950)	\$ 4,165,063	(62,188)	\$ (355,844)	\$ 189,796,868
Issuance of common shares for board service	12,000	120	-	-	31,695	-	-	-	-	-	-	-	31,815
Capital contribution from non-controlling interest	-	-	-	-	-	-	-	-	-	(35,290)	-	-	(35,290)
Net income	-	-	-	-	-	-	17,577,738	-	-	125,942	-	-	17,703,680
Statutory reserves	-	-	-	-	-	-	(2,396,405)	2,396,405	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	(3,210)	94,252	94,252
Cancellation of shares due to share split	(667)	(7)	-	-	-	-	-	-	-	-	-	-	(7)
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	(4,536,732)	(65)	-	-	(4,536,797)
Balance as of December 31, 2023	4,017,596	\$ 40,176	-	\$ -	\$ 130,535,082	\$ -	\$ 68,395,637	\$ 11,564,250	\$ (11,474,682)	\$ 4,255,650	(65,398)	(261,592)	203,054,521
Issuance of common shares for board service	4,500	45	-	-	43,155	-	-	-	-	-	-	-	43,200
Shares issued for services	3,000	30	-	-	26,970	-	-	-	-	-	-	-	27,000
Net income	-	-	-	-	-	-	5,787,416	-	-	112,375	-	-	5,899,791
Statutory reserves	-	-	-	-	-	-	(1,665,063)	1,665,063	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	(121,340)	(991,420)	(991,420)
Shares issued for shares-based compensation	700,000	7,000	-	-	9,107,000	-	-	-	-	-	-	-	(9,114,000)
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	(6,016,387)	(1,595)	-	-	(6,017,982)
Balance as of December 31, 2024	4,725,096	47,251	-	-	139,712,207	-	72,517,990	13,229,313	(17,491,069)	4,366,430	(186,738)	(1,253,012)	211,129,110
Net income	-	-	-	-	-	-	(220,909,089)	-	-	3,306	-	-	(220,905,783)
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	(216,505)	(216,505)
Shares issued for shares-based compensation	260,000	2,600	-	-	1,555,600	-	-	-	-	-	-	-	1,558,200
Disposal of subsidiaries	-	-	-	-	-	-	13,229,313	(13,229,313)	9,621,695	(4,369,736)	-	-	5,251,959
Foreign currency adjustment	-	-	-	-	-	-	-	-	7,869,374	-	-	-	7,869,374
Balance as of December 31, 2025	4,985,096	49,851	-	-	141,267,807	-	(135,161,786)	-	-	-	(186,738)	(1,469,517)	4,686,355

* The financial statements give retroactive effect to the May 18, 2023 one-for-ten reverse share split.

The accompanying notes are an integral part of these consolidated financial statements.

AIOS TECH INC.
(Formerly known as Nisun International Enterprise Development Group Co., Ltd)
AND SUBSIDIARIES

CONDENSED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023
(EXPRESSED IN US DOLLARS)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss) income	\$ (220,905,783)	\$ 5,899,791	\$ 17,703,680
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,619,844	1,719,709	2,238,222
Shares issued for compensation	1,558,200	9,184,200	31,808
Bad debt expense	-	5,037,951	2,215,016
Impairment of goodwill	-	128,577	5,488,816
Loss on disposition of property and equipment	-	217,351	-
Income from investments	(933)	(36,604)	(365,359)
Deferred tax benefit	-	(118,220)	(710,672)
Derivative asset	-	(182,232)	-
Adjustments to treasury shares	(216,505)	64,080	-
Loss from disposal of properties	225,328,551		
Changes in operating assets and liabilities:			
Accounts receivable	19,235,641	(34,574,649)	(3,086,600)
Advance to suppliers, net	(81,548,904)	(56,157,685)	7,282,068
Prepaid expenses and other current assets	3,788,259	(8,653,076)	(5,511,142)
Receivables from supply chain solutions	(609,401)	33,997,219	(18,651,357)
Inventories	(6,907,189)	29,767,783	(246,818)
Accounts payable	26,896,549	(11,218,937)	5,722,300
Advance from customers	9,461,517	(35,241,476)	16,986,750
Taxes payable	(2,282,405)	(395,174)	1,478,316
Other payables	1,709,039	(5,604,548)	3,232,387
Payable to supply chain solutions	(2,224,708)	(9,165,567)	4,096,141
Operating lease liabilities	(1,793,220)	(730,895)	(834,381)
Accrued expenses and other current liabilities	13,710	374,477	(1,569,395)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(26,877,738)</u>	<u>(75,687,925)</u>	<u>35,499,780</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property and equipment	-	(26,677)	(503,957)
Purchase of intangible assets	(2,065)	(4,326)	(44,029)
Cash acquired from acquisition of a subsidiary	10,447	-	-
Proceeds from sale of short-term investments	4,211,946	44,830,237	103,458,984
Proceeds from sale of Derivative asset	2,026,319	487,609	-
Proceeds from sale of Long-term investment	-	-	7,061,233
Proceeds from investment in debt securities	-	-	14,366,013
Proceeds from disposal of property and equipment	71,139	159,086	-
Purchase of short-term investments	(4,802,759)	(39,050,962)	(104,365,028)
Purchase of Derivative asset	-	(1,735,531)	-
Purchase of equity investees	-	(125,074)	-
Cash disposed to disposal of subsidiaries	(15,986,591)	(38,912,976)	(106,975,590)
Sale of a business, net of cash and cash equivalents sold	-	434,174	71,514
Repayments from loans to third parties	-	2,516,772	-
Loans to third parties	-	(1,474,264)	(229,161)
NET CASH USED IN INVESTING ACTIVITIES	<u>(14,471,564)</u>	<u>(32,901,932)</u>	<u>(87,160,021)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from short-term bank loans	695,284	5,350,399	1,553,471
Proceeds from third-party loans	-	-	1,977,145
Repayment of short-term bank loans	-	(2,116,345)	(29,961)
Repayment of third-party loans	-	(2,918,399)	(2,277,954)
Repayment of loan from related parties	-	-	(8,028,965)
Purchase of treasury shares	-	(1,055,500)	94,252
Capital contribution from non-controlling interest	-	-	(35,290)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>695,284</u>	<u>(739,845)</u>	<u>(6,747,302)</u>
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	<u>(2,957,067)</u>	<u>786,545</u>	<u>(1,234,680)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(43,611,085)</u>	<u>(108,543,157)</u>	<u>(59,642,223)</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH FROM CONTINUING OPERATIONS-BEGINNING	<u>6,108,783</u>	<u>7,676,350</u>	<u>23,091,162</u>
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH FROM CONTINUING OPERATIONS-ENDING	<u>\$ 1,410,674</u>	<u>\$ 6,108,783</u>	<u>\$ 7,676,350</u>

SUPPLEMENTAL CASH FLOW DISCLOSURES:

Cash paid for income taxes	\$ 1,605,024	\$ 5,673,350	\$ 4,530,963
Cash paid for interest	\$ 75,019	\$ 170,745	\$ 29,961

SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:

Repayment payable for business disposition		-	279,037
Consideration payable for acquisition of a subsidiary	50,000		
Receivable from disposal of subsidiary	\$ 50,000	\$ -	\$ -
Lease liabilities arising from obtaining right-of-use assets	-	402,209	295,220
Issuance of shares for share-based compensation	\$ 260,000	\$ 700,000	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

AIOS TECH INC.
(Formerly known as Nisun International Enterprise Development Group Co., Ltd)
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — ORGANIZATION AND BUSINESS DESCRIPTION

Organization and description of business

AIOS TECH INC. (“AIOS” or “the Company”), formerly known as Nisun International Enterprise Development Group Co., Ltd, is an investment holding company established under the laws of the British Virgin Islands (“BVI”) on May 29, 2012. On February 12, 2026, the Company officially changed its Nasdaq trading symbol to “AIOS” and its name from “Nisun International Enterprise Development Group Co., Ltd” to “AIOS Tech Inc.,” repositioning itself as a leading provider of artificial intelligence and technology-driven professional services. Following the divestiture of its legacy businesses and the termination of the VIE structure in December 2025, the Company currently conducts its information technology services through its Hong Kong-based subsidiary, YD Network Technology Company Limited, and directly engages in SME financing solutions in overseas markets (outside mainland China) through the parent company.

On November 16, 2020, the Company officially changed its Nasdaq trading symbol to “NISN” and its name from “Hebron Technology Co., Ltd” to “Nisun International Enterprise Development Group Co., Ltd”, which the management believed more closely reflected the Company’s financial services and supply chain solutions business. Prior to the divestiture of its PRC operations in December 2025, the Company previously conducted its business mainly through its subsidiaries, variable interest entities (“VIEs”) and subsidiaries of the VIEs (collectively referred to as the “Group”) in the People’s Republic of China (“PRC”).

The Company began to conduct its financial services business in 2019 through the Company’s subsidiaries and VIEs, Fintech (Shanghai) Digital Technology Co., Ltd. (“Fintech”), Beijing Hengtai Puhui Information services Co., Ltd. (“Hengpu”), Shanghai Luyao Financial Consulting Co., Ltd (“Nami Shanghai”) and their subsidiaries. The Company provided a set of technology-driven customized financing solutions to small-and mid-size enterprises (“SME’s”) through Hengpu, Fintech, Nami and their subsidiaries. Hengpu and Fintech provided comprehensive financing solutions for SMEs, while Nami facilitated the matching of investors and SMEs. The Company commenced a technology-driven integrated supply chain solution through Fintech and its subsidiaries in January 2020 by involving the sales transactions. The Company launched supply chain trading business in July 2021 after generating high-quality customer and resources through its supply chain solution business.

On November 30, 2020, the Company completed the previously announced disposition of its valve manufacturing and installation business. The Company sold all equity interests in its subsidiary, Hong Kong Xibolun Technology Co., Ltd. (“Hebron HK”), pursuant to the terms of an agreement (the “Equity Transfer Agreement”), dated November 30, 2020, to Wise Metro Development Co., Ltd. for approximately \$13.9 million (RMB98.3 million). Through the Hebron HK Equity Transfer, the Company sold all the equity interests it held in Zhejiang Xibolun Automation Project Technology Co., Ltd, Wenzhou Xibolun Fluid Equipment Co., Ltd., and Xuzhou Weijia Biotechnology Co., Ltd. The manufacturing and installation business have been presented as discontinued operations (“Discontinued Operations”) retroactively for the periods presented in the consolidated financial statements for fiscal years ended December 31, 2020, 2019 and 2018.

On December 23, 2025, the Company completed the disposal of NiSun International Enterprise Management Group (British Virgin Islands) Co., Ltd. Pursuant to the agreement (the “Equity Transfer Agreement”) dated December 23, 2025, the Company sold all of the equity interests in NiSun International Enterprise Management Group (British Virgin Islands) Co., Ltd. (“NiSun BVI”), and its wholly-owned subsidiary, to EVERSTONE GLOBAL HOLDINGS LIMITED for a cash consideration of approximately US\$50,000, which remains uncollected as of December 31, 2025. As a result of this transaction, the Company has discontinued its legacy SME financing services business in mainland China and supply chain businesses. NiSun BVI and its subsidiaries have been retrospectively reclassified as discontinued operations in all periods presented in the consolidated financial statements.

As of December 31, 2025, the Company’s subsidiaries are as follows:

	Date of incorporation/ acquisition	Place of incorporation	Percentage of direct or indirect economic interest
Subsidiaries			
YD Network Technology Company Limited	December 01, 2025	Hong Kong	100%
Nami Holding (Cayman) Co., Ltd (“Nami Cayman”)	April 09, 2019	Cayman Islands	100%
Nami Holding (Hong Kong) Co., Limited (“Nami HK”)	May 02, 2019	Hong Kong	100%

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the subsidiaries, VIEs and the subsidiaries of the VIEs before disposal, in which it had a controlling financial interest.

A subsidiary is an entity in which the Company, directly or indirectly, controls more than one half of the voting power or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors under a statute or agreement among the shareholders or equity holders.

A consolidated VIE is an entity in which the Company, or its subsidiaries, through contractual arrangements, has the power to direct the activities that most significantly impact the entity’s economic performance, bears the risks of and enjoys the rewards normally associated with ownership of the entity, and therefore the Company or its subsidiaries are the primary beneficiary of the entity.

All transactions and balances among the Company, its subsidiaries, the VIEs and their subsidiaries of the VIEs have been eliminated upon consolidation.

Uses of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during each reporting period. Actual results could differ from those estimates. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Business combinations

The Company accounts for business combinations using the purchase method of accounting in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 805, Business Combinations. The purchase method of accounting requires the consideration transferred to be allocated to the assets, including separately identifiable assets and liabilities the Company acquired, based on their estimated fair values. The consideration transferred in an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets purchased, liabilities assumed, and equity instruments issued as well any contingent consideration and all contractual contingencies as of the acquisition date. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the total acquisition cost, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree, is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in earnings as a bargain purchase gain.

The determination and allocation of fair values to the identifiable assets acquired, liabilities assumed, and non-controlling interests is based on various assumptions and valuation methodologies requiring considerable judgment from management. The most significant variables in these valuations are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. The Company determines discount rates to be used based on the risk inherent in the related activity’s current business model and industry comparisons. Terminal values are based on the expected life of assets, the forecasted life cycle and forecasted cash flows over that period. The fair value of the identifiable assets acquired, and liabilities assumed at the acquisition date is based on a valuation performed by an independent valuation firm engaged by the Company.

Discontinued operations

A component of a reporting entity or a group of components of a reporting entity that are disposed or meet the criteria to be classified as held for sale, such as the management, having the authority to approve the action, commits to a plan to sell the disposal group, should be reported as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity’s operations and financial results. Discontinued operations are reported when a component of an entity comprising operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity is classified as held for disposal or has been disposed of, if the component either (1) represents a strategic shift or (2) have a major impact on an entity’s financial results and operations. Included in the consolidated statements of operations and comprehensive income (loss), the results from discontinued operations are reported separately from the income and expense from continuing operations and prior periods are presented on a comparative basis. In order to present the financial effects of the continuing operations and discontinued operations, revenues and expenses arising from intra-group transactions are eliminated except for those revenues and expenses that are considered to continue after the disposal of the discontinued operations, if any.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Revenue recognition**

The Company follows FASB ASC Topic 606 Revenue from Contracts with Customers (“ASC 606”). Under ASC 606, revenue is recognized when control of promised goods or services is transferred to the Company’s customers in an amount of consideration to which an entity expects to be entitled to in exchange for those goods or services. All of the Company’s contracts with customers do not contain cancelable and refund-type provisions.

Under the guidance of ASC 606, the Company is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract and (e) recognize revenue when (or as) the Company satisfies its performance obligations. In determining the transaction price, the Company includes variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur. Revenues are recorded, net of sales related taxes and surcharges.

The Company’s revenue for the years ended December 31, 2025, 2024 and 2023 was \$3,000,000, nil, and nil in BVI, and \$2,067,754, nil, and nil in Hong Kong. The following table illustrates the disaggregation of revenue in 2025, 2024, and 2023 under ASC 606:

	For the year ended December 31,		
	2025	2024[#]	2023[#]
Revenue generated from services:			
Small and Medium Enterprise financing solutions	\$ 3,000,000	\$ 84,320,613	\$ 101,823,899
Supply Chain financing solutions	-	5,712,543	6,153,645
Information Technology Services	2,067,754	-	-
Total revenue generated from services	5,067,754	90,033,156	107,977,544
Revenue generated from sales:			
Supply chain trading business	-	250,186,390	278,693,355
Total	\$ 5,067,754	\$ 340,219,546	\$ 386,670,899

The revenue numbers for the year ended December 31, 2024 and 2023 are included under Net profit from discontinued operations in the Consolidated Statement of Operations and Comprehensive (Loss) Income.

Financial Services

SMEs financing solutions: the Company earns one-time advisory fees from its services provided to small-and mid-size enterprises the Company enters into one-time advisory fee agreements with underwriters, financial institutions and issuers, which specifies the key terms and conditions of the arrangement. Such agreements generally do not include rights of return, credits or discounts, rebates, price protection or other similar privileges. Revenue is calculated at a fixed charge rate with the amount of the offering (prorated by the period length). The Company believes such arrangement represents a performance obligation that is satisfied at a point in time, therefore, the underwriting related advisory fees are recognized as revenue upon the closing of the offerings.

Information Technology Services: For the year ended December 31, 2025, the Company charges customers a one-time fee upon delivery and customer acceptance of its sales services of digital transformation information system software suites provided to customers. The Company enters into one-time fee agreements with customers, which specifies the key terms and conditions of the arrangement. Such agreements generally do not include rights of return, credits or discounts, rebates, price protection or other similar privileges.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Cash and cash equivalents***

Cash and cash equivalents consist of cash on hand, money market fund investments, time deposits, as well as highly liquid investments, which have original maturities of three months or less.

Short-term investments

The Company's short-term investments include the money market funds.

The money market funds, primarily invest in short-term U.S. Treasury securities, high-grade bank certificates of deposit, commercial paper, and other liquid money market instruments. The investments are measured at fair value (Level 1) in the consolidated balance sheets.

Fair value of financial instruments

The Company follows the provisions of FASB ASC Section 820, "Fair Value Measurements and Disclosures" ("ASC 820"). ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1 — Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2 — Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs derived from or corroborated by observable market data.

Level 3 — Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions market participants would use in pricing the asset or liability based on the best available information.

The carrying amounts reported in the balance sheet for cash, accounts receivable, short-term investments and other receivables, approximate their fair value based on the short-term maturity of these instruments.

Fair value measurements on a recurring basis

As of December 31, 2025, the financial instruments measured at fair value on a recurring basis are as follows:

Description	Fair value as of December 31, 2025	Fair value measurement at reporting date		
		(Level 1)	(Level 2)	(Level 3)
Short-term investments:				
Money market funds	\$ 2,930	\$ 2,930	\$ -	\$ -
Total	\$ 2,930	\$ 2,930	\$ -	\$ -

As of December 31, 2024, the financial instruments measured at fair value on a recurring basis are as follows:

Description	Fair value as of December 31, 2024	Fair value measurement at reporting date		
		(Level 1)	(Level 2)	(Level 3)
Short-term investments:				
Money market funds	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

In January 2022, the Company adopted ASU 2016-13, “Financial Instruments — Credit Losses (Topic 326): Measurement on Credit Losses on Financial Instruments”, including certain subsequent amendments, transitional guidance and other interpretive guidance within ASU 2018-19, ASU 2019-04, ASU 2019-05, ASU 2019-11, ASU 2020-02 and ASU 2020-03 (collectively, including ASU 2016-13, “ASC 326”). ASC 326 introduces an approach based on expected losses to estimate the allowance for doubtful accounts, which replaces the previous incurred loss impairment model. The Company’s estimation of allowance for doubtful accounts considers factors such as historical credit loss experience, age of receivable balances, current market conditions, reasonable and supportable forecasts of future economic conditions, as well as an assessment of receivables due from specific identifiable counterparties to determine whether these receivables are considered at risk or uncollectible. The Company assesses collectability by pooling receivables that have similar risk characteristics and evaluates receivables individually when specific receivables no longer share those risk characteristics. For receivables evaluated individually, when it is determined that foreclosure is probable or when the debtor is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of collateral, expected credit losses are based on the fair value of the collateral at the reporting date. The adoption of ASC 326 did not have a material impact on the Company’s financial position, results of operations and cash flows. No credit impairment losses were recognized as of December 31, 2025, 2024 and 2023. The Company regularly reviews the creditworthiness of its customers to determine whether a credit impairment has occurred on their carrying amounts. The Company writes off accounts and contract receivables against the allowance when a balance is determined to be uncollectible.

Stock-based compensation

The Company accounts for share-based compensation in accordance with ASC Topic 718, Compensation-Stock Compensation: Overall, (“ASC 718”).

In accordance with ASC 718, the Company determines whether an award should be classified and accounted for as a liability award or equity award. All grants of share-based awards to employees classified as equity awards are measured based on their grant date fair values and recognized as compensation expense over the requisite service period and/or performance period in the consolidated statements of operations.

The Company recognizes share-based compensation based on the fair value of equity awards on the date of the grant, with compensation expense recognized using a straight-line vesting method over the requisite service periods of the awards, which is generally the vesting period. The expected life assumption is primarily based on historical exercise patterns and employee post-vesting termination rates. The risk-free interest rate for the expected term of an option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected dividend yield is based on the Company’s current and expected dividend policy.

Intangible assets, net

Intangible assets acquired are recorded at cost less accumulated amortization. Amortization is provided in amounts sufficient to recognize the cost of the related assets over their useful lives using the straight-line method, as follows:

	Useful life
Customer base	5 years

The estimated useful lives of amortizable intangible assets are reassessed if circumstances occur that indicate the original estimated useful lives have changed.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Income taxes***

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss and tax credit carryforwards, if any. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates or tax laws is recognized in the consolidated statements of comprehensive income in the period the change in tax rates or tax laws is enacted.

The Company reduces the carrying amounts of deferred tax assets by a valuation allowance, if based on the available evidence, it is “more-likely-than-not” that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a “more-likely-than-not” realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, and the Company’s experience with operating loss and tax credit carryforwards, if any, not expiring.

The Company recognizes in its financial statements the impact of a tax position if that position is “more-likely-than-not” to prevail based on the facts and technical merits of the position. Tax positions that meet the “more-likely-than-not” recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. Interest and penalties recognized related to unrecognized tax benefits are classified as income tax expense in the consolidated statements of comprehensive income.

Foreign currency translation

Since the Company’s former subsidiaries operates primarily in the PRC, the Company’s former subsidiaries’ functional currency is the Chinese Yuan (“RMB”). The functional currency of the Company and its subsidiaries incorporated outside the People’s Republic of China, including those in Hong Kong, is the United States dollar (“US\$”). The Company’s financial statements have been translated into the reporting currency of the United States Dollar. Assets and liabilities of the Company are translated at the exchange rate at each reporting period end date. Equity is translated at the historical exchange rates when the transaction occurred. Income and expense accounts are translated at the average rate of exchange during the reporting period. The resulting translation adjustments are reported in other comprehensive income (loss). Gains and losses resulting from other foreign currency transactions are reflected in the results of operations.

The RMB is not freely convertible into foreign currency and all foreign exchange transactions must take place through authorized institutions. No representation is made that the RMB amounts could have been, or could be, converted into USDs at the rates used in translation. The following table outlines the currency exchange rates that were used in creating the consolidated financial statements in this report:

	December 31, 2025	December 23, 2025	December 31, 2024	December 31, 2023
Balance sheet items, except for equity accounts	US\$1=RMB 6.9931	US\$1=RMB 7.0280	US\$1=RMB 7.2993	US\$1=RMB 7.0999
Items in the statements of operations and cash flows	US\$1=RMB 7.1875	US\$1=RMB 7.1913	US\$1=RMB 7.1957	US\$1=RMB 7.0809
Balance sheet items, except for equity accounts	US\$1=HKD 6.9931	US\$1=HKD 7.0280	US\$1=HKD 7.7677	US\$1=HKD 7.8109
Items in the statements of operations and cash flows	US\$1=HKD 7.1875	US\$1=HKD 7.1913	US\$1=HKD 7.8030	US\$1=HKD 7.8292

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statutory reserves

In accordance with the Company Laws of the PRC, the former subsidiaries registered as PRC domestic companies must make appropriations from its after-tax profit as determined under the PRC GAAP to non-distributable reserve funds including a statutory surplus fund and a discretionary surplus fund. The appropriation to the statutory surplus fund must be at least 10% of the after-tax profits as determined in accordance with the legal requirements in the PRC. Appropriation is not required if the surplus fund has reached 50% of the registered capital of the respective company.

The use of the statutory reserves are restricted to the off-setting of losses or increasing capital of the respective company. All these reserves are not allowed to be transferred to their investors in terms of cash dividends, loans or advances, nor can they be distributed except under liquidation. No appropriations to the enterprise expansion fund or staff welfare and bonus fund have been made by the Company.

Comprehensive income (loss)

Comprehensive income (loss) consists of two components, net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that under U.S. GAAP are recorded as an element of shareholders' equity but are excluded from net income (loss). Other comprehensive income (loss) consists of foreign currency translation adjustments resulting from the Company not using the U.S. dollar as its functional currency.

The Reverse Share Split

On May 2, 2023, the Board of Directors of the Company approved a reverse share split of the Company's authorized shares (the "Reverse Share Split") at the ratio of one-for-ten. The Reverse Share Split was effective on May 18, 2023 to enable the Company to meet the NASDAQ continued listing standards relating to the minimum bid price (with which the Company was previously advised it was non-compliant). As a result, the Company's issued and outstanding shares was decreased.

Except where otherwise specified, all number of shares, share prices and per share data in the consolidated financial statements and the notes to the consolidated financial statements have been retroactively restated as if the Reverse Share Split occurred at the beginning of the periods presented.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

The full-time employees of the Company's former PRC subsidiaries were entitled to staff welfare benefits including medical care, housing fund, pension benefits and unemployment insurance, which are governmental mandated defined contribution plans. These entities were required to accrue for these benefits based on certain percentages of the employees' respective salaries, subject to certain ceilings, in accordance with the relevant PRC regulations, and make cash contributions to the state-sponsored plans out of the amounts accrued.

Credit risk and concentrations

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, accounts receivable and other receivables. The Company places cash with financial institutions with high credit ratings and quality. Please refer to Note 9 for the disclosure related to concentration of major customers.

Earnings (loss) per share

The Company computes earnings (loss) per share ("EPS") in accordance with FASB ASC 260, "Earnings per Share" ("ASC 260"). Basic EPS is measured as net income (loss) divided by the weighted average common shares outstanding (including pre-funded warrants) for the period. For the calculation of diluted net income per share, the weighted average number of ordinary shares is adjusted by the effect of dilutive potential ordinary shares, including unvested RSUs and ordinary shares issuable upon the exercise of outstanding share options using the treasury stock method. The effect mentioned above is not included in the calculation of the diluted income/(loss) per share when inclusion of such effect would be anti-dilutive. For the years ended December 31, 2025, 2024, and 2023, there were no dilutive outstanding instruments.

Treasury shares

The Company accounts for treasury shares using the cost method. Under this method, the cost incurred to purchase the shares is recorded in the treasury shares account in shareholders' equity. At retirement of the treasury shares, the ordinary shares account is charged only for the aggregate par value of the shares. The excess of the acquisition cost of treasury shares over the par value reduces additional paid-in capital.

Note 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent accounting pronouncements

The Company considers the applicability and impact of all accounting standards updates (“ASUs”). Management periodically reviews new accounting standards that are issued.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. ASU 2023-07 is designed to improve the reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses that are regularly provided to the CODM. The new standard is effective for the Company for its fiscal year beginning January 1, 2025, with early adoption permitted. The Company does not expect that the adoption of this guidance will have a material impact on its financial position, results of operations and cash flows.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 expands existing income tax disclosures for rate reconciliations by requiring disclosure of certain specific categories and additional reconciling items that meet quantitative thresholds and expands disclosures for income taxes paid by requiring disaggregation by certain jurisdictions. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of adopting the standard and does not expect that the adoption of this guidance will have a material impact on its financial position, results of operations and cash flows.

In January 2025, the FASB issued ASU 2025-01 Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40). The Board issued Update 2024-03 on November 4, 2024. Update 2024-03 states that the amendments are effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Following the issuance of Update 2024-03, the Board was asked to clarify the initial effective date for entities that do not have an annual reporting period that ends on December 31 (referred to as non-calendar year-end entities). Because of how the effective date guidance was written, a non-calendar year-end entity may have concluded that it would be required to initially adopt the disclosure requirements in Update 2024-03 in an interim reporting period, rather than in an annual reporting period. The Board’s intent in the basis for conclusions of Update 2024-03 is clear that all public business entities should initially adopt the disclosure requirements in the first annual reporting period beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. However, the Board acknowledges that there was ambiguity between the intent in the basis for conclusions in Update 2024-03 and the transition guidance that was included in the Codification when Update 2024-03 was issued. We do not expect the adoption of this accounting standard to have an impact on our consolidated financial statements.

Note 3 — ACQUISITIONS AND DISPOSALS

Acquisition of YD Network

On December 1, 2025, the Company acquired 100% equity interest in YD Network Technology Company Limited (“YD Network”) from a third-party entity, for a cash consideration of US\$50,000.

As of the acquisition date of December 1, 2025, the following is a summary of the fair value of the purchase price and the final allocation of the purchase price to the assets acquired and liabilities assumed:

	Fair value on acquisition
	USD
Assets	
Cash and cash equivalents and restricted cash	10,447
Short term investments	5,843
Intangible assets	55,000
Total assets	71,290
Liabilities	
Accrued expenses and other current liabilities	17,130
Total liabilities	17,130
Total identifiable net assets at fair value	54,160
Consideration transferred:	
-Cash	50,000

Effect of the acquisition of subsidiary on cash flows:

	USD
Total cash consideration unpaid as of December 31, 2025	-
Cash and cash equivalents in subsidiary acquired	10,447
Net cash inflow on acquisition	10,447

Disposal of Nisun BVI and its subsidiaries

A disposal is categorized as a discontinued operation if the disposal group is a component of an entity or group of components that meets the held for sale criteria, is disposed of by sale or other than by sale and represents a strategic shift that has or will have a major effect on an entity’s operations and financial results. The results of disposals that qualify as a discontinued operation are presented as such for all reporting periods presented. Results of discontinued operations include all revenues and expenses directly derived from such disposal group; general corporate overhead is not allocated to a discontinued operation. For disposals other than by sale, results of operations of a business would not be recorded as a discontinued operation until the period in which the business is actually disposed of other than by sale.

On December 23, 2025, the Company disposed of 100% equity interest in NiSun International Enterprise Management Group (British Virgin Islands) Co., Ltd. (“NISUN BVI”) to an independent third party for a total consideration of US\$50,000. The Company recognized a disposal loss of \$225,328,551 in connection with this disposal. The disposal loss represents the excess of the net carrying amount of the subsidiary over the sales consideration, as well as the balance of amounts due from the disposed subsidiary that was determined to be uncollectible as of the disposal date and written off as part of the disposal loss. Accordingly, the Company deconsolidated the Disposed Group with effect from December 23, 2025.

The Company’s sales of the Disposal Group represented a strategic business shift having a major effect on the Group’s operations and financial results. The results of operations for the Disposal Group are presented as discontinued operations on the consolidated statements of operations and comprehensive loss, and assets and liabilities are reflected as “Assets and Liabilities of Discontinued Operations” on the consolidated balance sheets for all periods presented. Amounts for all periods discussed below reflect the results of operations, financial condition and cash flows from the Company’s continuing operations, unless otherwise note.

Note 3 — ACQUISITIONS AND DISPOSALS (CONTINUED)

As of the disposal date of December 23, 2025, the Nisun BVI's subsidiaries and consolidated VIEs are as follows:

	Date of incorporation/ acquisition	Place of incorporation	Percentage of direct or indirect economic interest
Subsidiaries			
NiSun International Enterprise Management Group (Hong Kong) Co., Limited (“NiSun HK”)	July 12, 2019	Hong Kong	100%
Nisun (Shandong) Industrial Development Co., Ltd (“Nisun Shandong” or “WFOE”)	December 15, 2020	PRC	100%
NingChen (Shanghai) Enterprise Management Co., Ltd. (“NingChen”)	July 12, 2019	PRC	100%
Shandong Taiding International Investment Co., Ltd. (“Taiding”)	November 12, 2019	PRC	80%
Shanghai Naqing Enterprise Management Co., Ltd (“Naqing” or “WFOE”)	April 10, 2019	PRC	100%
NiSun Ocean (Qingdao) Supply Chain Investment Co., Ltd. (“Nisun Ocean”)	July 30, 2021	PRC	100%
Zhumadian NiSun Supply Chain Management Co., Ltd. (“Nisun ZMD”)	December 29, 2021	PRC	100%
Nisun (Beijing) Supply Chain Management Co., Ltd. (“Nisun Beijing”)	November 07, 2022	PRC	100%
Qingdao Sailang International Trade Co., Ltd. (“Sailang”)	July 31, 2022	PRC	100%
Rizhao Sailang Mining Co., Ltd. (“RZ Sailang”)	July 31, 2022	PRC	100%
Gansu Zhonghexi Trading Co., Ltd. (“Gansu Zhonghexi”)	July 31, 2022	PRC	65%
Shanghai Keqiya International Trade Co., Ltd. (“Keqiya”)	June 07, 2023	PRC	100%
Fanningke Digital Technology (Shanghai) Co., Ltd. (“Fanningke”)	July 20, 2023	PRC	100%
Fanshengke Supply Chain (Shanghai) Co., Ltd. (“Fanshengke”)	July 28, 2023	PRC	100%
Fintech (Henan) Trading Co., Ltd. (“Henan Trading”)	April 03, 2023	PRC	100%
Fanshengke Supply Chain (Fujian) Co., Ltd. (“Fanshengke Fujian”)	March 19, 2024	PRC	100%
Khorgos Fanning Network Technology Co., Ltd. (“Khorgos Fanning”)	July 12, 2024	PRC	100%
Shanghai Ningzhuang Trading Partnership Enterprise (“Ningzhuang”)	December 4, 2024	PRC	95%
Hebei Ruizhu Trading Co., Ltd. (“Hebei Ruizhu”)	December 11, 2024	PRC	99%
VIEs			
Fintech (Shanghai) Digital Technology Co., Ltd. (“Fintech Shanghai”)	July 12, 2019	PRC	100%
Beijing Hengtai Puhui Information Services Co., Ltd (“Hengpu”)	December 31, 2019	PRC	100%
Shanghai Luyao Financial Consulting Co., Ltd. (“Luyao Shanghai”)	June 04, 2015	PRC	100%

Note 3 — ACQUISITIONS AND DISPOSALS (CONTINUED)

	Date of incorporation/ acquisition	Place of incorporation	Percentage of direct or indirect economic interest
Subsidiaries of the VIEs			
Khorgos Fintech Network Technology Co., Ltd. (“Khorgos”)	July 12, 2019	PRC	100%
Jilin Province Lingang Supply Chain Management Co., Ltd (“Lingang”)	November 27, 2019	PRC	100%
Fintech Supply Chain Management (Shenzhen) Co., Ltd. (“Fintech Shenzhen”)	November 21, 2022	PRC	100%
Liaogang NiSun (Yingkou) Supply Chain Management Co., Ltd. (“Liaogang Yingkou”)	September 03, 2018	PRC	51%
Hangzhou Fengtai Supply Chain Management Co., Ltd. (“Fengtai”)	December 31, 2019	PRC	100%
Nanjing Nisun Gold Co., Ltd. (“Nisun Gold”)	December 10, 2020	PRC	100%
Fintech (Shandong) Supply Chain Management Co., Ltd. (“Fintech Shandong”)	November 04, 2020	PRC	100%
Fanlunke Supply Chain Management (Shanghai) Co., Ltd. (“Fanlunke Shanghai”)	December 29, 2020	PRC	100%
Fintech Supply Chain Management (Ningbo) Co., Ltd. (“Fintech Ningbo”)	January 25, 2021	PRC	100%
Henan Fintech Digital Technology Co., Ltd. (“Henan Fintech”)	June 27, 2024	PRC	100%
Fanlun Ke Trading (Nanjing) Co., Ltd. (“Fanlunke Nanjing”)	December 12, 2024	PRC	100%
Fanlunke Trading (Chengdu) Co., Ltd. (“Fanlunke Chengdu”)	January 17, 2025	PRC	100%
Fanlunke New Retail (Chengdu) Co., Ltd. (“Fanlunke Retail”)	March 11, 2025	PRC	100%

On December 23, 2025, the Company calculated a loss resulting from such disposal as follows:

Note 3 — ACQUISITIONS AND DISPOSALS (CONTINUED)

	As of December 23, 2025
	USD
Assets	
Cash and cash equivalents and restricted cash	15,986,591
Short term investments	7,706,050
Accounts receivable	35,246,811
Advance to suppliers, net	179,209,454
Inventories	7,905,656
Receivables from supply chain solutions	26,628,729
Prepaid expenses and other current assets	20,432,683
Property and equipment, net	298,677
Intangible assets, net	190,475
Equity investments	458,201
Goodwill	17,709,008
Deferred tax assets, net	419,940
Total assets	312,192,275
Liabilities	
Short-term loans	6,189,528
Accounts payable	63,489,162
Accrued expenses and other current liabilities	22,726,831
Payables to supply chain solutions	2,116,672
Liabilities of financial guarantee	22,563
Advances from customers	17,500,339
Taxes payable	1,376,565
Due to related parties - current	297,075
Total liabilities	113,718,735
Total net assets of the Disposal Group	198,473,540
Less: Non-controlling interest of the Disposal Group	4,369,736
Net assets of the Disposal Group attributable to the Company's shareholders	194,103,804
Add: Writes-off of net amounts due from disposed subsidiaries	21,653,052
Less: disposal proceeds	(50,000)
Loss on disposal before reclassification of cumulative foreign currency translation differences of the Disposal Group to profit or loss	(215,706,856)
Reclassification of cumulative foreign currency translation losses of the Disposal Group to profit or loss	(9,621,695)
Loss on disposal recognized in the Consolidated Statements of Operations and Comprehensive (Loss) Income	(225,328,551)

Effect of the disposal of subsidiaries on cash flows:

	USD
Total disposal proceeds which remains uncollected as of December 31, 2025	-
Less: Cash and cash equivalents in subsidiaries disposed	(15,986,591)
Net cash outflow on disposal	(15,986,591)

Note 3 — ACQUISITIONS AND DISPOSALS (CONTINUED)

The assets and liabilities for discontinued operations of the Disposal Group comprised the following items as of December 31, 2024:

	As of December 31, 2024
	USD
Current assets for discontinued operations	
Cash and cash equivalents and restricted cash	38,912,976
Short term investments	6,882,714
Derivative asset	1,996,340
Advance to suppliers, net	92,304,699
Accounts receivable, net	54,444,438
Inventories	806,821
Receivables from supply chain solutions	23,978,130
Due from related party	1,665
Prepaid expenses and other current assets	25,892,681
Total current assets	<u>245,220,464</u>
Non-current assets for discontinued operations	
Property and equipment, net	358,038
Intangible assets, net	205,032
Goodwill	17,050,800
Deferred tax assets, net	412,162
Equity investments	457,416
Right-of-use assets, net	1,608,591
Total non-current assets	<u>20,092,039</u>
Total assets	<u>265,312,503</u>
Current liabilities for discontinued operations	
Accounts payable	34,630,781
Short-term bank loans	5,274,478
Accrued expenses and other current liabilities	2,550,686
Operating lease liabilities - current	948,561
Payables to supply chain solutions	4,229,793
Liabilities of financial guarantee	21,725
Advances from customers	7,528,352
Taxes payable	3,642,427
Due to related parties - current	267,149
Total current liabilities	<u>59,093,952</u>
Non-current liabilities for discontinued operations	
Operating lease liabilities – non-current	818,128
Total non-current liabilities	<u>818,128</u>
Total liabilities	<u>59,912,080</u>
Total net assets of the Disposal Group	<u>205,400,423</u>

Note 3 — ACQUISITIONS AND DISPOSALS (CONTINUED)

The condensed cash flows of Disposal Group were as follows for the fiscal year ended December 31, 2025, 2024 and 2023:

	Years ended		
	December 23,	Years ended December 31,	
	2025	2024	2023
	USD	USD	USD
Net cash used in (provide) by operating activities	(25,991,045)	(75,175,858)	35,977,584
Net cash provide by investing activities	1,504,580	6,011,044	19,815,569
Net cash provide by (used in) financing activities	695,284	315,655	8,187,411

Reconciliation of the major classes of losses from discontinued operations in the consolidated statements of operations and comprehensive loss for the fiscal year ended December 31, 2025, 2024 and 2023 is as follow:

	Years ended		
	December 23,	Years ended December 31, 2023	
	2025	2024	2023
	USD	USD	USD
Revenues	39,851,717	340,219,546	386,670,899
Cost of revenue	(32,126,867)	(309,307,525)	(346,684,969)
Gross profit	7,724,850	30,912,021	39,985,930
Operating costs:			
Selling expenses	(310,646)	(1,504,002)	(1,525,692)
General and administrative expenses	(3,200,625)	(9,294,385)	(10,386,589)
Research and development expenses	(503,815)	(1,414,437)	(1,093,457)
Bad debt expense	-	(5,037,951)	(2,215,016)
Goodwill Impairment Loss	-	(128,577)	(5,488,816)
Interest and investment income (expenses)	(41,270)	1,563,700	2,621,990
Other income (expenses), net	(21,164)	324,212	2,162,714
Net gain on sale of discontinued operations, net of applicable income tax	-	4,863,777	-
Profit before income taxes from discontinued operations	3,647,330	20,284,358	24,061,064
Income tax expenses	(850,532)	(4,527,081)	(5,817,147)
Net profit attributable to non-controlling interests	(3,306)	(112,375)	(125,942)
Net profit from discontinued operations	2,793,492	15,644,902	18,117,975

Note 4 — SHORT-TERM INVESTMENTS

The following table summarizes the Company's short-term investments measured at amortized cost as of December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Money market funds, cost	\$ 2,921	\$ -
Gain from changes in fair value	9	-
Total short-term investments	<u>\$ 2,930</u>	<u>\$ -</u>

As of December 31, 2025, the fair value of the Taikang Kaitai US Dollar Money Market Fund held by the Company was \$2,930, resulting in investment income from changes in fair value of \$9.

Note 5 — ACCOUNTS RECEIVABLE, NET

The accounts receivable consists of the following:

	December 31, 2025	December 31, 2024
Accounts receivable from services	\$ 1,580,000	\$ -
Total	1,580,000	-
Less: allowance for credit losses	-	-
Accounts receivable, net	<u>\$ 1,580,000</u>	<u>\$ -</u>

The accounts receivable has been fully collected subsequent to the end of the fiscal year.

Note 6 — OTHER RECEIVABLES

	December 31, 2025	December 31, 2024
Other receivables	\$ 2,050,000	\$ -
Total other receivables	<u>\$ 2,050,000</u>	<u>\$ -</u>

As of December 31, 2025, other receivables include \$2,050,000, of which \$2,000,000 represented funds loaned by the company to a third-party enterprise for its working capital needs, with a loan term of three years from the date of transfer; the company may demand repayment of such amount at any time upon written notice, and \$50,000 represents unpaid consideration from the disposal of a subsidiary. All other receivables are unsecured and non-interest-bearing.

Note 7 —INTANGIBLE ASSETS, NET

The following is a summary of intangible assets as of December 31, 2025 and 2024:

	December 31, 2025	December 31, 2024
Customer base arise from acquisition of a subsidiary (Note 3)	\$ 55,000	\$ -
Total intangible assets	55,000	-
Less: accumulated amortization	(917)	-
Intangible assets, net	<u>\$ 54,083</u>	<u>\$ -</u>

Amortization expense was \$917, nil and nil for the years ended December 31, 2025, 2024 and 2023, respectively.

Amortization expense for the next five years are as follows :

	Amortization expense
2026	\$ 11,000
2027	11,000
2028	11,000
2029	11,000
2030	10,083
TOTAL	<u>54,083</u>

Note 8 — INCOME TAXES

Taxes payable consisted of the following:

	December 31, 2025	December 31, 2024
Income tax payable	\$ 67,367	\$ -
Total taxes payable	<u>\$ 67,367</u>	<u>\$ -</u>

BVI

AIOS Tech Inc., formerly known as Nisun International, Hebron Technology, was incorporated in the BVI and is not subject to income taxes under the current laws of the BVI.

Cayman

Nami Cayman is incorporated in the Cayman Islands and is not subject to income taxes under the current laws of the Cayman Islands.

Hong Kong

Nami HK and YD Network are the companies registered in Hong Kong and subject to a corporate income tax rate of 8.25% on the first HK\$2 million of profits and the remaining profits will be taxed at 16.5% if revenue is generated in Hong Kong. HK\$3,934,608 profit before income tax was generated in Hong Kong for the years ended December 31, 2025.

Note 9 — CONCENTRATION OF MAJOR CUSTOMERS

Substantially all of the Company's revenue from services is derived from customers that are located primarily outside Mainland China, including Hong Kong. The Company has a concentration of its revenues with specific customers. For the year ended December 31, 2025, four customers accounted for 14%, 12%, 12%, and 11% of the Company's total revenue from the services business. As of December 31, 2025, three customers accounted for approximately 38%, 37% and 25% of the Company's total accounts receivable balance.

For the years ended December 31, 2024 and 2023, the Company's revenue was primarily derived from NISUN BVI and its subsidiaries, which were disposed of on December 23, 2025. Substantially all of the Company's revenue from its former subsidiaries was derived from financial services and the supply chain trading business, which were primarily generated from customers located in China. The Company's former subsidiaries has a concentration of its revenues with specific customers. For the year ended December 31, 2024, four customers accounted for 30%, 14%, 13%, and 13% of the Company's total revenue from the financial services business and two customer accounted for 23% and 13% of the Company's total revenue from its supply chain trading business. For the year ended December 31, 2023, four customers accounted for 28%, 19%, 15%, and 11% of the Company's total revenue from the financial services business and two customer accounted for 44% and 12% of the Company's total revenue from its supply chain trading business. As of December 31, 2024, three customers accounted for approximately 30%, 17% and 10% of the Company's total accounts receivable balance.

Note 10 — SHAREHOLDERS' EQUITY

On May 2, 2023, the Board of Directors of the Company approved a reverse split of the Company's common shares at the ratio of one-for-ten with the effective date of May 18, 2023. The Reverse Share Split reduced the shares authorized for issuance to 31,000,000 common shares divided into: (i) 30,000,000 Class A Common Shares, each with a par value of US\$0.01, and (ii) 1,000,000 Class B Common Shares, each with a par value of US\$0.01, of which 4,985,096 Class A common shares were issued and 4,798,358 outstanding as of December 31, 2025. No class B common shares are issued and outstanding as of December 31, 2025. The financial statements give retroactive effect to this one-for-ten Reverse Share Split.

Share incentive plan

In November 2022, the Compensation Committee and the Board of Directors approved and adopted the 2022 Equity Incentive Plan, or the 2022 Plan, which is substantially similar to the Company's 2019 Plan.

On September 1, 2023, the Board granted an aggregate of 7,500 Class A common shares to three non-employee directors. The fair value of these Class A common shares was \$19,800, determined using the closing price on September 1, 2023. On September 4, 2020, the Company entered into certain engagement letters with these three directors. Pursuant to the agreements, each of the Directors will have served the Company for a full year (the vesting period) and on September 4, 2022, the anniversary date of their appointment as a director, received such shares share. 7,500 shares of Class A common stock were retroactively issued in 2023 for shares due to three non-employee directors in 2022. The value of these shares was recognized in general and administrative expenses over the vesting period.

On September 5, 2023, the Board granted an aggregate of 4,500 Class A common shares to two non-employee directors. The fair value of these Class A common shares was \$12,015, determined using the closing price on September 5, 2023. On September 4, 2020, the Company entered into certain engagement letters with these two directors. Pursuant to the agreements, each of the Directors will have served the Company for a full year (the vesting period) and on September 4, 2023, the anniversary date of their appointment as a director, received such shares share. The value of these shares was recognized in general and administrative expenses over the vesting period.

On September 12, 2024, the Board of Directors authorized the Company to grant 700,000 shares of Class A common shares to the Company's CEO, Xin Liu, then Chairman of the Board of Directors, Jinbao Li, and four employees under the Company's 2022 Equity Incentive Share Plan. The fair value of these restricted Class A common shares was \$9,114,000, determined using the closing price of \$13.02 on September 12, 2024. The incentive shares granted to four of the employees vested immediately upon grant.

Note 10 — SHAREHOLDERS' EQUITY (CONTINUED)

On November 7, 2024, the Board granted an aggregate of 4,500 Class A common shares to two non-employee directors. The fair value of these Class A common shares was \$43,200, determined using the closing price on November 7, 2024. On September 4, 2020, the Company entered into certain engagement letters with these two directors. Pursuant to the agreements, each of the Directors will have served the Company for a full year (the vesting period) and on September 4, 2024, the anniversary date of their appointment as a director, received such shares. The value of these shares was recognized in general and administrative expenses over the vesting period. The incentive shares granted vested immediately upon grant.

On March 19, 2025 and April 7, 2025, the Board of Directors approved the grant of 100,000 and 160,000 shares of Common Stock A to two employees pursuant to the 2022 Share Incentive Plan, with an aggregate fair value of \$1,558,200 based on the grant-date closing prices of \$7.15 and \$5.27, respectively. The incentive shares granted vested immediately upon grant.

Public and registered direct offerings

On December 13, 2021, the Company completed an underwritten public offering of approximately \$77 million, before deducting underwriting discounts, commissions and other offering expenses. The offering consisted of ((i) 1,219,000 shares of Class A common shares and (the "December 2021 Common shares") (ii) pre-funded warrants to purchase 706,000 Class A Common Shares (the "Pre-Funded Warrants"). Each Pre-funded Warrant entitles the holder to purchase one Class A Common Share at an exercise price of \$0.01 per share until the Pre-funded Warrants are exercised in full, subject to adjustment as provided in the Prefunded Warrant. The Pre-Funded Warrants are exercisable at any time after the date of issuance upon payment of the exercise price.

Management determined that the Pre-Funded Warrants met the requirements for equity classification under ASC 815-40 because they are indexed to the Company's own stock. The warrants were recorded at their fair value on the date of issuance as a component of shareholders' equity. In addition, since these warrants are exercisable for a nominal amount, they have been shown as exercised when issued and as outstanding common stock in the accompanying financial statements and earnings per share calculations.

As of December 31, 2025, 2024 and 2023, 706,000, 705,453 and 705,153 of the 706,000 Pre-Funded Warrants have been exercised, respectively.

Note 11 — RELATED PARTY TRANSACTIONS

The table below sets forth major related parties of the Company and their relationships with the Company

Entity or individual name	Relationship with the Company
Zhao Yun	Independent Director and Chairman of the Remuneration Committee of the Company

(a) The Company entered into the following related party transactions:

For the year ended December 31, 2025 and 2024, the Company had no material related party transactions.

(b) The Company had the following significant related party balances:

As of December 31, 2025, the Company had a due to related party balance of \$12,083 owing to Zhao Yun.

Note 12 — COMMITMENTS AND CONTINGENCIES

COMMITMENTS

As of December 31, 2025, the Company had no non-cancelable operating leases.

CONTINGENCIES

The Company may be involved in various legal proceedings, claims and other disputes arising from the commercial operations, employees and other matters which, in general, are subject to uncertainties and in which the outcomes are not predictable. The Company determines whether an estimated loss for a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. The Company was not aware of any litigation, lawsuits or claims as of December 31, 2025.

Note 13 — SUBSEQUENT EVENTS

Establishment of New Subsidiaries

On January 13, 2026, the Company incorporated Everbright Solutions Limited, a wholly owned subsidiary, under the laws of the British Virgin Islands (“BVI”).

Treasury Stock for Employee Equity Incentives

On January 30, 2026, the Company issued 186,738 shares of Common Stock A from the treasury stock held to two employees as incentives. The related share-based compensation expense was recognized in selling, general and administrative expenses based on the closing price on the issue date.

Private Placement of Common Stock A and Warrants

On February 13, 2026, the Company entered into a securities purchase agreement (the “Securities Purchase Agreement”) with certain investors relating to a private placement offering (the “Private Placement”) of 60,000,000 Class A common shares with a par value of US\$0.01 per share at a subscription price of US\$0.4 per share, and warrants to purchase up to an aggregate of 120,000,000 Class A common shares.

On March 6, 2026, all closing conditions under the Securities Purchase Agreement were satisfied, and the Private Placement was consummated. The Company issued the Class A common shares and warrants to the investors in accordance with the agreement, and gross proceeds from the share issuance were approximately US\$24.0 million.

Increase of Authorized Share Capital

On February 25, 2026, the board of directors of the Company adopted the Amended and Restated Memorandum and Articles of Association to increase the maximum number of shares authorized for issuance to 10,000,000,000 common shares divided into (i) 9,600,000,000 Class A Common Shares of a par value of US\$0.01 each; and (ii) 400,000,000 Class B Common Shares of a par value of US\$0.01 each.

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements are issued, and determined that there have been no other events or transactions occurring during this reporting period that would require recognition or disclosure in the financial statements, other than those disclosed herein.

Note 14 — RESTRICTED NET ASSETS

There is no other restriction on use of proceeds generated by the Group to satisfy any obligations of the Company.

BVI COMPANY NUMBER: 1714571

**TERRITORY OF THE BRITISH VIRGIN ISLANDS THE
BVI BUSINESS COMPANIES ACT (AS REVISED)**

AMENDED AND RESTATED MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

AIOS TECH INC.

A COMPANY LIMITED BY SHARES

Incorporated on the 29th day of May, 2012

INCORPORATED IN THE BRITISH VIRGIN ISLANDS

(As adopted by the Directors' resolution dated February 25, 2026 and filed on March 3, 2026)

TERRITORY OF THE BRITISH VIRGIN ISLANDS THE
BVI BUSINESS COMPANIES ACT (AS REVISED)

AMENDED AND RESTATED
MEMORANDUM OF ASSOCIATION

OF

AIOS TECH INC.

A COMPANY LIMITED BY SHARES

1. DEFINITIONS AND INTERPRETATION

1.1. In this Memorandum of Association and the Articles of Association of the Company, if not inconsistent with the subject or context:

“**Act**” means the BVI Business Companies Act (As Revised) and includes the regulations made under the Act;

“**Articles**” means the Articles of Association of the Company;

“**Chairman of the Board**” has the meaning specified in Regulation 12;

“**Distribution**” in relation to a distribution by the Company to a Shareholder means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder, or the incurring of a debt to or for the benefit of a Shareholder, in relation to Shares held by a Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend;

“**Memorandum**” means this Memorandum of Association of the Company;

“**Person**” includes individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

“**Registrar**” means the Registrar of Corporate Affairs appointed under section 229 of the Act;

“**Resolution of Directors**” means either:

- (a) a resolution approved at a duly convened and constituted meeting of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (b) a resolution consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors of the Company. A written resolution consented to in such manner may consist of several documents including written electronic communication, in like form each signed or assented to by one or more directors.

“**Resolution of Shareholders**” means either:

- (a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of in excess of 50 percent of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or
- (b) a resolution consented to in writing by a majority of in excess of 50 percent of the votes of Shares entitled to vote thereon;

“**Seal**” means any seal which has been duly adopted as the common seal of the Company;

“**Securities**” means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire Shares or debt obligations;

“**Share**” means a share issued or to be issued by the Company;

“**Shareholder**” or “**Member**” means a Person whose name is entered in the register of members as the holder of one or more Shares or fractional Shares;

“**Treasury Share**” means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

“**Written**” or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and “**in writing**” shall be construed accordingly.

1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:

- (a) a “**Regulation**” is a reference to a regulation of the Articles;
- (b) a “**Clause**” is a reference to a clause of the Memorandum;
- (c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;
- (d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended or, in the case of the Act, any re-enactment thereof and any subsidiary legislation made thereunder; and
- (e) the singular includes the plural and vice versa.

1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and the Articles unless otherwise defined herein.

1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and the Articles.

2. **NAME**

The name of the Company is AIOS Tech Inc.

3. **STATUS**

The Company is a company limited by Shares.

4. REGISTERED OFFICE AND REGISTERED AGENT

- 4.1. The first registered office of the Company is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands, the office of the first registered agent.
- 4.2. The first registered agent of the Company is Offshore Incorporations Limited of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
- 4.3. The Company may by Resolution of Shareholders or by Resolution of Directors change the location of its registered office or change its registered agent.
- 4.4. Change of registered office or registered agent will take effect on the registration by the Registrar of a notice of the change filed by the existing registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.

5. CAPACITY AND POWERS

- 5.1. Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:
- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (b) for the purposes of paragraph (a), full rights, powers and privileges.
- 5.2. For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

6. NUMBER AND CLASSES OF SHARES

- 6.1. Shares in the company shall be issued in the currency of the United States of America.
- 6.2. The Company is authorized to issue a maximum of 10,000,000,000 common shares divided into:
- (i) 9,600,000,000 Class A Common Shares of a nominal or par value of US\$0.01 each; and
 - (ii) 400,000,000 Class B Common Shares of a nominal or par value of US\$0.01 each.
- 6.3. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole Share of the same class or series of Shares.
- 6.4. Shares may be issued in one or more series of Shares as the directors may by Resolution of Directors determine from time to time.
- 6.5. The Company has the power to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the BVI Business Companies Act (As Revised), and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be preference or otherwise shall be subject to the powers hereinbefore contained.

7. RIGHTS OF SHARES

- 7.1. Each Class A Common Share and Class B Common Share confers on its holder:
- (a) the right to vote as provided in Section 7.2 hereof;
 - (b) the right to an equal share in any dividend paid by the Company in accordance with the Act; and
 - (c) the right to an equal share in the distribution of the surplus of the Company.

7.2. Differences between Class A and Class B Common Shares:

- (a) Holders of Class A Common Shares and Class B Common Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Each Class A Common Share shall be entitled to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Common Share shall be entitled to five (5) votes on all matters subject to vote at general meetings of the Company.
- (b) Each Class B Common Share is convertible into one (1) Class A Common Share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B Common Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Common Shares into Class A Common Shares.
- (c) The number of Class B Common Shares held by a holder thereof will be automatically and immediately converted into an equal and corresponding number of Class A Common Shares upon any direct or indirect sale, transfer, assignment or disposition of such number of Class B Common Shares by the holder thereof or an Affiliate or such holder or the direct or indirect transfer or assignment of the voting power attached to such number of Class B Common Shares through voting proxy or otherwise to any person or entity that is not an Affiliate of such holder. For the avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party right of whatever description on any of Class B Common Shares to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third-party right is enforced and results in the third party holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to the related Class B Common Shares, in which case all the related Class B Common Shares shall be automatically converted into the same number of Class A Common Shares.
- (d) Any conversion of Class B Common Shares into Class A Common Shares pursuant to these Articles shall be effected by means of the re-designation of each relevant Class B Common Share as a Class A Common Share.
- (e) All Class B Common shares will be automatically converted into the same number of Class A Common Shares as soon as the Class B Shareholder beneficially owns less than 38,892 Class B Common Shares.
- (f) Class A Common Shares are not convertible into Class B Common Shares under any circumstances.
- (g) Save and except for voting rights and conversion rights as set out in Sections (a) to (f) (inclusive), the Class A Common Shares and the Class B Common Shares shall rank *pari passu* and shall have the same rights, preferences, privileges and restrictions.

8. VARIATION OF RIGHTS

If at any time the Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued Shares in that class.

9. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

The rights conferred upon the holders of the Shares of any class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

10. REGISTERED SHARES

10.1. The Company shall issue Registered Shares only.

10.2. The Company is not authorised to issue Bearer Shares, convert Registered Shares to Bearer Shares or exchange Registered Shares for Bearer Shares.

11. TRANSFER OF SHARES

11.1. The Company shall, on receipt of an instrument of transfer complying with Sub-Regulation 6.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.

11.2. The directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

12. AMENDMENT OF THE MEMORANDUM AND THE ARTICLES

12.1. Subject to Clause 8, the Company may amend the Memorandum or the Articles by Resolution of Shareholders or by Resolution of Directors, save that no amendment may be made by Resolution of Directors:

- (a) to restrict the rights or powers of the Shareholders to amend the Memorandum or the Articles;
- (b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or the Articles;
- (c) in circumstances where the Memorandum or the Articles cannot be amended by the Shareholders;

or

- (d) to Clauses 7, 8, 9 or this Clause 12.

12.2. Any amendment of the Memorandum or the Articles will take effect on the registration by the Registrar of a notice of amendment, or restated Memorandum and Articles, filed by the registered agent.

We, OFFSHORE INCORPORATIONS LIMITED of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 29th day of May, 2012.

Incorporator

(Sd.) Rexella D. Hodge

Authorised Signatory

OFFSHORE INCORPORATIONS LIMITED

TERRITORY OF THE BRITISH VIRGIN ISLANDS
BVI BUSINESS COMPANIES ACT (AS REVISED)

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

AIOS TECH INC.

A COMPANY LIMITED BY SHARES

1. REGISTERED SHARES

- 1.1. Every Shareholder is entitled, on request to a certificate signed by a director or officer of the Company, or any other person authorised by Resolution of Directors, or under the Seal specifying the number of Shares held by him and the signature of the director, officer or authorised person and the Seal may be facsimiles.
- 1.2. Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by Resolution of Directors.
- 1.3. If several Persons are registered as joint holders of any Shares, any one of such Persons may give an effectual receipt for any Distribution.

2. SHARES

- 2.1. Shares and other Securities may be issued at such times, to such Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.
- 2.2. Section 46 of the Act (*Pre-emptive rights*) does not apply to the Company.
- 2.3. A Share may be issued for consideration in any form, including money, a promissory note, or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services.
- 2.4. The consideration for a Share with par value shall not be less than the par value of the Share. If a Share with par value is issued for consideration less than the par value, the person to whom the Share is issued is liable to pay to the Company an amount equal to the difference between the issue price and the par value.
- 2.5. No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:
 - (a) the amount to be credited for the issue of the Shares;
 - (b) the determination of the directors of the reasonable present cash value of the non-money consideration for the issue; and
 - (c) that, in the opinion of the directors, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.

- 2.6. The consideration paid for any Share, whether a par value Share or a no par value Share, shall not be treated as a liability or debt of the Company for the purposes of:
- (a) the solvency test in Regulations 3 and 18; and
 - (b) sections 197 and 209 of the Act.
- 2.7. The Company shall cause to be kept a register (the “**register of members**”) containing:
- (a) the names and addresses of the Persons who hold Shares;
 - (b) the number of each class and series of Shares held by each Shareholder;
 - (c) the date on which the name of each Shareholder was entered in the register of members; and
 - (d) the date on which any Person ceased to be a Shareholder.
- 2.8. The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.
- 2.9. A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.

3. REDEMPTION OF SHARES AND TREASURY SHARES

- 3.1. The Company may purchase, redeem or otherwise acquire and hold its own Shares in such manner and upon such other terms as the directors may agree with the relevant Shareholder(s) save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.
- 3.2. The Company may only offer to purchase, redeem or otherwise acquire Shares if the Resolution of Directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company’s assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 3.3. Sections 60 (*Process for acquisition of own Shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.
- 3.4. Where the Directors consider it necessary or desirable in order to comply with the applicable rules of any stock exchange on which Shares are listed, the Company may purchase, redeem or otherwise acquire at market value any fractional Shares without the consent of the relevant Shareholder(s) and shall pay the repurchase price no later than 30 days after the effective date of the repurchase.
- 3.5. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 3.6. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.

- 3.7. Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles) as the Company may by Resolution of Directors determine.
- 3.8. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, Shares having more than 50 percent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

4. MORTGAGES AND CHARGES OF SHARES

- 4.1. Shareholders may mortgage or charge their Shares.
- 4.2. There shall be entered in the register of members at the written request of the Shareholder:
- (a) a statement that the Shares held by him are mortgaged or charged;
 - (b) the name of the mortgagee or charge ; and
 - (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.
- 4.3. Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:
- (a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or
 - (b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.
- 4.4. Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:
- (a) no transfer of any Share the subject of those particulars shall be effected;
 - (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
 - (c) no replacement certificate shall be issued in respect of such Shares, without the written consent of the named mortgagee or chargee.

5. FORFEITURE

- 5.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation.
- 5.2. A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.
- 5.3. The written notice of call referred to in Sub-Regulation 5.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.
- 5.4. Where a written notice of call has been issued pursuant to Sub-Regulation 5.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.
- 5.5. The Company is under no obligation to refund any moneys to a Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 5.4 and that Shareholder shall be discharged from any further obligation to the Company.

6. TRANSFER OF SHARES

- 6.1. Subject to the Memorandum, Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.
- 6.2. The transfer of a Share is effective when the name of the transferee is entered on the register of members.
- 6.3. If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:
- (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
 - (b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.
- 6.4. Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

7. MEETINGS AND CONSENTS OF SHAREHOLDERS

- 7.1. The Board of Directors of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the Board considers necessary or desirable.
- 7.2. Upon the written request of Shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.
- 7.3. The Board convening a meeting shall give not less than 7 days' notice of a meeting of Shareholders to:
- (a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members and are entitled to vote at the meeting; and
 - (b) the other directors.
- 7.4. The Board convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.
- 7.5. A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.
- 7.6. The inadvertent failure of the Board to give notice of a meeting to a Shareholder, or the fact that a Shareholder has not received notice, does not invalidate the meeting.
- 7.7. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

- 7.8. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- 7.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

AIOS Tech Inc.

(the “Company”)

I/We,, being a Shareholder of the Company HEREBY APPOINT..... of..... or failing him of to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the day of, 20..... and at any adjournment thereof.

(Any restrictions on voting to be inserted here.) Signed

this day of, 20.....

.....
Shareholder

- 7.10. The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
 - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
 - (c) if two or more of the joint owners are present in person or by proxy they must vote as one.
- 7.11. A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.
- 7.12. A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than one-third (1/3) of the votes of the Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders.
- 7.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third (1/3) of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

- 7.14. At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman.
- 7.15. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 7.16. At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.
- 7.17. Subject to the specific provisions contained in this Regulation for the appointment of representatives of Persons other than individuals the right of any individual to speak for or represent a Shareholder shall be determined by the law of the jurisdiction where, and by the documents by which, the Person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.
- 7.18. Any Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Shareholder which he represents as that Shareholder could exercise if it were an individual.
- 7.19. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Person shall be disregarded.
- 7.20. Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.
- 7.21. An action that may be taken by the Shareholders at a meeting may also be taken by a resolution consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Shareholders holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.

8. DIRECTORS

- 8.1. The first directors of the Company shall be appointed by the first registered agent within 6 months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors.
- 8.2. No person shall be appointed as a director, alternate director, or nominated as a reserve director, of the Company unless he has consented in writing to be a director, alternate director or to be nominated as a reserve director respectively.

- 8.3. Subject to Sub-Regulation 8.1, the minimum number of directors shall be one and there shall be no maximum number.
- 8.4. Each director holds office for the term, if any, fixed by the Resolution of Shareholders or the Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.
- 8.5. A director may be removed from office,
- (a) with or without cause, by Resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written resolution passed by at least 75 percent of the votes of the Shareholders of the Company entitled to vote; or
 - (b) with cause, by Resolution of Directors passed at a meeting of directors called for the purpose of removing the director or for purposes including the removal of the director.
- 8.6. A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.
- 8.7. The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. .
- 8.8. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 8.9. Where the Company only has one Shareholder who is an individual and that Shareholder is also the sole director of the Company, the sole Shareholder/director may, by instrument in writing, nominate a person who is not disqualified from being a director of the Company as a reserve director of the Company to act in the place of the sole director in the event of his death.
- 8.10. The nomination of a person as a reserve director of the Company ceases to have effect if:
- (a) before the death of the sole Shareholder/director who nominated him,
 - (i) he resigns as reserve director, or
 - (ii) the sole Shareholder/director revokes the nomination in writing; or
 - (b) the sole Shareholder/director who nominated him ceases to be able to be the sole Shareholder/director of the Company for any reason other than his death.
- 8.11. The Company shall keep a register of directors containing:
- (a) the names and addresses of the persons who are directors of the Company or who have been nominated as reserve directors of the Company;
 - (b) the date on which each person whose name is entered in the register was appointed as a director, or nominated as a reserve director, of the Company;

- (c) the date on which each person named as a director ceased to be a director of the Company;
 - (d) the date on which the nomination of any person nominated as a reserve director ceased to have effect; and
 - (e) such other information as may be prescribed by the Act.
- 8.12. The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.
- 8.13. The directors may, by Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.
- 8.14. A director is not required to hold a Share as a qualification to office.
- 8.15. A director, by written instrument deposited at the registered office of the Company may from time to time appoint another director or another person who is not disqualified for appointment as a director under section 111 of the Act to be his alternate to:
- (a) exercise the appointing director's powers; and
 - (b) carry out the appointing director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the appointing director.
- 8.16. No person shall be appointed as an alternate director unless he has consented in writing to be an alternate director. The appointment of an alternate director does not take effect until written notice of the appointment has been deposited at the registered office of the Company.
- 8.17. The appointing director may, at any time, terminate or vary the alternate's appointment. The termination or variation of the appointment of an alternate director does not take effect until written notice of the termination or variation has been deposited at the registered office of the Company, save that if a director shall die or cease to hold the office of director, the appointment of his alternate shall thereupon cease and terminate immediately without the need of notice.

- 8.18. An alternate director has no power to appoint an alternate, whether of the appointing director or of the alternate director.
- 8.19. An alternate director has the same rights as the appointing director in relation to any directors' meeting and any written resolution of directors circulated for written consent. Unless stated otherwise in the notice of the appointment of the alternate, or a notice of variation of the appointment, if undue delay or difficulty would be occasioned by giving notice to a director of a resolution of which his approval is sought in accordance with these Articles his alternate (if any) shall be entitled to signify approval of the same on behalf of that director. Any exercise by the alternate director of the appointing director's powers in relation to the taking of decisions by the directors is as effective as if the powers were exercised by the appointing director. An alternate director does not act as an agent of or for the appointing director and is liable for his own acts and omissions as an alternate director.
- 8.20. The remuneration of an alternate director (if any) shall be payable out of the remuneration payable to the director appointing him (if any), as agreed between such alternate and the director appointing him.

9. POWERS OF DIRECTORS

- 9.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.
- 9.2. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.
- 9.3. If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.
- 9.4. Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.
- 9.5. The continuing directors may act notwithstanding any vacancy in their body.
- 9.6. The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 9.7. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.
- 9.8. For the purposes of Section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

10. PROCEEDINGS OF DIRECTORS

- 10.1. Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.
- 10.2. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.
- 10.3. A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.
- 10.4. A director shall be given not less than 3 days' notice of meetings of directors, but a meeting of directors held without 3 days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.
- 10.5. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only 2 directors in which case the quorum is 2.
- 10.6. If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.
- 10.7. At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.
- 10.8. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors or by a majority of the members of the committee, as the case may be, without the need for any notice. A written resolution consented to in such manner may consist of several documents, including written electronic communication, in like form each signed or assented to by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

11. COMMITTEES

- 11.1. The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 11.2. The directors have no power to delegate to a committee of directors any of the following powers:
 - (a) to amend the Memorandum or the Articles;
 - (b) to designate committees of directors;
 - (c) to delegate powers to a committee of directors;
 - (d) to appoint or remove directors;

- (e) to appoint or remove an agent;
 - (f) to approve a plan of merger, consolidation or arrangement;
 - (g) to make a declaration of solvency or to approve a liquidation plan; or
 - (h) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 11.3. Sub-Regulation 11.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 11.4. The meetings and proceedings of each committee of directors consisting of 2 or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.
- 11.5. Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

12. OFFICERS AND AGENTS

- 12.1. The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 12.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.
- 12.3. The emoluments of all officers shall be fixed by Resolution of Directors.
- 12.4. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 12.5. The directors may, by Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company.
- 12.6. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the following:
- (a) to amend the Memorandum or the Articles;
 - (b) to change the registered office or agent;
 - (c) to designate committees of directors;

- (d) to delegate powers to a committee of directors;
- (e) to appoint or remove directors;
- (f) to appoint or remove an agent;
- (g) to fix emoluments of directors;
- (h) to approve a plan of merger, consolidation or arrangement;
- (i) to make a declaration of solvency or to approve a liquidation plan;
- (j) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due; or
- (k) to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

12.7. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

12.8. The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

13. CONFLICT OF INTERESTS

13.1. A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

13.2. For the purposes of Sub-Regulation 13.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

13.3. A director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

14. INDEMNIFICATION

14.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or

- (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.
- 14.2. The indemnity in Sub-Regulation 14.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.
- 14.3. For the purposes of Sub-Regulation 14.2, a director acts in the best interests of the Company if he acts in the best interests of
- (a) the Company's holding company; or
- (b) a Shareholder or Shareholders;
- in either case, in the circumstances specified in Sub-Regulation 9.3 or the Act, as the case may be.
- 14.4. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.
- 14.5. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 14.6. Expenses, including legal fees, incurred by a director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1.
- 14.7. Expenses, including legal fees, incurred by a former director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the former director to repay the amount if it shall ultimately be determined that the former director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1 and upon such terms and conditions, if any, as the Company deems appropriate.
- 14.8. The indemnification and advancement of expenses provided by, or granted pursuant to, this section is not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, Resolution of Shareholders, resolution of disinterested directors or otherwise, both as acting in the person's official capacity and as to acting in another capacity while serving as a director of the Company.
- 14.9. If a person referred to in Sub-Regulation 14.1 has been successful in defence of any proceedings referred to in Sub-Regulation 14.1, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.
- 14.10. The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

14.11. Insofar as indemnification for liabilities arising under the United States Securities Act of 1933 (the “Securities Act”) may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been advised that in the opinion of the United States Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

15. RECORDS

15.1. The Company shall keep the following documents at the office of its registered agent:

- (a) the Memorandum and the Articles;
- (b) the register of members, or a copy of the register of members;
- (c) the register of directors, or a copy of the register of directors; and
- (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.

15.2. Until the directors determine otherwise by Resolution of Directors the Company shall keep the original register of members and original register of directors at the office of its registered agent.

15.3. If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:

- (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
- (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.

15.4. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:

- (a) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;
- (b) minutes of meetings and Resolutions of Directors and committees of directors; and
- (c) an impression of the Seal.

15.5. Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.

15.6. The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act, 2001 (No. 5 of 2001) as from time to time amended or re-enacted.

16. REGISTER OF CHARGES

The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

- (a) the date of creation of the charge;

- (b) a short description of the liability secured by the charge;
- (c) a short description of the property charged;
- (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
- (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
- (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

17. SEAL

The Company shall have a Seal and may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

18. DISTRIBUTIONS

- 18.1. The directors of the Company may, by Resolution of Directors, authorise a Distribution at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the Distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 18.2. Distributions may be paid in money, Shares, or other property.
- 18.3. Notice of any Distribution that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 20.1 and all Distributions unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.
- 18.4. No Distributions shall bear interest as against the Company and no Distribution shall be paid on Treasury Shares.

19. ACCOUNTS AND AUDIT

- 19.1. The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 19.2. The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.
- 19.3. The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.
- 19.4. The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by Resolution of Shareholders or by Resolution of Directors.

- 19.5. The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.
- 19.6. The remuneration of the auditors of the Company may be fixed by Resolution of Directors.
- 19.7. The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:
- (a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and
 - (b) all the information and explanations required by the auditors have been obtained.
- 19.8. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.
- 19.9. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.
- 19.10. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

20. NOTICES

- 20.1. Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.
- 20.2. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.
- 20.3. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

21. VOLUNTARY LIQUIDATION

The Company may by Resolution of Shareholders or, subject to section 199(2) of the Act, by Resolution of Directors appoint a voluntary liquidator.

22. CONTINUATION

The Company may by Resolution of Shareholders or by a Resolution of Directors continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, OFFSHORE INCORPORATIONS LIMITED of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 29th day of May, 2012.

Incorporator

(Sd.) Rexella D. Hodge

Authorised Signatory

OFFSHORE INCORPORATIONS LIMITED

Description of Securities
Registered under Section 12 of the Securities Exchange Act of 1934

As of March 31, 2026, AIOS Tech Inc. (“AIOS,” the “Company,” “we,” “us,” and “our”) had one class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, as follows:

Title of each class	Symbol	Name of each exchange on which registered
Class A common shares, par value \$0.01 per share	AIOS	Nasdaq Capital Market

Common shares

The Company is authorized to issue a maximum of 10,000,000,000 common shares divided into:

- (a) 9,600,000,000 Class A common shares of a nominal or par value of US\$0.01 each (**Class A common shares**); and
- (b) 400,000,000 Class B common shares of a nominal or par value of US\$0.01 each (**Class B common shares**, together with Class A common shares, the **common shares or shares**).

Dividend distributions

The holders of our common shares are entitled to such dividends as may be declared by our board of directors subject to the BVI Business Companies Act.

Voting rights

Any action required or permitted to be taken by the shareholders must be effected at a duly called meeting of the shareholders entitled to vote on such action and may be effected by a resolution in writing. At each shareholder’s meeting, each shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) will be entitled to one vote for each Class A common share which such shareholder holds and be entitled to 80 votes for each Class B common share which such shareholder holds on all matters subject to vote at each shareholders’ meeting of the Company.

Conversion

Each Class B common share is convertible into one (1) Class A common share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B common share delivering a written notice to the Company that such holder elects to convert a specified number of Class B common shares into Class A common shares.

The number of Class B common shares held by a holder thereof will be automatically and immediately converted into an equal and corresponding number of Class A common shares upon any direct or indirect sale, transfer, assignment or disposition of such number of Class B common shares by the holder thereof or an Affiliate or such holder or the direct or indirect transfer or assignment of the voting power attached to such number of Class B common shares through voting proxy or otherwise to any person or entity that is not an affiliate of such holder. For the avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party right of whatever description on any of Class B common shares to secure contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third-party right is enforced and results in the third party holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to the related Class B common shares, in which case all the related Class B common shares shall be automatically converted into the same number of Class A common shares.

Election of directors

Delaware law permits cumulative voting for the election of directors only if expressly authorized in the certificate of incorporation. The laws of the British Virgin Islands, however, do not specifically prohibit or restrict the creation of cumulative voting rights for the election of our directors. Cumulative voting is not a concept that is accepted as a common practice in the British Virgin Islands, and we have made no provisions in our amended and restated memorandum and articles of association to allow cumulative voting for elections of directors.

Meetings

We must provide written notice of all meetings of shareholders, stating the time, place and, in the case of a special meeting of shareholders, the purpose or purposes thereof, at least 7 days before the date of the proposed meeting to those persons whose names appear as shareholders in the register of members on the date of the notice and are entitled to vote at the meeting. Our board of directors shall call a special meeting upon the written request of shareholders holding at least 30% of our outstanding voting shares. In addition, our board of directors may call a special meeting of shareholders on its own motion. A meeting of shareholders held in contravention of the requirement to give notice is valid if shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a shareholder at the meeting shall constitute waiver in relation to all the shares which that shareholder holds.

The management of us is entrusted to our board of directors, who will make corporate decisions by board resolution. Our directors are free to meet at such times and in such manner and places within or outside the BVI as the directors determine to be necessary or desirable. A 3 days' notice of a meeting of directors must be given. At any meeting of directors, a quorum will be present if half of the total number of directors is present, unless there are only 2 directors in which case the quorum is 2. If a quorum is not present, the meeting will be dissolved. If a quorum is present, votes of half of present directors are required to pass a resolution of directors.

A meeting of shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than one-third (1/3) of the votes of the shares entitled to vote on resolutions of shareholders to be considered at the meeting. A quorum may comprise a single shareholder or proxy and then such person may pass a resolution of shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid resolution of shareholders. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third (1/3) of the votes of the shares or each class or series of shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved. No business may be transacted at any general meeting unless a quorum is present at the commencement of business. If present, the chairman of our board of directors shall be the chairman presiding at any meeting of the shareholders.

A corporation that is a shareholder shall be deemed for the purpose of our amended and restated memorandum and articles of association to be present in person if represented by its duly authorized representative. This duly authorized representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were our individual shareholder.

Protection of minority shareholders

We would normally expect British Virgin Islands courts to follow English case law precedents, which permit a minority shareholder to commence a representative action, or derivative actions in our name, to challenge (1) an act which is ultra vires or illegal, (2) an act which constitutes a fraud against the minority by parties in control of us, (3) the act complained of constitutes an infringement of individual rights of shareholders, such as the right to vote and pre-emptive rights and (4) an irregularity in the passing of a resolution which requires a special or extraordinary majority of the shareholders.

Pre-emptive rights

There are no pre-emptive rights applicable to the issue by us of new common shares under either British Virgin Islands law or our amended and restated memorandum and articles of association.

Transfer of common shares

Subject to the restrictions in our amended and restated memorandum and articles of association and applicable securities laws, any of our shareholders may transfer all or any of his or her common shares by written instrument of transfer signed by the transferor and containing the name and address of the transferee. Our board of directors may resolve by resolution to refuse or delay the registration of the transfer of any common share. If our board of directors resolves to refuse or delay any transfer, it shall specify the reasons for such refusal in the resolution. Our directors may not resolve or refuse or delay the transfer of a common share unless the shareholder has failed to pay an amount due in respect of the share.

Liquidation

If we are wound up and the assets available for distribution among our shareholders are more than sufficient to repay all amounts paid to us on account of the issue of shares immediately prior to the winding up, the excess shall be distributable pari passu among those shareholders in proportion to the amount paid up immediately prior to the winding up on the shares held by them, respectively. If we are wound up and the assets available for distribution among the shareholders as such are insufficient to repay the whole of the amounts paid to us on account of the issue of shares, those assets shall be distributed so that, to the greatest extent possible, the losses shall be borne by the shareholders in proportion to the amounts paid up immediately prior to the winding up on the shares held by them, respectively. If we are wound up, the liquidator appointed by us may, in accordance with the BVI Business Companies Act, divide among our shareholders in specie or kind the whole or any part of our assets (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as the liquidator deems fair upon any property to be divided and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

Calls on common shares and forfeiture of common shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their common shares in a notice served to such shareholders at least 14 days prior to the specified time of payment. The common shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption of common shares

The Company may purchase, redeem or otherwise acquire and hold its own shares in such manner and upon such other terms as the directors may agree with the relevant shareholder(s) save that the Company may not purchase, redeem or otherwise acquire its own shares without the consent of shareholders whose shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the BVI Business Companies Act or any other provision in the amended and restated memorandum or articles to purchase, redeem or otherwise acquire the shares without their consent.

The Company may only offer to purchase, redeem or otherwise acquire shares if the resolution of directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

Modifications of rights

If at any time our shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued shares in that class.

Changes in the number of shares we are authorized to issue and those in issue

We may from time to time by resolution of our board of directors:

- amend our amended and restated memorandum of association to increase or decrease the maximum number of shares we are authorized to issue;
- subject to our amended and restated memorandum, divide our authorized and issued shares into a larger number of shares; and
- subject to our amended and restated memorandum, combine our authorized and issued shares into a smaller number of shares.

Inspection of books and records

Under British Virgin Islands Law, holders of our common shares are entitled, upon giving written notice to us, to inspect (i) our amended and restated memorandum and articles of association, (ii) the register of members, (iii) the register of directors and (iv) minutes of meetings and resolutions of members, and to make copies and take extracts from the documents and records. However, our directors can refuse access if they are satisfied that to allow such access would be contrary to our interests.

Rights of non-resident or foreign shareholders

There are no limitations imposed by our amended and restated memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Issuance of additional common shares

Our amended and restated memorandum and articles of association authorizes our board of directors to issue additional common shares from authorized but unissued shares, to the extent available, from time to time as our board of directors shall determine.

List of Subsidiaries
(As of March 31, 2026)

Subsidiaries	Percentage Attributable to Our Company	Place of Incorporation
1. YD Network Technology Company Limited ⁽¹⁾	100%	Hong Kong SAR
2. Everbright Solutions Limited ⁽¹⁾	100%	BVI

(1) 100% of the equity interests in these companies are held directly by AIOS Tech Inc.

**Certification by Co-Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Li Guo, certify that:

1. I have reviewed this annual report on Form 20-F of AIOS Tech Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Li Guo

Name: Li Guo

Title: Co-Chief Executive Officer

Date: April 20, 2026

**Certification by Co-Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Xin Liu, certify that:

1. I have reviewed this annual report on Form 20-F of AIOS Tech Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/ Xin Liu

Name: Xin Liu

Title: Co-Chief Executive Officer

Date: April 20, 2026

**Certification by Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Sylvia Kong Bit Hee, certify that:

1. I have reviewed this annual report on Form 20-F of AIOS Tech Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

By: /s/Sylvia Kong Bit Hee

Name: Sylvia Kong Bit Hee

Title: Chief Financial Officer

Date: April 20, 2026

**Certification by Co-Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of AIOS Tech Inc. (the "Company") on Form 20-F for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Li Guo, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Li Guo

Name: Li Guo

Title: Co-Chief Executive Officer

Date: April 20, 2026

**Certification by Co-Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of AIOS Tech Inc. (the "Company") on Form 20-F for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Xin Liu, Co-Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Xin Liu

Name: Xin Liu

Title: Co-Chief Executive Officer

Date: April 20, 2026

**Certification by Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of AIOS Tech Inc. (the "Company") on Form 20-F for the fiscal year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sylvia Kong Bit Hee, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Sylvia Kong Bit Hee

Name: Sylvia Kong Bit Hee

Title: Co-Chief Executive Officer

Date: April 20, 2026

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statement on Form S-8 (File No. 333-281882) of our audit report dated April 20, 2026 relating to the consolidated financial statements of AIOS Tech Inc. (Formerly known as NiSun International Enterprise Development Group Co., Ltd) and its subsidiaries, for the years ended December 31, 2025, 2024 and 2023, appearing in the Annual Report on Form 20-F of AIOS Tech Inc. for the year ended December 31, 2025

/s/ Enrome LLP

Enrome LLP

Singapore, Singapore

April 20, 2026

Enrome LLP

143 Cecil Street #19-03/04
GB Building Singapore 069542

admin@enrome-group.com
www.enrome-group.com



AIOS Tech Inc.

D +852 3656 6054 / +852 3656 6073
E nathan.powell@ogier.com /
rachel.huang@ogier.com

Reference: NMP/RYP/516669.00001

20 April 2026

Dear Sirs

AIOS Tech Inc. (the Company)

We hereby consent to the references to our firm's name in the Company's annual report on Form 20-F for the year ended 31 December 2025 (the **Annual Report**), which will be filed with the Securities and Exchange Commission (the **Commission**) on the date hereof. We also consent to the filing of this consent letter with the Commission as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

This consent letter is addressed to you. This consent letter is limited to the matters detailed herein and is not to be read as an opinion or consent with respect to any other matter.

Yours faithfully

/s/ Ogier

Ogier

Ogier

Providing advice on British Virgin Islands,
Cayman Islands and Guernsey laws

Floor 11 Central Tower
28 Queen's Road Central
Central
Hong Kong

T +852 3656 6000
F +852 3656 6001
ogier.com

Partners

Nicholas Plowman
Nathan Powell
Anthony Oakes
Oliver Payne
Kate Hodson
David Nelson
Justin Davis
Joanne Collett
Dennis Li
Cecilia Li

Yuki Yan
David Lin
Alan Wong
Janice Chu
Zhao Rong Ooi
Rachel Huang**
Florence Chan*‡
Richard Bennett**‡
James Bergstrom‡

* admitted in New Zealand
** admitted in England and Wales
‡ not ordinarily resident in Hong Kong

CONSENT OF JINGTIAN & GONGCHENG

April 20, 2026

To: AIOS Tech Inc

Dear Sir/Madam,

We hereby consent to the reference of our name and the summary of our opinion with regard to PRC laws under the headings “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in Hong Kong”, “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China”, “Item 4. Information on the Company—B. Business Overview—Regulation”, “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy” and “Item 10. Additional Information—E. Taxation—People’s Republic of China Enterprise Taxation, PRC Value Added Tax” in the Annual Report of AIOS Tech Inc on Form 20-F for the year ended December 31, 2025 (the “**Annual Report**”), which is filed with the Securities and Exchange Commission (the “SEC”) on the date hereof. We also consent to the filing of this consent letter with the SEC as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ Jingtian & Gongcheng

Jingtian & Gongcheng
