# SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety before you decide to invest in the **[REDACTED]**. In particular, we are a specialist technology company seeking to list on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as us. Your investment decision should be made in light of these considerations.

There are risks associated with any investment. Some of the particular risks in investing in the **[REDACTED]** are set out in "Risk Factors" of this document. You should read that section carefully before you decide to invest in the **[REDACTED]**. Your **[REDACTED]** decision should be made in light of these considerations.

## OVERVIEW

### Who We Are

We are a leading AI company in China, dedicated to developing advanced general-purpose large models. We were founded in 2019 on the bold idea of pursuing innovation toward artificial general intelligence (AGI) in China. We have solidly delivered advanced technology across the full spectrum of AI research and steadily scaled up its commercial application to achieve fast growth in revenue. In 2021, we launched GLM framework, China's first proprietary pre-trained large model framework, and debuted our Model-as-a-Service (MaaS) product development and commercialization platform, through which we provide our large model services. In 2022, we open-sourced our first 100 billion–scale model (GLM-130B). We operate in the large language model (LLM) market, a sub-segment of the broader AI market. We offer general-purpose large model services to institutional customers, including private enterprises and public sector entities, as well as individual users, including individual end-users and individual developers. Our models had empowered over eight thousand institutional customers as of June 30, 2025 and approximately 80 million devices as of the Latest Practicable Date. According to Frost & Sullivan, we ranked first among China's independent developers and second among all developers of general-purpose large models with a market share of 6.6% in terms of revenue in 2024.

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We achieved significant growth in revenue during the Track Record Period. In 2022, 2023 and 2024, our revenue was RMB57.4 million, RMB124.5 million and RMB312.4 million, respectively, representing a CAGR of over 130%. For the six months ended June 30, 2024 and 2025, our revenue was RMB44.9 million and RMB190.9 million, respectively.

| Industry Leadership[1][2] | Operational Data | Financial Performance |
|---|---|---|
| **China's Largest** Independent general-purpose large model developer by revenue **China's Second Largest** Overall general-purpose large model developer by revenue | **8,000+** Number of institutional customers[2] | **RMB57.4 million, RMB124.5 million, RMB312.4 million and RMB190.9 million** Revenue in 2022, 2023, 2024 and the six months ended June 30, 2025 |
| **China's First** Pre-trained large model framework | **Approximately 80 million** Number of devices empowered[3][4] | **50%+** Gross profit margin in 2022, 2023, 2024 and the six months ended June 30, 2025 |
| **Global No. 1** Coding capabilities of GLM-4.6[5] | **45 million+** Downloads of our open-source models in the global developer community[4] | **130%+** Revenue CAGR from 2022 to 2024 |

*Notes:*

(1)   According to Frost & Sullivan.

(2)   As of June 30, 2025.

(3)   Including smart phones, personal computers and smart vehicles.

(4)   As of the Latest Practicable Date.

(5)   Ranked in November 2025 by CodeArena, the latest industry-recognized global evaluation platform designed to assess models' coding capabilities.

# SUMMARY

## OUR BUSINESS MODEL: THE MAAS PLATFORM

As we commercialize our technology to seize the tremendous market opportunity presented by advanced AI, we organize our offerings around our all-in-one MaaS platform. Our MaaS platform primarily offers four types of models: language models, multimodal models, agent models and coding models, as well as integrated tools for model fine-tuning, deployment and agent development. The key features of our MaaS platform are comprehensiveness in model capabilities, scalability across broad application scenarios and adaptability with diverse computing infrastructure. Through this product development and commercialization platform, we deliver intelligence to institutional customers, developers and individual customers in the most suitable, sensible and scalable way despite great heterogeneity in computing infrastructure, devices and applications.
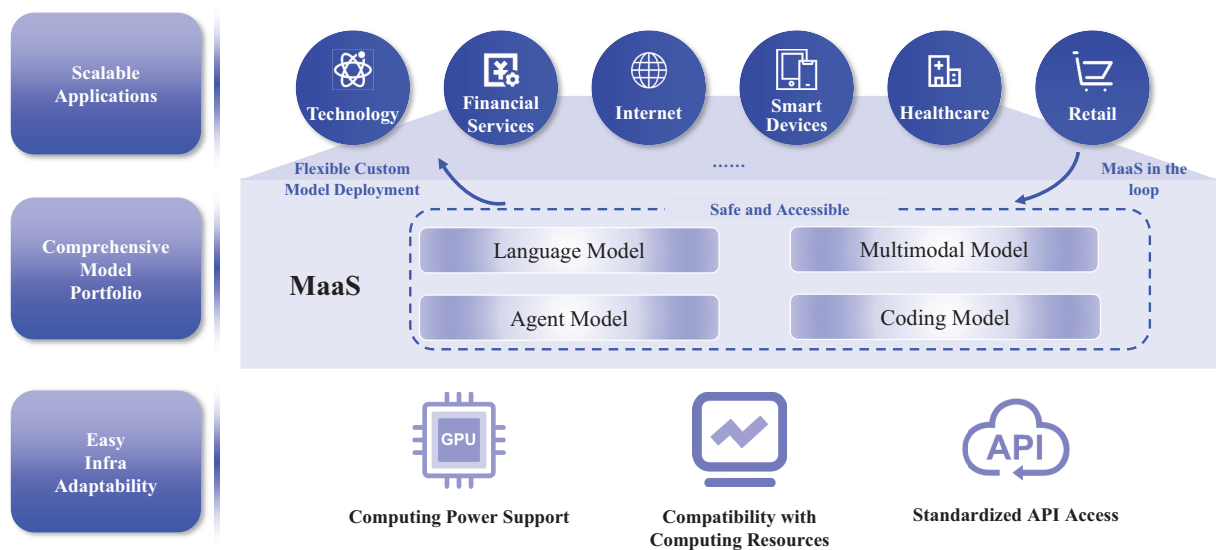


Our MaaS platform comprises the following three levels:

- *Comprehensive model portfolio.* We have built a comprehensive portfolio of advanced AI models, showcasing industry-leading performance in language, multimodal, agentic and coding capabilities. From our broad and capable repertoire, customers and developers can always find the most suitable solution for their specific needs.

- *Scalable application*s. Our models and agents are designed for seamless functionality across diverse hardware, application scenarios and business workflows. They are capable of handling complex tasks, enabling AI-native, multimodal and holistic dialogs, and performing deep reasoning. For example, our models and agents can assist institutional customers in streamlining business workflows, processing and analyzing operating data at a massive scale and supporting decision-making. In addition, our MaaS platform provides an agent workspace, which encompasses a variety of agent templates and scenario-based solutions. Through this agent workspace, our customers can swiftly customize agents through streamlined model fine-tuning, incremental model training and prompt engineering.

- *Easy infra adaptability.* In collaboration with our computing infrastructure partners, we co-design an advanced computing infrastructure that enables our MaaS platform to deliver integrated computing, networking, training communications and inference acceleration capabilities. The collaboration also enables our models to offer broad adaptability, supporting model sizes ranging from 1.5 billion to 230 billion parameters and large-scale, real-time deployment across clouds and chipsets. In particular, such adaptability allows our models to scale across mass-use devices such as mobile phones, personal computers and smart vehicles and benefit vast numbers of end consumers.

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Our MaaS platform offers flexible custom model deployment options to meet the diverse needs of businesses while maintaining efficiency, scalability and data security. We primarily offer two deployment approaches—on-premise and cloud-based deployment:

- For on-premise deployment, our models are hosted within the customer's own infrastructure. This approach allows organizations to utilize their proprietary or sensitive data to tailor AI models to their specific domains. On-premise deployment offers greater control over performance optimization and infrastructure configuration, making it suitable for complex or highly specialized application scenarios.

- For cloud-based deployment, our models are hosted on a scalable and reliable cloud infrastructure. This approach is sensible for businesses seeking agility and ease of implementation. By utilizing the cloud, customers eliminate the need for costly local infrastructure, allowing them to deploy AI solutions quickly and cost effectively.

For on-premise deployment, we recognize revenue at the point in time when the large model and related services are delivered to the customer's designated location and accepted by the customer. For cloud-based deployment, we recognize revenue over the contract term. Specifically, for subscription-based contracts, we generally recognize revenue ratably over the contract term; for usage-based contracts, we recognize revenue based on the customer's utilization of the resources when the services are rendered to the customers. For details of our revenue recognition policies, see "Financial Information—Material Accounting Policies and Estimates—Material Accounting Policy Information—Revenue Recognition."

## OUR MODELS AND AGENTS

To teach machines to think like humans, we must empower AI with three core human faculties: deep thinking, cognition and tool use. We have developed our AI models accordingly, which can be grouped into three corresponding categories: reflection and rumination models, multimodal models and agent models. We have also developed coding models, which generate code autonomously and enhance programming efficiency. All four categories are developed upon our GLM series of foundation models. Foundation models and reflection and rumination models belong to the broader category of language models.

The following chart sets forth our select models and AI agents in our current portfolio:

| Human Faculties | Our Models and Agents | | |
|---|---|---|---|
| **Deep Thinking** | | **Reflection and rumination models** | *GLM-Z1* (reflection) |
| | | | *GLM-Z1-Rumination* (rumination) |
| **Cognition** | **Foundation Models**<br><br>*GLM-4.5* | **Multimodal models** | *CogView* (image generation) |
| | | | *GLM-4.5V* (visual comprehension and reasoning) |
| | | | *CogVideoX* (video generation) |
| | | | *GLM-Realtime* (realtime video call) |
| | | | *GLM-4-Voice* (end-to-end voice model) |

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| Human Faculties | | Our Models and Agents | |
|---|---|---|---|
| **Tool use** | | **AI Agents** | AutoGLM ("from chat to act" – agent for autonomous mission completion) |
| | | | AutoGLM – Rumination ("thinking while working" – agent for autonomous mission completion with deep thinking capabilities) |
| | | | *CoCo* (enterprise agent) |
| | | **Coding models** | *CodeGeeX* (coding) |

**Foundation Models**

Foundation models are pre-trained LLMs that serve as the foundation for the development of a variety of specialized models. GLM-4.5 is our flagship foundation model, which we open-sourced upon launch. Through multi-stage training and comprehensive post-training with fine-tuning and reinforcement learning, GLM-4.5 achieves strong performance across agentic, reasoning and coding tasks. GLM-4.5 also supports multi-modal extensions and large context processing, allowing it to interpret high-level prompts and autonomously generate practical solutions. GLM-4.5 has a model scale of 355 billion parameters and we have also developed GLM-4.5-Air, a lightweight version with 106 billion parameters.

GLM-4.5 achieves the following leading positions, according to Frost & Sullivan:

- *Benchmark tests.* Based on an evaluation across twelve industry-standard benchmark tests[1] in July 2025, GLM-4.5 ranked third globally, first in China and first among global open-source models. GLM-4.5 achieved a comprehensive score of 63.2 under these twelve benchmarks, compared with scores ranging from 46.3 to 65.0 for industry peer models.

- *Global leaderboards.* GLM-4.5 ranked fifth globally on Chatbot Arena and WebDev Arena in September 2025, which are industry-recognized global leaderboards that rank the overall capabilities and coding capabilities of large models, respectively.

- *Token consumption volume.* Since the launch of GLM-4.5 and up to the Latest Practicable Date, our token consumption volume on OpenRouter, a leading global platform that provides API access to a wide range of large models, had consistently ranked among the top ten globally and the top three among Chinese companies. This sustained performance underscores the strong competitiveness and market recognition of GLM-4.5, demonstrating its advanced efficiency, scalability and real-world applicability.

- *Popularity rankings.* Within only 48 hours of its initial launch, GLM-4.5 ranked first globally on the trending board of Hugging Face, the world's largest platform for open-source models.

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[1] Benchmark tests are structured, standardized evaluations that measure LLMs' capabilities across a range of tasks. The twelve industry-standard benchmark tests we used to evaluate GLM-4.5 include three categories: (i) agentic benchmarks, including TAU-Bench, BFCL V3 and BrowseComp. GLM-4.5 achieved a comprehensive score of 58.1 under these agentic benchmarks, compared with scores ranging from 45.0 to 61.1 for industry peer models; (ii) reasoning benchmarks, including MMLU-Pro, AIME 24, MATH-500, SciCode, GPQA, HLE and LCB (2407-2501). GLM-4.5 achieved a comprehensive score of 68.8 under these reasoning benchmarks, compared with scores ranging from 63.5 to 74.2 for industry peer models; and (iii) coding benchmarks, including SWE-Bench Verified and Terminal-Bench. GLM-4.5 achieved a comprehensive score of 50.9 under these coding benchmarks, compared with scores ranging from 36.7 to 55.5 for industry peer models.

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- *Hallucination rate.* In September 2025, GLM-4.5 had the world's second-lowest and China's lowest hallucination rate, according to the LLM Hallucination Leaderboard for Retrieval-Augmented Generation (RAG). This benchmark evaluates large models based on how frequently they produce non-existent answers (*i.e.,* hallucinations) in response to intentionally misleading questions.

In September 2025, we released GLM-4.6, a further updated version of our foundational model which primarily features enhanced coding capabilities. In November 2025, GLM-4.6 ranked first globally on CodeArena, the latest industry-recognized global evaluation platform designed to assess models' coding capabilities.

### Reflection and Rumination Models

Reflection and rumination models spend additional time "deep thinking" before generating an answer, which makes them better for complex reasoning tasks. Building upon our foundation model, we built our reflection model (GLM-Z1) and rumination model (GLM-Z1-Rumination).

GLM-Z1 is a reflection model designed to tackle problems with *certainty*, aiming for more precise and accurate solutions. It was developed based on the foundation model through extended reinforcement learning and further training on tasks including mathematics, coding and logic.

GLM-Z1-Rumination is designed to address problems with *uncertainty*, especially open-ended, exploratory questions that require gathering and processing external information iteratively. Compared with GLM-Z1, GLM-Z1-Rumination is capable of deeper and longer thinking and using tools to solve more open-ended and complex problems.

### Multimodal Models

Multimodal models are capable of processing and integrating information from various modalities, such as text, images, audio and video. We have developed various multimodal models serving different functionalities, such as CogView (image generation), GLM-4.5V (visual comprehension and reasoning), CogVideoX (video generation), GLM-Realtime (realtime video call) and GLM-4-Voice (voice model).

### AI Agents

AI agents combine reasoning, planning and tool-use capabilities, and can autonomously perform multi-step tasks without constant human input.

Our foundation agent model is AutoGLM. AutoGLM represents a major step forward in the evolution of our AI universe—from "chat" to "act," bridging the gap between conversation-based AI and real-world task execution. Designed as a foundation agent tailored for autonomous control of digital devices through graphical user interfaces (GUIs), AutoGLM transforms human-like reasoning into concrete actions. AutoGLM achieved SOTA performance under AgentBench, an agentic AI benchmark recognized by the 2024 AI Index published by Stanford University.

In August 2025, we released an updated version of AutoGLM (also known as "AutoGLM 2.0"), which is powered by our then latest foundation model GLM-4.5 and visual comprehension and reasoning model GLM-4.5V. This updated version enables AutoGLM to simulate human actions across a broader range of mobile applications and websites. It can autonomously complete requested tasks on the cloud without occupying the user's mobile phone or computer, allowing users to continue using their own devices without interruption.

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AutoGLM Rumination is an advanced version of AutoGLM. It is an autonomous AI agent designed to explore open-ended questions and take action based on its findings. AutoGLM Rumination features "thinking while working"—it leverages outstanding reasoning capabilities powered by the GLM-Z1-Rumination model while incorporating AutoGLM's interactive operational capabilities. AutoGLM Rumination can handle complex tasks involving deep reasoning, iterative research and producing actionable outcomes.

We have also developed CoCo, a sophisticated enterprise AI agent designed to deliver intelligent automation across corporate environments.

**Coding Models**

CodeGeeX is a powerful coding model designed to enhance programming efficiency and streamline workflows. It enables developers to automatically generate code based on natural language descriptions or complete unfinished lines or blocks of code, significantly improving productivity.

As of the Latest Practicable Date, the select models and agents set forth above had been commercialized.

## OUR STRENGTHS

- Pioneer in general-purpose AI innovation;

- Comprehensive large model portfolio;

- Deep academic roots as cornerstone for technological leadership;

- All-in-one MaaS platform maximizing model commercialization;

- Vibrant ecosystem fostered by open-source strategy and agentic agenda; and

- Management and advisory team with extensive research and industry experience.

See "Business—Our Strengths."

## OUR STRATEGIES

- Strengthen our R&D capabilities in general-purpose large models;

- Optimize our MaaS platform; and

- Attract and retain the best minds.

See "Business—Our Strategies."

## SPECIALIST TECHNOLOGY INDUSTRY

Our industry consultant, Frost & Sullivan, confirms and our Directors are of the view that we fall within an acceptable sector of a Specialist Technology Industry, namely, Artificial Intelligence under Next-generation Information Technology as defined under Chapter 18C of the Listing Rules.

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The following table sets forth an analysis of how our offerings fall within the acceptable sector:

| Specialist Technology Products | Acceptable Sector | Acceptable Sector – Subcategories | Functions and Applicability Analysis |
|---|---|---|---|
| Each of our models and agents<br><br>See "—Our Models and Agents" above | Next generation Information technology—Artificial Intelligence | AI-powered algorithm programming: image recognition, audio-visual learning, natural language processing, machine learning and deep learning | A large model is a complex set of algorithms that identify and leverage patterns from vast amounts of data by iteratively adjusting billions of parameters to increase accuracy. Such algorithms enable our models to achieve functions such as image recognition, audio-visual learning, natural language processing, machine learning and deep learning. For example, our multimodal models can process and integrate information from various modalities, including text, images, audio and video. |
| | | AI solutions: the design and provision of AI solutions used in different industry verticals. | Our models constitute the foundation for AI solutions to a broad range of industries, such as technology and internet, public service and traditional corporate sectors (*e.g.,* financial services, manufacturing and energy). For example, for the technology and internet sector, our large models help our customers review documents and analyze operating data on a massive scale. For the public service sector, we developed large models for municipal public transportation management that enable accurate monitoring of bus traffic flow and real-time estimation of arrival. See "Business—Our Commercial Use Cases" for more use cases demonstrating the applications of our AI solutions in different industry verticals. |

Based on the following analysis and the view of the Directors and Frost & Sullivan, the Sole Sponsor is of the view that the models and agents offered by the Group as described in this document fall within an acceptable sector of a Specialist Technology Industry, namely, Artificial Intelligence under Next Generation Information Technology as defined under Chapter 18C of the Listing Rules. As of the Latest Practicable Date, no regulatory approval had been required for our Specialist Technology Products.

## INDUSTRY OVERVIEW AND COMPETITIVE LANDSCAPE

As a large model company, we operate in the LLM market, a subset of the AI market. LLM development has experienced great leaps forward in recent years, especially since 2022. The most cutting-edge research is currently conducted in the United States and China, with a number of leading players having emerged in each country.

In terms of revenue, the size of the LLM market in China was RMB5.3 billion in 2024, with institutional customers contributing RMB4.7 billion and individual customers contributing RMB0.6 billion. With the continued advancement of LLM technologies and growing demand from both institutional and

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individual consumers, the market is estimated to grow to RMB101.1 billion by 2030, representing a CAGR of 63.5% from 2024 to 2030. With institutional customers remaining as the main growth driver, the enterprise LLM market in China is estimated to reach RMB90.4 billion by 2030, representing a CAGR of 63.7% from 2024 to 2030.

Participants in the LLM market in China can be divided into independent providers and non-independent providers. Independent providers are characterized by being natively built around LLM technology, products and business models from the early stages of their operations; and non-independent providers are typically technology giants that branch into the AI area. Independent providers face very different competitive dynamics as compared with those of non-independent providers. For example, leveraging their pre-existing, diversified business lines, non-independent providers have accumulated massive user bases, which facilitates the promotion of their LLM products. On the other hand, however, enterprise clients may be disinclined to select an LLM product offered by a technology giant if it operates business lines that compete directly with the client's own business. Also, enterprise clients in certain industries can be sensitive about falling or appearing to fall into spheres of influence by certain technology giants and are more inclined to adopt AI solutions from "pure-play" providers.

**Ranking of Top LLM Providers in China, in terms of revenue (2024)**

| Ranking of Top LLM Providers in China | | | | |
| --- | --- | --- | --- | --- |
| Ranking | Company | Type | Revenue (RMB Billion) | Market Share |
| 1 | Company A | Non-independent | 0.44 | 9.4% |
| 2 | The Company | Independent | 0.31 | 6.6% |
| 3 | Company B | Non-independent | 0.30 | 6.4% |
| 4 | Company C | Non-independent | 0.29 | 6.1% |
| 5 | Company D | Non-independent | 0.22 | 4.7% |

*Notes:*

1)  Company A, founded in 1999, is a public company listed on Shenzhen Stock Exchange.

2)  Company B, founded in 1999, is a public company listed on both the Hong Kong Stock Exchange and the New York Stock Exchange.

3)  Company C, founded in 2014, is a public company listed on the Hong Kong Stock Exchange.

4)  Company D, founded in 2000, is a public company listed on both Hong Kong Stock Exchange and NASDAQ.

*Source: Frost & Sullivan*

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## RESEARCH AND DEVELOPMENT

We are, at the core, a company of data scientists and engineers, with R&D ingrained in every aspect of what we do. On a daily basis, we are intensely focused on elevating the intelligence of our foundation models; improving and developing useful and cost-effective AI agents for ever more industry verticals and other use cases; and collaborate with business partners to design and improve our computing infrastructure that enables our MaaS platform to deliver comprehensive capabilities. We achieve these through, first and foremost, our people, as well as our robust technology infrastructure and rigorous R&D processes.

As of June 30, 2025, we had a R&D team of 657 members with background and experience in the relevant fields such as natural language processing, advanced decision-making in complex systems and multimodal semantic analysis. See "Business—Research and Development—Talent."

## INTELLECTUAL PROPERTY

Our intellectual property is critical to our innovation which underpins our success. We seek to protect our intellectual property through a combination of patents, copyrights, trademarks, domain names, trade secrets, confidentiality agreements and other measures. As of the Latest Practicable Date, we had 86 registered patents in China, among which 84 were invention patents, and 234 patent applications in China. As of the same date, we had 160 copyrights, 314 trademarks and 58 domain names in China.

We have designed and adopted comprehensive measures to protect our intellectual property. We enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses with our employees, certain consultants and advisors. They acknowledge that the intellectual property developed by them in connection with their employment with us, including our in-house developed content, is our property. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement of third parties' trademarks, licenses and other intellectual property rights.

## COMPETITION

As a large model company, we operate in what is known as the LLM market, a subset of the AI market. The LLM market is highly competitive. According to Frost & Sullivan, LLM vendors compete based on factors including (i) technical capabilities such as self-developed LLM pre-training framework and model customization and optimization, (ii) flexible business models and delivery strategies, (iii) ecosystem building capabilities and (iv) talent with deep technical backgrounds and extensive experience. We compete with both independent and non-independent LLM vendors, both within China and internationally. We may also in the future face competition from new entrants that will increase the competition. Principal competitive factors important to us include scope, performance and safety of our service offerings, user experience, our R&D capabilities and our talents. For additional details regarding the competitive landscape of the industry in which we operate, see "Industry Overview" and "Business—Competition."

## BUSINESS SUSTAINABILITY

### Our Historical Performance

We achieved strong growth in revenue during the Track Record Period. Our revenues grew from RMB57.4 million in 2022 to RMB124.5 million in 2023 and further to RMB312.4 million in 2024 with a CAGR of over 130%. Our revenue also grew significantly from RMB44.9 million in the six months ended June 30, 2024 to RMB190.9 million in June 30, 2025.

While we achieved sustained business growth, we had loss for the year of RMB143.7 million, RMB788.0 million, RMB2,958.0 million, RMB1,235.6 million and RMB2,357.9 million in 2022, 2023,

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2024 and the six months ended June 30, 2024 and 2025, respectively. Our losses during the Track Record Period were primarily due to our significant investments in research and development. Our R&D expenses increased from RMB84.4 million in 2022 to RMB528.9 million in 2023 and further to RMB2,195.4 million in 2024. Our R&D expenses increased by 85.6% from RMB859.2 million in the six months ended June 30, 2024 to RMB1,594.7 million in June 30, 2025.

## Path to Profitability

While the absolute amount of our net losses increased during the Track Record Period, we expect to turn around our net loss position through increase in revenue and enhancement in operating efficiency.

### *Continuous Revenue Growth*

Revenue growth is key to achieving profitability. We have built a robust portfolio of AI models and agents to empower a broad range of industries and address unique challenges and optimize workflows in each industry. Leveraging the significant market potential of the LLM market, as well as our technological leadership, we are well positioned to upgrade our AI models and agents in response to emerging market opportunities and continue to achieve revenue growth. The growth in our revenue will gradually cover the relevant costs and expenses and thereby reduce our net losses in general. We plan to increase our revenue by (i) leveraging the growth potential of the LLM market in China; (ii) continuously promote iteration and upgrade of AI models and agents; (iii) broadening our customer reach; and (iv) expanding our solutions use for new industry sectors.

### *Improving Operating Leverage*

Improvement of our operating efficiency is also a significant factor to achieve profitability. We plan to optimize R&D efficiency and improve operational management effectiveness. Since our inception, we have invested significantly in R&D and our MaaS platform. With our deep academic roots as cornerstone for technological leadership, we are constantly making technological advancements and iterations of our foundation models, boosting our profitability. We have also adopted measures to control general and administration expenses and improving operational efficiency. We have simplified workflows and optimized resource allocation to ensuring that operational needs are met in a cost-effective manner. In addition, we have adopted a focused approach to selling and marketing activities to further improve the efficiency of related expenses. By directing resources and efforts toward cloud-based deployment and leveraging data-driven insights, we have optimized our selling and marketing strategies.

See "Business—Business Sustainability" for details. Taking into account our historical growth, the market opportunities and our plan to achieve profitability, we are of the view that we have a sustainable business model.

## OUR CUSTOMERS AND SUPPLIERS

Our customers include enterprises, public sector entities and individual users. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, revenue from our five largest customers accounted for 55.4%, 61.5%, 45.5% and 40.0% of our total revenue, respectively. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, revenue from our largest customer accounted for 15.4%, 14.7%, 19.0% and 11.0% of our total revenue, respectively.

Our suppliers primarily consist of (i) providers of computing resources, such as computing hardware and computing services, (ii) hardware equipment vendors, including servers, storage devices and network devices, (iii) providers of research and development support, such as data cleansing and large model evaluation services, and (iv) providers of marketing services. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers accounted for 54.5%,

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53.6%, 47.3% and 50.2% of our total purchases, respectively. In each year/period during 2022, 2023, 2024 and the six months ended June 30, 2025, purchases from our largest supplier accounted for 33.1%, 16.4%, 15.6% and 13.4% of our total purchases, respectively.

### OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the Controlling Shareholders, Beijing Lianpai, Dr. Liu, Dr. Tang, Dr. Li, Dr. Xu, Dr. Zhang, Huihui and Zhideng, by virtue of the Concert Party Agreement entered into among them, were collectively interested in approximately 33.03% of the Shares. See "History, Development and Corporate Structure—Concert Party Arrangement and Our Controlling Shareholders" for further details.

Immediately following the completion the **[REDACTED]**, our group of Controlling Shareholders will in aggregate hold approximately **[REDACTED]**% of the Shares (assuming the **[REDACTED]** is not exercised). Accordingly, upon **[REDACTED]**, they will remain as our group of Controlling Shareholders as defined under the Listing Rules. For further details about our Controlling Shareholders, see "Relationship with our Controlling Shareholders."

### PRE-[REDACTED] INVESTMENTS

We completed eight rounds of Pre-**[REDACTED]** Investments and had raised funds of over RMB8,360 million. See "History, Development and Corporate Structure—Pre-**[REDACTED]** Investments" for further details of the Pre-**[REDACTED]** Investments and the Pre-**[REDACTED]** Investors.

### RISK FACTORS

Our operations and the **[REDACTED]** involve certain risks and uncertainties, including (i) risks related to our research and development, (ii) risks related to our commercialization, (iii) risks related to our operations, (iv) risks related to our intellectual property, (v) risks related to our financial condition and need for additional capital, (vi) risks related to where we conduct business, and (vii) risks related to the **[REDACTED]**, which are set out in the section headed "Risk Factors" in this document. You should read that section in its entirety carefully before you decide to invest in the **[REDACTED]**. Some of the major risks we face include, but are not limited to:

- The AI industry is characterized by constant changes. If we are not able to upgrade, enhance or innovate our technologies and services, our business, results of operations, financial condition and prospects could be adversely affected.

- We have made and expect to continue to make substantial investments in R&D. If we cannot continuously invest in our R&D activities while achieving technological innovation, our business, results of operations, financial condition and prospects may be materially and adversely affected.

- The development of AGI is still at an early stage and there are substantial uncertainties in the future realization of AGI.

- We are exposed to risks relating to our R&D team and our senior management.

- We rely on third parties to provide computing resources to us, and any disruption of their services or fluctuation of prices could adversely affect our business, results of operations and financial condition.

- Our commercial success depends on the performance of our models. Any failure in research and development efforts to offer high-quality models and solutions could harm our business, results of operations, financial condition and prospects.

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- The AI industry is subject to evolving and extensive regulation in China. Future laws and regulations may impose additional requirements and other obligations that could materially and adversely affect our business, results of operations, financial condition and prospects.

- We may not be able to obtain or maintain adequate intellectual property rights protection for our business, or the scope of such intellectual property rights protection may not be sufficiently broad.

- We may not be able to compete effectively against current or future competitors.

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

- Any failure of our MaaS platform to perform as required could harm our business, results of operations, financial condition and prospects.

- We have a limited track record in the commercialization of our business.

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## SUMMARY OF KEY FINANCIAL INFORMATION

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

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

The following table summarizes our results of operations and as percentage of our total revenue for the years/periods indicated.

| | Year Ended December 31, | | | | | | Six Months Ended June 30, | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Amount | % of revenue | Amount | % of revenue | Amount | % of revenue | Amount | % of revenue | Amount | % of revenue |
| | (RMB in thousands, except for percentages) | | | | | | | | | |
| | | | | | | | (Unaudited) | | | |
| **Revenue** | 57,409 | 100.0 | 124,538 | 100.0 | 312,414 | 100.0 | 44,909 | 100.0 | 190,877 | 100.0 |
| Cost of revenue ...... | (26,049) | (45.4) | (44,056) | (35.4) | (136,525) | (43.7) | (22,950) | (51.1) | (95,453) | (50.0) |
| **Gross profit** ........ | 31,360 | 54.6 | 80,482 | 64.6 | 175,889 | 56.3 | 21,959 | 48.9 | 95,424 | 50.0 |
| Other income ........ | 1,784 | 3.1 | 9,965 | 8.0 | 19,281 | 6.2 | 4,174 | 9.3 | 4,614 | 2.4 |
| Selling and marketing expenses .......... | (15,139) | (26.4) | (101,198) | (81.3) | (387,475) | (124.0) | (144,194) | (321.1) | (208,570) | (109.3) |
| General and administration expenses .......... | (32,316) | (56.3) | (66,302) | (53.2) | (133,603) | (42.8) | (51,452) | (114.6) | (185,165) | (97.0) |
| Research and development expenses .......... | (84,377) | (147.0) | (528,884) | (424.7) | (2,195,436) | (702.7) | (859,217) | (1,913.2) | (1,594,661) | (835.4) |
| Impairment losses on financial assets ..... | (31) | (0.1) | (19,786) | (15.9) | (17,008) | (5.4) | (763) | (1.7) | (10,867) | (5.7) |
| **Loss from operations** | **(98,719)** | **(172.0)** | **(625,723)** | **(502.4)** | **(2,538,352)** | **(812.5)** | **(1,029,493)** | **(2,292.4)** | **(1,899,225)** | **(995.0)** |
| Finance costs ........ | (5,694) | (9.9) | (26,332) | (21.1) | (38,321) | (12.3) | (12,212) | (27.2) | (53,270) | (27.9) |
| Share of profits less losses of associates ......... | — | — | (453) | (0.4) | 21,254 | 6.8 | 324 | 0.7 | 14,147 | 7.4 |
| Changes in fair value of financial instruments measured at fair value through profit or loss ("FVPL") ... | 5,972 | 10.4 | 26,022 | 20.9 | 66,271 | 21.2 | 7,004 | 15.6 | 9,791 | 5.1 |
| Changes in the carrying amounts of financial instruments issued to investors .......... | (45,209) | (78.7) | (161,471) | (129.7) | (468,859) | (150.1) | (201,174) | (448.0) | (429,295) | (224.9) |
| **Loss before taxation** | **(143,650)** | **(250.2)** | **(787,957)** | **(632.7)** | **(2,958,007)** | **(946.8)** | **(1,235,551)** | **(2,751.2)** | **(2,357,852)** | **(1,235.3)** |
| Income tax .......... | — | — | — | — | — | — | — | — | — | — |
| **Loss for the year** ..... | **(143,650)** | **(250.2)** | **(787,957)** | **(632.7)** | **(2,958,007)** | **(946.8)** | **(1,235,551)** | **(2,751.2)** | **(2,357,852)** | **(1,235.3)** |
| **Loss attributable to:** | | | | | | | | | | |
| Equity holders of the Company ......... | (143,374) | (249.7) | (787,960) | (632.7) | (2,956,491) | (946.3) | (1,235,551) | (2,751.2) | (2,351,173) | (1,231.8) |
| Non-controlling interests .......... | (276) | (0.5) | 3 | 0.0 | (1,516) | (0.5) | — | — | (6,679) | (3.5) |

# SUMMARY

**Non-IFRS Financial Measure**

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted loss for the year (a non-IFRS measure), as an additional financial measures which is not required by or presented in accordance with IFRS Accounting Standards. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted loss for the year (a non-IFRS measure) may not be comparable to similar measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS Accounting Standards. We define adjusted loss for the year/period (a non-IFRS measure) as loss for the year/period adjusted for adding back equity-settled share-based compensation expenses, changes in the carrying amount of financial instruments issued to investors, and **[REDACTED]**.

| | Year Ended December 31, | | | Six Months Ended June 30, | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2024** | **2025** |
| | *(RMB in thousands)* | | | | |
| | | | | *(Unaudited)* | |
| Net loss for the year/period | (143,650) | (787,957) | (2,958,007) | (1,235,551) | (2,357,852) |
| Add: | | | | | |
| — Equity-settled share-based compensation expenses[1] | 1,024 | 5,502 | 23,579 | 4,217 | 158,852 |
| — Changes in the carrying amount of financial instruments issued to investors[2] | 45,209 | 161,471 | 468,859 | 201,174 | 429,295 |
| — **[REDACTED]**[3] | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** | **[REDACTED]** |
| Adjusted net loss for the year/period (non-IFRS measure) | (97,417) | (620,984) | (2,465,569) | (1,030,160) | (1,751,974) |

*Notes:*

(1) Equity-settled share-based compensation expenses represented share-based compensation expenses incurred in connection with our share incentive plan. Equity-settled share-based compensation expenses are not expected to result in future cash payments. The reconciling item is non-cash and does not result in cash outflow, and the adjustment has been consistently made during the Track Record Period.

(2) We adjust changes in the carrying amount of financial instruments issued to investors because it was non-cash, in nature. We recognized the financial instruments at present value of financial instruments, with changes in such carrying amounts being booked in profit or loss, arising from redemption rights issued to Pre-**[REDACTED]** Investors. These redemption rights issued will be terminated and converted into equity upon the **[REDACTED]**.

(3) **[REDACTED]** represent professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**.

# SUMMARY

## Revenue

During the Track Record Period, we derived our revenue from providing large model services through our MaaS platform. The following table sets forth a breakdown of revenue by segment both in absolute amount and as a percentage of our total revenue for the years/periods indicated.

| | Year Ended December 31, | | | | | | Six Months Ended June 30, | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | (RMB in thousands, except for percentages) | | | | | | (Unaudited) | | | |
| On-premise deployment | 54,815 | 95.5% | 112,614 | 90.4% | 263,930 | 84.5% | 26,806 | 59.7% | 161,777 | 84.8% |
| Cloud-based deployment | 2,594 | 4.5% | 11,924 | 9.6% | 48,484 | 15.5% | 18,103 | 40.3% | 29,100 | 15.2% |
| **Total** | **57,409** | **100.0%** | **124,538** | **100.0%** | **312,414** | **100.0%** | **44,909** | **100.0%** | **190,877** | **100.0%** |

Starting from 2024, our large model on-premise deployment services have generated revenue from overseas customers, primarily from customers in Southeast Asia. The following table sets forth a breakdown of revenue derived from on-premise deployment by geographical location of our customers both in absolute amount and as a percentage of our total revenue derived from on-premise deployment for the years/periods indicated.

| | Years Ended December 31, | | | | | | Six Months Ended June 30, | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | (RMB in thousands, except for percentages) | | | | | | | | | |
| **On-premise deployment** | | | | | | | | | | |
| Mainland China | 54,815 | 100.0% | 112,614 | 100.0% | 262,479 | 99.5% | 26,806 | 100.0% | 142,990 | 88.4% |
| Southeast Asia[1] | — | — | — | — | 1,080 | 0.4% | — | — | 17,927 | 11.1% |
| Hong Kong | — | — | — | — | 371 | 0.1% | — | — | — | — |
| Others[2] | — | — | — | — | — | — | — | — | 860 | 0.5% |
| **Total** | **54,815** | **100.0%** | **112,614** | **100.0%** | **263,930** | **100.0%** | **26,806** | **100.0%** | **161,777** | **100.0%** |

_Notes:_

(1) Includes Malaysia and Singapore.
(2) Include the United States.

## Cost of Revenue

During the Track Record Period, our cost of revenue consisted of (i) payroll cost, mainly representing the wages and benefits of service personnel involved in the deployment and maintenance of our services; (ii) computing service fee paid to providers of computing power necessary for providing our services; (iii) provision for warranty; (iv) depreciation and amortization; (v) technical service and consultation fees as we outsourced to third-party service providers certain standard labor intensive tasks to save costs, such as data annotation; (vi) tax and surcharges; and (vii) others.

# SUMMARY

The following table sets forth a breakdown of our cost of revenue by nature both in absolute amount and as a percentage of our total cost of revenue for the years/periods indicated.

| | Year Ended December 31, | | | | | | Six Months Ended June 30, | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | (RMB in thousands, except for percentages) | | | | | | | | | |
| | | | | | | | (Unaudited) | | | |
| Payroll cost | 16,434 | 63.1% | 15,375 | 34.9% | 74,262 | 54.4% | 10,832 | 47.2% | 37,628 | 39.4% |
| Computing service fee | — | — | 11,996 | 27.2% | 30,173 | 22.1% | 8,451 | 36.8% | 35,845 | 37.6% |
| Provision for warranty | 2,101 | 8.1% | 4,522 | 10.3% | 12,171 | 8.9% | 1,672 | 7.3% | 6,670 | 7.0% |
| Depreciation and amortization | 1,912 | 7.3% | 6,436 | 14.6% | 6,769 | 5.0% | 549 | 2.4% | 2,074 | 2.2% |
| Technical service and consultation fees | 4,553 | 17.5% | 623 | 1.4% | 9,126 | 6.7% | 356 | 1.6% | 6,165 | 6.5% |
| Taxes and surcharges | 57 | 0.2% | 1,713 | 3.9% | 541 | 0.4% | 361 | 1.6% | 1,109 | 1.2% |
| Others | 992 | 3.8% | 3,391 | 7.7% | 3,483 | 2.5% | 729 | 3.1% | 5,962 | 6.1% |
| **Total** | **26,049** | **100.0%** | **44,056** | **100.0%** | **136,525** | **100.0%** | **22,950** | **100.0%** | **95,453** | **100.0%** |

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

| | Year Ended December 31, | | | | | | Six Months Ended June 30, | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | (RMB in thousands, except for percentages) | | | | | | | | | |
| | | | | | | | (Unaudited) | | | |
| On-premise deployment . . . . . . | 25,429 | 97.6% | 35,833 | 81.3% | 89,674 | 65.7% | 10,030 | 43.7% | 66,237 | 69.4% |
| Cloud-based deployment . . . . . . | 620 | 2.4% | 8,223 | 18.7% | 46,851 | 34.3% | 12,920 | 56.3% | 29,216 | 30.6% |
| **Total** | **26,049** | **100.0%** | **44,056** | **100.0%** | **136,525** | **100.0%** | **22,950** | **100.0%** | **95,453** | **100.0%** |

**Gross Profit and Gross Profit Margin**

The following table sets forth a breakdown of our gross profit and gross profit margins, for the years/periods indicated.

| | Year Ended December 31, | | | | | | Six Months Ended June 30, | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | 2022 | | 2023 | | 2024 | | 2024 | | 2025 | |
| | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin | Gross Profit | Gross Profit Margin |
| | (RMB in thousands, except for percentages) | | | | | | | | | |
| | | | | | | | (Unaudited) | | | |
| On-premise deployment | 29,386 | 53.6% | 76,781 | 68.2% | 174,256 | 66.0% | 16,776 | 62.6% | 95,540 | 59.1% |
| Cloud-based deployment | 1,974 | 76.1% | 3,701 | 31.0% | 1,633 | 3.4% | 5,183 | 28.6% | (116) | (0.4%) |
| **Total** | **31,360** | **54.6%** | **80,482** | **64.6%** | **175,889** | **56.3%** | **21,959** | **48.9%** | **95,424** | **50.0%** |

# SUMMARY

## Loss for the Year/Period

We recorded accumulated losses during the Track Record Period mainly because, despite achieving substantial revenue growth, we strategically made significant investments in research and development to support the development of advanced models and the ongoing improvement of our foundation models, and investments in sales and marketing activities to increase our customer base.

Our net loss increased from RMB143.7 million in 2022, to RMB788.0 million in 2023, and further increased to RMB2,958.0 million in 2024. Our net loss increased from RMB1,235.6 million for the six months ended June 30, 2024 to RMB2,357.9 million for the six months ended June 30, 2025. Such overall upward trend in our net loss was primarily due to (i) the significant increase in research and development expenses as we expanded our R&D team and procured substantially more computing services from third parties and related computing hardware, generally in line with our business expansion; and (ii) the increase in selling and marketing expenses as we expanded our sales and marketing team and made more advertising investment in order to swiftly take advantage of emerging market opportunities.

## Summary of Consolidated Statements of Financial Position

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

| | As of December 31, | | | As of June 30, |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| | *(RMB in thousands)* | | | |
| Total non-current assets | 62,445 | 996,675 | 1,359,902 | 1,360,356 |
| Total current assets | 299,531 | 1,863,478 | 3,015,867 | 3,740,355 |
| Total current liabilities | (531,855) | (3,608,888) | (7,838,055) | (10,829,216) |
| Net current liabilities | (232,324) | (1,745,410) | (4,822,188) | (7,088,861) |
| Total assets less current liabilities | (169,879) | (748,735) | (3,462,286) | (5,728,505) |
| Total non-current liabilities | (10,309) | (233,858) | (492,859) | (422,336) |
| Net liabilities | (180,188) | (982,593) | (3,955,145) | (6,150,841) |

Our net liabilities increased from RMB180.2 million as of December 31, 2022 to RMB982.6 million as of December 31, 2023, primarily attributable to total comprehensive loss of RMB788.0 million mainly driven by the research and development expenses we incurred, and capital contributions from equity holders of RMB18.8 million, partially offset by the recognition of the equity settled share-based transactions of RMB5.5 million. Our net liabilities further increased from RMB982.6 million as of December 31, 2023 to RMB3,955.1 million as of December 31, 2024, primarily attributable to total comprehensive loss of RMB2,958.1 million mainly driven by the research and development expenses and capital contributions from equity holders of RMB41.0 million, partially offset by the recognition of the equity settled share-based transactions of RMB23.6 million. Our net liabilities further increased to RMB6,150.8 million as of June 30, 2025, primarily attributable to total comprehensive loss of RMB2,357.4 million mainly driven by the research and development expenses, partially offset by the recognition of the equity settled share-based transactions of RMB161.7 million.

Our net current liabilities increased from RMB232.3 million as of December 31, 2022 to RMB1,745.4 million as of December 31, 2023, primarily attributed to an increase of RMB2,721.9 million in financial instruments issued to investors, partially offset by an increase of RMB1,030.4 million in cash and cash equivalents.

Our net current liabilities increased from RMB1,745.4 million as of December 31, 2023 to RMB4,822.2 million as of December 31, 2024, primarily attributed to an increase of RMB3,497.1 million in financial instruments issued to investors, partially offset by an increase of RMB1,019.8 million in cash and cash equivalents.

# SUMMARY

Our net current liabilities increased from RMB4,822.2 million as of December 31, 2024 to RMB7,088.9 million as of June 30, 2025, primarily attributed to an increase of RMB2,887.8 million in financial instruments issued to investors. For more information, see "Financial Information—Discussion of Selected Items of Consolidated Statements of Financial Position."

During the Track Record Period, we recognized the financial instruments issued to Pre-[REDACTED] Investors as financial liabilities. The financial instruments issued to investors will be re-designated from liabilities to equity as a result of the termination of all special rights of the Pre-[REDACTED] Investors upon the [REDACTED]. For more details, see Note 26 of the Accountants' Report set forth in Appendix I to this document. We expect to turn our net liabilities position into net asset position upon such re-designation.

## Summary of Consolidated Statements of Cash Flows

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

| | Year Ended December 31, | | | Six Months Ended June 30, | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2024 | 2025 |
| | (RMB in thousands) | | | | |
| | | | | (Unaudited) | |
| Net cash used in operating activities | (68,246) | (648,017) | (2,244,919) | (994,678) | (1,327,150) |
| Net cash generated from/(used in) investing activities | 32,921 | (784,965) | (48,559) | (138,775) | (556,373) |
| Net cash generated from financing activities | 191,196 | 2,463,043 | 3,312,073 | 816,341 | 2,165,110 |
| Net increase/(decrease) in cash and cash equivalents | 155,871 | 1,030,061 | 1,018,595 | (317,112) | 281,587 |
| Cash and cash equivalents at the beginning of the year/period | 63,057 | 218,928 | 1,249,175 | 1,249,175 | 2,268,164 |
| Effect of exchange rate changes | — | 186 | 394 | 3 | 2,219 |
| **Cash and cash equivalents at the end of the year/period** | 218,928 | 1,249,175 | 2,268,164 | 932,066 | 2,551,970 |

Our cash burn rate refers to the average monthly (i) net cash used in operating activities, (ii) net cash used in the purchases of property and equipment, (iii) net cash used in/generated from the purchases/disposal of wealth management products and (iv) lease payments. Our historical cash burn rate was RMB3.0 million, RMB105.9 million, RMB194.5 million and RMB327.3 million for each of the years ended December 31, 2022, 2023 and 2024 and for the six months ended June 30, 2025, respectively, mainly representing our investment in R&D activities and business operations. During the Track Record Period, we recorded expenditure in purchase of property and equipment primarily due to our procurement and lease of computing hardware and offices, for the operation activities and R&D activities in line with our business expansion.

We had cash and cash equivalents, short-term investment measured at FVPL, and available committed bank facilities of RMB8,943.1 million in aggregate as of October 31, 2025. We estimate that we will receive [REDACTED] of RMB[REDACTED] (HK$[REDACTED]) after deducting the [REDACTED] and other estimated [REDACTED] payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED] range in this document.

Assuming that the average cash burn rate going forward will be RMB[REDACTED], similar to the cash burn rate level for the six months ended June 30, 2025 based on the underlying assumptions that (i) the

# SUMMARY

number of our employees will not increase significantly, particularly in the R&D department; (ii) we do not expect substantial capital investment; and (iii) we do not expect significant acquisitions of fixed assets, we estimate that our cash and cash equivalents, short term investment measured at FVPL, and available committed bank facilities as of October 31, 2025 will be able to maintain our financial viability for [REDACTED] or, if we take into account 10% of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general corporate purposes), [REDACTED] or, if we also take into account the estimated [REDACTED] from the [REDACTED], [REDACTED]. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings.

For the six months ended June 30, 2025, our net cash used in operating activities amounted to RMB1,327.2 million, primarily attributable to the loss before tax of RMB2,357.9 million, mainly offset by (i) changes in the carrying amounts of financial instruments issued to investors of RMB429.3 million and (ii) an increase in trade and other payables of RMB238.3 million.

For the year ended December 31, 2024, our net cash used in operating activities amounted to RMB2,244.9 million, primarily attributable to the loss before tax of RMB2,958.0 million, adjusted mainly by (i) increase in trade and other receivables of RMB415.0 million and (ii) fair value changes of FVPL of RMB66.3 million. The foregoing was partially offset by (i) changes in carrying amount of financial instruments issued to investors of RMB468.9 million, (ii) depreciation on property and equipment of RMB270.3 million, and (iii) increase in trade and other payables of RMB416.0 million.

For the year ended December 31, 2023, our net cash used in operating activities amounted to RMB648.0 million, primarily attributable to the loss before tax of RMB788.0 million, adjusted mainly by increase in trade and other receivables of RMB269.5 million. The foregoing was partially offset by (i) increase in trade and other payables of RMB143.2 million, (ii) changes in carrying amount of financial instruments issued to investors of RMB161.5 million, and (iii) depreciation on property and equipment of RMB63.8 million.

For the year ended December 31, 2022, our net cash used in operating activities amounted to RMB68.2 million, primarily attributable to the loss before tax of RMB143.7 million, adjusted mainly by increase in trade and other receivables of RMB19.6 million. The foregoing was partially offset by (i) changes in carrying amount of financial instruments issued to investors of RMB45.2 million, (ii) increase in trade and other payables of RMB12.9 million, (iii) depreciation on property and equipment of RMB16.6 million, and (iv) increase in contract liabilities of RMB13.1 million.

## KEY FINANCIAL RATIOS

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

| | As of/For the Year Ended December 31, | | | As of/For the Six Months Ended June 30, |
| --- | --- | --- | --- | --- |
| | 2022 | 2023 | 2024 | 2025 |
| Revenue growth ratio | / | 1.2 | 1.5 | 3.3 |
| Current Ratio[1] | 0.6 | 0.5 | 0.4 | 0.3 |
| Quick Ratio[2] | 0.5 | 0.5 | 0.4 | 0.3 |
| Gearing ratio[3] | 7.1% | 27.6% | 20.4% | 12.0% |

*Notes:*

(1) Current ratio is calculated by dividing current assets by current liabilities as of the date indicated.

(2) Quick ratio is calculated by dividing current assets less inventories by current liabilities as of the date indicated.

(3) Gearing ratio is calculated by dividing total interest-bearing bank and other borrowings and lease liabilities divided by total equity as of the end of the period multiplied by 100%.

# SUMMARY

## [REDACTED] STATISTICS

| | Based on the minimum [REDACTED] of HK$[REDACTED] per [REDACTED] | Based on the maximum [REDACTED] of HK$[REDACTED] per [REDACTED] |
|---|---|---|
| Market capitalization of our Shares[1] | HK$[REDACTED] million | HK$[REDACTED] million |
| Unaudited pro forma adjusted net tangible assets per Share[2] | HK$[REDACTED] | HK$[REDACTED] |

Notes:

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

(2) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per H Share is arrived at after the adjustments referred to in "Appendix II - Unaudited Pro Forma Financial Information," and on the basis that **[REDACTED]** Shares were in issue (being 402,810,690 Shares in issue and outstanding as of June 30, 2025 taking into account the Share Subdivision and **[REDACTED]** H Shares to be issued pursuant to **[REDACTED]**) and does not take into account of any shares which may be issued upon the exercise of the **[REDACTED]** or the share incentive plans.

## FUTURE PLANS AND USE OF [REDACTED]

Assuming that the **[REDACTED]** is not exercised, after deducting the **[REDACTED]** and other estimated **[REDACTED]** payable by us in connection with the **[REDACTED]**, and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** of HK$**[REDACTED]** to HK$**[REDACTED]**), we estimate that we will receive **[REDACTED]** of approximately HK$**[REDACTED]** million from the **[REDACTED]**. We intend to use the **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately [70.0]% (or HK$**[REDACTED]** million) will be used to continuously strengthen our research and development capabilities in general-purpose large AI models;

- Approximately [10.0]% (or HK$**[REDACTED]** million) will be used to continuously optimize our MaaS platform by offering the latest foundation models and training/inference tools and infrastructures;

- Approximately [10.0]% (or HK$**[REDACTED]** million) will be used for the development of our business partner network, as well as for strategic investments; and

- Approximately [10.0]% (or HK$**[REDACTED]** million) will be used for working capital and other general corporate purposes.

For details, please see "Future Plans and Use of **[REDACTED]**."

## DIVIDEND POLICY

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make, as determined in accordance with its articles of association and the accounting standards and regulations in China. As advised

## SUMMARY

by our PRC Legal Adviser, taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our accumulated losses, or even if we become profitable, as we will only be able to declare or pay dividends out of our distributable profits until (i) the accumulated losses are covered by our after-tax profits, and (ii) sufficient statutory and other reserves are drawn in accordance with the relevant laws, regulations and our constitutional documents. In light of our accumulated losses as disclosed in this document, it is unlikely that we will be eligible to pay dividends out of our profits in the foreseeable future.

**[REDACTED]**

**[REDACTED]** represent professional fees, **[REDACTED]** and fees incurred in connection with the **[REDACTED]** and the **[REDACTED]**. We recorded **[REDACTED]** of **[REDACTED]** in 2022, 2023, 2024 and for the six months ended June 30, 2025, respectively. Our **[REDACTED]** are estimated to be approximately RMB**[REDACTED]** million (HK$**[REDACTED]** million) (including **[REDACTED]**) accounted for **[REDACTED]**% of the **[REDACTED]** of the **[REDACTED]**, assuming that an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the **[REDACTED]** stated in this document) and no exercise of the **[REDACTED]**), among which, approximately RMB**[REDACTED]** (HK$**[REDACTED]** is directly attributable to the issuance of Shares and will be charged to equity upon completion of the **[REDACTED]**, and approximately RMB**[REDACTED]** (HK$**[REDACTED]**) will be charged to our consolidated statements of profit or loss. The **[REDACTED]** we expect to incur would consist of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) **[REDACTED]** and fees, approximately RMB**[REDACTED]** (HK$**[REDACTED]**) non-**[REDACTED]** and fees, which consist of fees and expenses of legal advisors and reporting accountants of approximately RMB**[REDACTED]** (HK$**[REDACTED]**) and other fees and expenses of approximately RMB**[REDACTED]** (HK$**[REDACTED]**).

**ENTITY LIST ADDITION**

On January 16, 2025, our Company and nine of our subsidiaries were added to the Entity List administered by the BIS. The addition restricts our ability to purchase or otherwise access certain goods, software and technology that are subject to the EAR without a license from the BIS. However, as we did not rely on any EAR item during the Track Record Period, such incident has not had, and our Directors are of the view that (assuming there is no expansion of the EAR restrictions or the scope of entities added to the Entity List) it will not have in the near future, any material adverse impact on our business and financial performance. In light of the foregoing, our International Sanctions Counsel advised that the fact that our Company is on the Entity List does not and will not cause any material adverse effect on our business and financial conditions of the Group. See "Business—U.S. Export Control Laws and Regulations."

**RECENT DEVELOPMENTS**

In July and August 2025, we released GLM-4.5, GLM-4.5V and an updated version of AutoGLM (also known as "AutoGLM 2.0"). GLM-4.5 is our flagship foundation model. Through multi-stage training and comprehensive post-training with fine-tuning and reinforcement learning, GLM-4.5 achieves strong performance across agentic, reasoning and coding tasks. GLM-4.5V is our foundational vision-language model (VLM) designed for general-purpose visual comprehension and reasoning. It can perform a variety of highly complex visual comprehension and reasoning tasks autonomously. The updated version of AutoGLM is powered by GLM-4.5 and GLM-4.5V, and can simulate human actions across a broader range of mobile applications and websites. It can autonomously complete requested tasks on the cloud without occupying the user's mobile phone or computer, allowing users to continue using their own devices without interruption. In September 2025, we released GLM-4.6, a further updated version of our foundational model which primarily features enhanced coding capabilities. For details, see "Business—Our Models" and "Business—Our AI Agents."

# SUMMARY

For the nine months ended September 30, 2025, we had over 12,000 institutional customers, representing a substantial increase compared to the six months ended June 30, 2025. In addition, our average daily token consumption volume was 4.2 trillion in November 2025.

Based on our unaudited management accounts, we estimate our revenue in the three months ended September 30, 2025 to increase by over 60% compared to the same period in 2024. We expect to record a significant increase in net loss for 2025, as we expect to incur substantial amount of research and development expenses in this year and be affected by changes in the carrying amounts of financial instruments issued to investors.

## NO MATERIAL ADVERSE CHANGE

The Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since June 30, 2025, and there is no event since June 30, 2025 which would materially affect the information shown in the Accountants' Report in Appendix I to this document

## NO MATERIAL ADVERSE IMPACT OF THE COVID-19 PANDEMIC

The outbreak of the COVID-19 pandemic in 2020 disrupted normal life and daily routines worldwide, prompting governments to implement a range of restrictive measures to curb the outbreak. In particular, the PRC government imposed stringent measures to combat the spread of the pandemic, including travel restrictions, mandatory suspensions of business operations, quarantine requirements, remote and alternative working arrangements, limits on social and public gatherings and lockdowns of cities or regions. In May 2023, the World Health Organization declared that the COVID-19 pandemic is no longer a global health emergency, and the PRC government began to ease restrictions and quarantine measures in China as the pandemic came under control. We are an AI company primarily focused on the development of AI models and agents. Our business operations, including research and development activities, were not materially and adversely affected by the COVID-19 pandemic during the Track Record Period. Our revenue increased significantly by 116.9%, from RMB57.4 million in 2022 to RMB124.5 million in 2023. Based on the foregoing, our Directors are of the view that the COVID-19 pandemic did not, and is not expected to, have any material adverse impact on our business, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

## CSRC FILING

We submitted a filing to the CSRC for application of the **[REDACTED]** and the **[REDACTED]** on July 3, 2025. The CSRC confirmed our completion of filing on December 15, 2025.