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## SUMMARY

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

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

## OVERVIEW

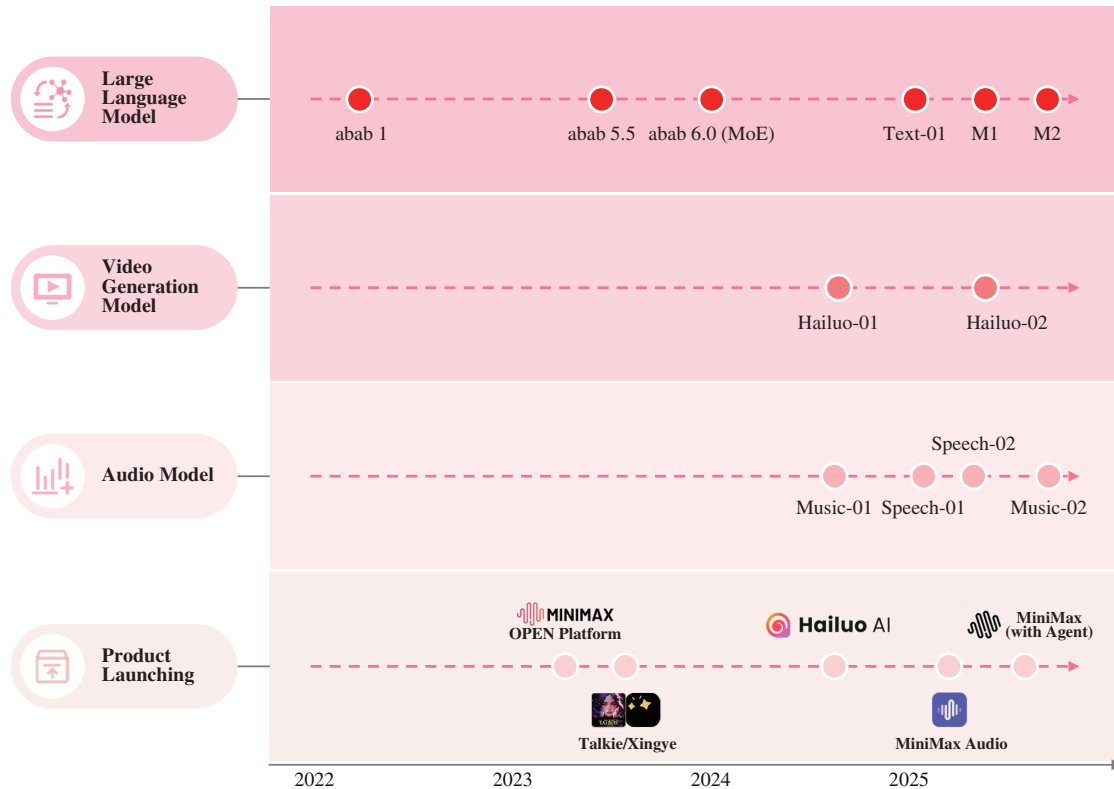
MiniMax is a global AI foundation model company. Founded by a group of forward-thinking engineers, we are committed to driving AI innovation towards performing the full range of human intellectual tasks, from learning and reasoning to planning and generalizing knowledge across diverse domains.

The foundation model market is expanding at an unprecedented pace, rapidly reshaping human society. The global foundation model market is projected to exceed US\$300 billion by 2030. IDC estimates that AI will cumulatively contribute US\$19.9 trillion to the global economy through 2030 and drive 3.5% of global GDP in 2030. We believe we have established a solid foundation to capture this market potential and have already made meaningful progress.

## Our Journey

Our journey has been guided by a clear vision since inception centered on two key areas: developing advanced foundation models and creating AI-native products that enhance productivity and enrich life. Recognizing that real-world human interaction is inherently multi-modal, we stand out as one of the few foundation model developers who are committed to developing multi-modal models from day one. We take a cost-efficient approach in pursuing AI advancement, delivering high performance while ensuring our technological breakthroughs remain accessible and affordable to users globally. We adopted the Mixture-of-Experts (MoE) architecture and hybrid attention mechanism at an early stage, which significantly reduced computation resources while maintaining globally recognized performance.

## SUMMARY



We have been consistently iterating our models to higher intelligence levels. Today, our proprietary foundation model suite, led by MiniMax-M2, Hailuo-02, and Speech-02, has long context processing capacity and can understand, generate, and integrate a wide range of modalities, including text, video, and audio. These models power our major AI-native products — including MiniMax, Hailuo AI, MiniMax Audio, Talkie/Xingye, and our enterprise and developer-facing Open Platform, delivering intelligent and dynamic experiences to users globally.

As of September 30, 2025, our AI-native products had cumulatively served over 200 million individual users across over 200 countries and regions, and more than 100 thousand enterprises and developers across over 100 countries and regions.

### Scalability

We believe scalability is pivotal to our long-term goals. To build one of the most scalable AI businesses globally, we focus on three core competencies — original research, a sustainable business model, and organizational efficiency. These pillars support both continuous model advancement and product commercialization at scale. Together, the three core competencies enable an elevated level of intelligence for everyone—powering productivity and enriching life. See “Business — Scalability.”

## SUMMARY

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### OUR MODELS AND PRODUCT OFFERINGS

#### Our Foundation Model Suite

We have leveraged our R&D capabilities to build a comprehensive suite of foundation models, and maintain competitiveness across various modalities. Our foundation model suite includes large language models, video generation models, and models for speech and music generation.

##### *Large Language Model: MiniMax M Series*

The MiniMax M Series, comprising MiniMax-M1 and MiniMax-M2, represents our flagship family of large language models. MiniMax-M1, launched in June 2025, is an open-source, large-scale hybrid-attention reasoning model. It adopts a hybrid MoE architecture combined with a lightning attention mechanism, enabling long-context processing with a context window of up to 1 million tokens and supporting the development of more capable AI agents.

MiniMax-M2, our latest large language model, is engineered for elite performance in coding and agentic tasks. Leveraging a carefully engineered, data-efficient MoE architecture and activation-parameter design, MiniMax-M2 delivers higher-performance capabilities at substantially faster inference speeds compared with MiniMax-M1, while maintaining an optimized profile across model intelligence, responsiveness and cost-efficiency.

##### *Video Generation Model: Hailuo-02*

The Hailuo-02 series model generates high-quality video content from a variety form of information inputs. Commercialized at scale with competitive results on global benchmarks upon its release, Hailuo-02 offers cinematic video quality, advanced prompt adherence, smooth motion, and style diversity. With user-friendly interface and ability to do aesthetic refinement, it helps content creators and advertisers produce compelling videos out of simple prompts.

##### *Speech Generation Model: Speech-02*

The Speech-02 model series is designed to generate natural, high-quality speech from text input. Widely recognized as a top performing speech model globally upon its release in April 2025, our Speech-02 model delivers hyper-realistic, personalized voice synthesis across multiple languages.

#### Our AI-Native Product Offerings

Leveraging our multi-modal foundation model suite, we deliver AI-native products and services that unleash the power of AI to benefit both individual users, developers and enterprise customers around the world. The evolution of our AI-native products is rooted in advancements in its underlying foundation models. Through continuous iterations and upgrades of foundation models and the development of new ones, we are able to design and create AI-native products with enhanced productivity and user experience.

## SUMMARY

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### ***MiniMax: Intelligent Agent Application***

MiniMax is our intelligent AI agent application, which is designed to autonomously perform a wide range of tasks through natural language instructions. Supported by our foundation models, MiniMax Agent can plan, reason, and execute complex actions such as coding, research, document drafting, and presentation creation within a unified workspace.

### ***Hailuo AI: Flagship Visual Generation Platform***

Hailuo AI fully integrates our Hailuo-02 model that has quickly become one of the world’s most popular AI image and video creation platforms through organic user adoption. It is offered in both web and app forms, and is designed for real-time, high-quality image and video generation.

### ***MiniMax Audio: Advanced Audio Generation Tool***

MiniMax Audio is designed to provide users with high-fidelity audio generation capabilities. Accessible via web platform, MiniMax Audio integrates the Company’s Speech-02 model to support interactive audio synthesis and generate natural, high-quality speech from text input.

### ***Talkie/Xingye: Multi-modal Entertainment Platform***

Talkie (for international markets)/Xingye (for Chinese domestic market) is a globally recognized AI-native multi-modal entertainment platform. Users of Talkie/Xingye can engage with emotionally responsive AI themes or virtual characters powered by the Company’s proprietary AI-models.

### **MiniMax Open Platform**

Our Open Platform offers scalable, configurable AI services to enterprise customers and developers across more than 100 countries and regions as of September 30, 2025. Through public APIs and services, enterprise and developer customers can access the Company’s foundation models and integrate such text, video and audio model capabilities into their own products and services. Our Open Platform supports rapid business deployment in key industry sectors such as smart devices, healthcare, cultural tourism, finance, and internet services — making it one of the world’s largest open platforms for enterprises and developers in terms of average daily token volume, signifying widespread adoption.

## **OUR BUSINESS AND REVENUE MODEL**

Our revenue is derived from two primary sources — (i) AI-native products and (ii) Open Platform and other AI-based enterprise services. Each revenue stream reflects a distinct monetization pathway aligned with our product and platform strategies. The following table sets forth the breakdown of our revenue by nature, in absolute amounts and as a percentage of our total revenue, for the periods indicated.

## SUMMARY

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
	(unaudited)									
(in thousands, except for percentages)										
AI-native products . . . . .	–	–	758	21.9	21,805	71.4	13,529	69.5	38,020	71.1
Open Platform and other										
AI-based enterprise										
services . . . . .	–	–	2,702	78.1	8,718	28.6	5,925	30.5	15,417	28.9
<b>Total revenue . . . . .</b>	<b>–</b>	<b>–</b>	<b>3,460</b>	<b>100.0</b>	<b>30,523</b>	<b>100.0</b>	<b>19,454</b>	<b>100.0</b>	<b>53,437</b>	<b>100.0</b>
	=	=	=	=	=	=	=	=	=	=

**AI-native products.** We generate revenue from individual users through subscription-based access to our monetized AI-native consumer applications, such as MiniMax, MiniMax Audio, Hailuo AI, and Talkie/Xingye. Subscriptions provide users with premium functionality across multi-modal generation, intelligent interaction, and personalized content. Revenue is recognised ratably over the subscription period, as we satisfy a stand-ready performance obligation to provide continuous access to content and services throughout the term. Users have option to pre-purchase additional credits to recharge their accounts and buy these virtual items. For consumable virtual items, revenue is recognised when the virtual items are consumed. For non-consumable virtual items, revenue is recognised over the estimated average acting period of the paying users. In addition, we generate online marketing service revenue by providing marketing services to mediation platform on certain of our AI-native applications. Revenue is recognised at a point in time, when a user views or clicks on an advertisement, thereby fulfilling our performance obligation. These services enable mediation platform to engage with end users in a contextually relevant and measurable manner. As our user base and engagement levels expand, this revenue stream is expected to continue contributing to our overall monetization.

**Open Platform and other AI-based enterprise services.** We provide enterprise customers and developers with access to our usage-based Open Platform and other AI-based enterprise services. Revenue from API usage is recognised at a point in time when the customers call APIs with tokens, which are billed under certain agreed fee schedule or usage-based structure. Revenue from other AI-based enterprise services, mainly consists of arrangements customized to enterprise requirements and licensed deliverables, is typically recognised at a point in time, when control is transferred or acceptance is confirmed. In relation to our AI-based enterprise services, for customised arrangements, we work with enterprise customers to set up dedicated inference resource pools tailored to their needs, helping ensure stable and predictable model inference performance. For licensed deliverables, we license our foundation models to enable customers to deploy and operate such models in their own systems. These services support enterprise use cases across sectors such as smart devices, healthcare, cultural tourism, finance and internet services.

## SUMMARY

The tables below set forth breakdowns of revenue by product and further by monetization method:

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
	(unaudited)									
(in thousands, except for percentages)										
AI-native products										
MiniMax . . . . .	-	-	-	-	-	-	-	-	756	1.4
Hailuo AI . . . . .	-	-	-	-	2,347	7.7	-	-	17,464	32.6
MiniMax Audio . . . . .	-	-	-	-	-	-	-	-	1,050	2.0
Talkie/Xingye . . . . .	-	-	758	21.9	19,458	63.7	13,529	69.5	18,750	35.1
Open Platform and other										
AI-based enterprise										
services . . . . .	-	-	2,702	78.1	8,718	28.6	5,925	30.5	15,417	28.9
	-	-								
Total revenue . . . . .	-	-	3,460	100.0	30,523	100.0	19,454	100.0	53,437	100.0
	=	=	=	=	=	=	=	=	=	=

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
	(unaudited)									
(in thousands, except for percentages)										
AI-native products										
MiniMax . . . . In-app top-up	–	–	–	–	–	–	–	–	204.0	0.4
Subscriptions	–	–	–	–	–	–	–	–	552.0	1.0
Hailuo AI . . . . In-app top-up	–	–	–	–	527	1.7	–	–	3,317	6.2
Subscriptions	–	–	–	–	1,820	6.0	–	–	14,147	26.4
MiniMax Audio . In-app top-up	–	–	–	–	–	–	–	–	196	0.4
Subscriptions	–	–	–	–	–	–	–	–	854	1.6
Talkie/Xingye . . In-app top-up	–	–	164	4.8	897	3.0	712	3.7	958	1.8
Subscriptions	–	–	594	17.1	3,960	12.9	2,917	14.9	6,604	12.4
Online	–	–	–	–	14,601	47.8	9,900	50.9	11,188	20.9
marketing service	–	–	–	–	–	–	–	–	–	–
Open Platform and other	–	–	2,702	78.1	8,718	28.6	5,925	30.5	15,417	28.9
AI-based enterprise services . .	–	–	–	–	–	–	–	–	–	–
Total revenue . . . . .	–	–	3,460	100.0	30,523	100.0	19,454	100.0	53,437	100.0

We expect our cost of sales as well as our research and development expenses to continue to increase in absolute terms for the year ended December 31, 2026, reflecting our strategic focus on advancing foundational AI model capabilities. See “Financial Information.”

## SUMMARY

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### Key Operating Data

Our suite of AI-native products has attracted a broad user base, with average MAU rising more than six times from 3.1 million in 2023 to 19.1 million in 2024 and further to 27.6 million in the nine months ended September 30, 2025. Cumulative users of our AI-native products increased to more than 212 million by September 30, 2025. The growing number of users of our consumer-facing products provides valuable feedback, enabling rapid product iteration and improvement.

We have experienced MAU growth over the Track Record Period, a trend primarily attributed to the compelling user experience and positive ratings of the Talkie/Xingye App, coupled with the third quarter of 2024 release of Hailuo AI, our flagship visual generation platform. For Talkie/Xingye, which represent multi-modality product offerings within our monetized AI-native products portfolio, we continue to leverage our new foundation model technologies by integrating features that provide a range of immersive and aesthetic enhancements, thereby enriching overall user interaction quality. Concurrently, Hailuo AI’s underlying Hailuo-01 and Hailuo-02 model series have achieved a globally competitive position in performance, enabling users to differentiate the overall visual quality and cinematic camera movement effects of its generated video output when compared to other market providers.

Our number of paying users for AI-native products expanded from around 119,700 in 2023 to around 650,300 in 2024, and further to approximately 1,771,600 in the nine months ended September 30, 2025.

Complementing our growing individual paying user base, we have also cultivated a portfolio of enterprise customers and developers. Enterprise customers and developers access our core AI models via our Open Platform, which supports growing business needs across key industry sectors. Our Open Platform demonstrates solid monetization capabilities for the foundation models offered. We have consistently observed a rapid increase in paying customers on the Open Platform. Our number of paying users on the Open Platform, defined as users who have individually consumed no less than US\$50 worth of API calls in a given period, expanded from around 100 in 2023 to around 700 in 2024, and further to approximately 2,500 in the nine months ended September 30, 2025. While the average spending per paying customer of our Open Platform has decreased over the past two years, this trend is a positive indicator of the successful expansion of our user base. This is a result of our successful penetration into a second tier of the market, moving beyond initial adoption by high-spending enterprise customers to include smaller customers with lower average payments. This diversification reduces our reliance on a few key accounts and demonstrates broader adoption of our Open Platform across various industries. The concurrent increase in the total number of paying users, therefore, provides clear evidence of our Open Platform’s market penetration and successful customer base expansion.

## SUMMARY

The following chart sets forth the number of our users and customers within each period of the Track Record Period<sup>1,2</sup>:

	As of December 31,			As of September 30,	
	2022	2023	2024	2024	2025
	('000 users)				
<b>AI-native products . .</b>	–	<b>11,131</b>	<b>115,378</b>	<b>76,571</b>	<b>212,247</b>
MiniMax . . . . .	–	686	13,541	10,969	19,057
Hailuo AI . . . . .	–	–	5,735	36	42,348
MiniMax Audio . . . . .	–	–	47	–	3,742
Talkie/Xingye . . . . .	–	10,445	96,055	65,566	147,100
<b>Open Platform . . . . .</b>	–	<b>13</b>	<b>42</b>	<b>34</b>	<b>132</b>
<b>Total . . . . .</b>	–	<b>11,144</b>	<b>115,420</b>	<b>76,605</b>	<b>212,379</b>

*Notes:*

- Number of users comprise all registered users for our web-based AI-native products and all activated devices for our app-based AI-native products. As some users may have multiple accounts, we cannot guarantee that each user is a unique individual.
- Number of customers of our Open Platform comprise all registered customers who have made API calls on our Open Platform. Customers who have registered but not made API calls are not included. Our Open Platform is designed as a technology access platform for a broad range of developers, including both developers and enterprise customers. Our Open Platform is managed on a developer account basis. During registration and subsequent use, we only require users to provide basic contact information (such as email address, mobile number and account nickname) and do not require them to upload business licences or identity documents, nor do we use such information as a mandatory classification standard. As a result, we are currently not able to reliably distinguish whether an Open Platform customer is a developer or an enterprise customer.

The following chart sets forth the number of paying users within each period of the Track Record Period<sup>1</sup>:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
	('000 users)				
<b>AI-native products . .</b>	–	<b>119.7</b>	<b>650.3</b>	<b>489.1</b>	<b>1,771.6</b>
MiniMax . . . . .	–	–	–	–	10.3
Hailuo AI . . . . .	–	–	64.8	–	311.1
MiniMax Audio . . . . .	–	–	–	–	59.8
Talkie/Xingye . . . . .	–	119.7	585.5	489.1	1,390.4
<b>Open Platform . . . . .</b>	–	<b>0.1</b>	<b>0.7</b>	<b>0.4</b>	<b>2.5</b>
<b>Total . . . . .</b>	–	<b>119.8</b>	<b>651.0</b>	<b>489.5</b>	<b>1,774.1</b>

*Note:*

- A paying user for AI-native products is defined as a user who has made at least one monetary transaction in a given period. A paying user for our Open Platform is defined as a user who has individually consumed no less than US\$50 worth of API calls in a given period.



## SUMMARY

The following chart sets forth the number of average monthly active user (“MAU”) within each period of the Track Record Period<sup>1,2</sup>:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
	('000 users)				
<b>AI-native products . .</b>	–	<b>3,144</b>	<b>19,106</b>	<b>14,601</b>	<b>27,622</b>
MiniMax . . . . .	–	239	2,195	2,166	1,429
Hailuo AI . . . . .	–	–	2,172	36	5,648
MiniMax Audio . . . .	–	–	47	–	494
Talkie/Xingye . . . . .	–	2,905	14,692	12,399	20,051
<b>Open Platform . . . . .</b>	–	<b>4</b>	<b>5</b>	<b>4</b>	<b>16</b>
<b>Total . . . . .</b>	–	<b>3,148</b>	<b>19,111</b>	<b>14,605</b>	<b>27,638</b>

*Notes:*

- MAUs comprise all unique devices that performed at least one action on our AI-native apps and all registered user accounts that logged into our web platforms at least once during a given month, including both paying and non-paying users. As some users may have multiple accounts, we cannot guarantee that each user is a unique individual.
- The average monthly active customers for Open Platform comprise all registered customers who have made API calls during a given month on our Open Platform including both paying and non-paying customers. Customers who have registered but not made API calls are not included.

The following chart sets forth the number of new users within each period of the Track Record Period<sup>1,2</sup>:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
	('000 users)				
<b>AI-native products . .</b>	–	<b>11,131</b>	<b>104,247</b>	<b>65,440</b>	<b>96,869</b>
MiniMax . . . . .	–	686	12,855	10,283	5,516
Hailuo AI . . . . .	–	–	5,735	36	36,613
MiniMax Audio . . . .	–	–	47	–	3,695
Talkie/Xingye . . . . .	–	10,445	85,610	55,121	51,045
<b>Open Platform . . . . .</b>	–	<b>13</b>	<b>29</b>	<b>21</b>	<b>90</b>
<b>Total . . . . .</b>	–	<b>11,144</b>	<b>104,276</b>	<b>65,461</b>	<b>96,959</b>

*Notes:*

- New users comprise all newly registered users for our web-based AI-native products and all newly activated devices for our app-based AI-native products.
- New customers for Open Platform comprise all newly registered customers who have made API calls. Customers who have registered but not made API calls are not included.

## SUMMARY

The following chart sets forth the average spending per paying customer within each period of the Track Record Period<sup>1</sup>:

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
	(US\$)				
<b>AI-native products . .</b>	—	6	11	7	15
MiniMax . . . . .	—	—	—	—	73
Hailuo AI . . . . .	—	—	36	—	56
MiniMax Audio . . . .	—	—	—	—	18
Talkie/Xingye . . . . .	—	6	8	7	5
<b>Open Platform . . . . .</b>	—	27,020	12,454	14,813	6,167

*Note:*

1. For AI-native products, average spending per paying customer is calculated by dividing a product’s revenue generated from in-app top-up and subscriptions by the number of paying users in a given period. For Open Platform, average spending per paying customer is calculated by dividing the total revenue generated by the number of paying users of our Open Platform in a given period.

See “Business — Key Operating Data.”

## OUR STRENGTHS

Our core strength resides in the scalability embedded across our key operational pillars. This includes our algorithms, model training and inference infrastructure, commercialization roadmaps, and organizational structure, all of which are structured to facilitate the long-term scalability of our company.

- A Prospective Innovation Roadmap for Scalable Model Capabilities
- Scalable AI Infrastructure Delivering Efficiency and Performance
- Scalable Commercialization Approach with Global Adoption
- Flat and Nimble Organizational Structure Enabling Innovation and Execution

See “Business — Our Strengths” for details.

## SUMMARY

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### OUR STRATEGIES

We are committed to scaling our capabilities to make AI universally accessible. We plan to implement the following three core strategies:

- Advance AI through R&D Leadership
- Deliver “Technology as Products” with Commercial Potential
- Evolve our Organization and Expand Talent Pool

See “Business — Our Strengths” for details.

### RESEARCH AND DEVELOPMENT

We have built an R&D team of around 300 members, structured into specialized groups focused on text, visual, audio, AI infrastructure (training and inference optimization), and product development. Our core R&D team comprises experts formerly with global AI leaders such as Microsoft, Google, Meta, Alibaba, ByteDance and DeepSeek. During the Track Record Period, our research and development expenses were US\$10.6 million, US\$70.0 million, US\$189.0 million, US\$138.7 million and US\$180.3 million in 2022, 2023, 2024, and the nine months ended September 30, 2024 and 2025, respectively, which mainly included cloud services expenses related to training.

See “Business — Research and Development.”

### CUSTOMERS AND SUPPLIERS

Our customers comprise a broad and diverse base across various sectors and geographies. In 2023, 2024 and nine months ended September 30, 2025, revenue from our five largest customers in each year/period during the Track Record Period amounted to US\$2.1 million, US\$13.4 million and US\$11.6 million, representing 60.5%, 44.1% and 21.7% of our total revenue for the respective periods. In 2023, 2024 and nine months ended September 30, 2025, revenue derived from our largest customer in each year/period during the Track Record Period amounted to US\$1.3 million, US\$9.4 million and US\$7.8 million, representing 37.2%, 30.9% and 14.7% of our total revenue for the respective periods.

We maintain stable and long-standing relationships with a select group of suppliers, principally in the areas of cloud infrastructure services. In 2022, 2023, 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers in each year/period during the Track Record Period amounted to US\$4.5 million, US\$49.8 million, US\$149.0 million and US\$143.6 million, representing 63.9%, 63.0%, 57.3% and 62.5% of our total purchases for the respective periods. In 2022, 2023, 2024 and the nine months ended September 30, 2025, purchases derived from our largest supplier in each year/period during the Track Record Period amounted to US\$1.6 million, US\$23.0 million, US\$72.8 million and US\$54.9 million, representing 22.8%, 29.1%, 28.0% and 23.9% of our total purchases for the respective periods. See “Business — Ecosystem of Partners.”

## SUMMARY

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### LEGAL PROCEEDINGS

On September 16, 2025, a group of major U.S. movie studio companies, including Disney, Universal and Warner Bros. Discovery (the “**Plaintiffs**”), filed a civil complaint (the “**Complaint**”) in the United States District Court for the Central District of California, against our Group in relation to Hailuo AI, our visual generation platform. The Plaintiffs allege (i) direct infringement, on the basis that the Company itself, through Hailuo AI, created and displayed videos and images depicting a number of well-known film and animation characters owned by the Plaintiffs, and (ii) secondary infringement, including contributory and vicarious infringement, on the basis that the Company knew or should have known that users could create content depicting the Plaintiffs’ characters, and because the Company is allegedly benefiting from that use. In their prayer for relief, the Plaintiffs primarily seek, among other things, monetary relief in the form of actual or statutory damages, injunctive relief, attorneys’ fees and other equitable remedies.

These claims are commercial disputes in nature, and having considered advice from our U.S. litigation advisor, our Directors believe, that they are without merit in all material respects and that there is insufficient evidence to support them. Based on the Joint Sponsors’ due diligence conducted, there was no reasonable basis for the Joint Sponsors to disagree with the Directors’ view that the claims are without merits in all material respects. The Company categorically denies the allegations of direct infringement, as Hailuo AI only produces outputs in response to user prompts and therefore lacks the volitional conduct required for direct liability. In respect of the secondary infringement claims, Hailuo AI is a general-purpose creative tool created for lawful uses, and the Company does not have any direct financial benefit tied to alleged infringements, such that the elements required for contributory or vicarious liability are not satisfied.

The Plaintiffs have alleged in their Complaint that they are entitled to statutory damages of up to US\$150,000 per infringed work, which is the maximum amount awardable per work under U.S. copyright law and is only awarded if infringement is found to be willful. The attachments to the Complaint identify approximately 500 registrations for motion pictures and television programs that are at issue in this case. Therefore, assuming the plaintiffs prevail and fully succeed in their claims, the worst-case scenario, as alleged by the plaintiffs, would be a monetary claim of US\$75 million in statutory damages, calculated by multiplying the number of alleged works by the alleged maximum statutory damages amount, and injunctive relief. The overwhelming majority of Hailuo AI outputs user-created content have nothing to do with the Plaintiffs’ characters. Having considered advice from our U.S. litigation advisor, our Directors consider the likelihood of the Plaintiffs fully succeeding on both liability and maximum statutory damages to be extremely remote. While the Plaintiffs claim each of the 500 registrations they have identified is eligible to be counted as a “work”, having considered advice from our U.S. litigation advisor, our Directors are of the view that the number of “works” properly eligible for statutory calculation is likely to be significantly lower than the approximately 500 registrations referenced in the Complaint, as U.S. law does not assess statutory damages on a per-registration basis, and many of the alleged characters appear repeatedly across multiple registrations without new protectable expression; therefore, they would not be considered unique “works”. Having further considered advice from our U.S. litigation advisor, our Directors are of the view that statutory damages of US\$150,000 per work are rarely awarded absent willful and repeated infringement — a standard that the Directors

## SUMMARY

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believe is not supported by the facts — and that statistical studies indicate such maximum awards occur only in exceptional, deliberate-infringement scenarios. Based on the independent due diligence steps performed by the Joint Sponsors, including interviewing and discussing with the Company’s U.S. litigation advisor, the Joint Sponsors have reasonable grounds to believe that the view of the Directors expressed above fairly represents the views of the Company’s U.S. litigation advisor.

Based on the above, having considered advice from our U.S. litigation advisor, the Directors are of the view that the claims will not have a material adverse effect on our business, results of operations or financial condition because (i) even in the extremely remote scenario where the Plaintiffs prevail in full and obtain the maximum statutory damages claimed, the maximum alleged damages of approximately US\$75 million would represent only around [REDACTED]% of our available financial resources (including cash and cash equivalents, current portion of our available financial assets and expected [REDACTED]), and this proportion is expected to decline over time given the typically protracted nature of U.S. civil litigation and the Company’s expected continued growth; (ii) the likelihood of an injunction materially disrupting our business is low, as preliminary injunctions require a strong showing of factors including likelihood of success on the merits, irreparable harm absent an injunction and urgency, none of which have been substantiated, and courts in comparable technology cases generally favor narrow output-specific remedies rather than broad platform-wide restrictions, making any such operational impact unlikely even in a final judgment; and (iii) the Plaintiffs’ intellectual property is not material to the commercial viability of Hailuo AI, which is a general-purpose creative platform created for lawful uses, and the Directors do not consider such intellectual property to be a meaningful driver of user engagement, revenue generation or growth, such that exclusion of such content would not be expected to affect our business, financial performance or prospects in a material manner. Based on the independent due diligence steps performed by the Joint Sponsors, including, among other things, (a) discussing with the Company’s U.S. litigation advisor regarding the potential worst-case scenario, the possibility of granting the injunctive relief and their legal analysis in this regard, (b) reviewing of the Group’s financial information, and (c) examination of the MAU data of Hailuo AI from June to November 2025 and the system-check results of Hailuo AI’s outputs, the Joint Sponsors concur with the Directors’ view above. For details, see “Business — Legal Proceedings and Compliance — Copyright Infringement Lawsuit,” Risk Factors — Risks Related to Our Business and Industry — The content or data that we use to train our foundation models and the content generated by our foundation models could be subject to third-party intellectual property infringement claims which may materially and adversely affect our business, financial condition and results of operations” and “Risk Factors — Risks Related to Our Business and Industry — We may become subject to litigation brought by third parties claiming infringement by us of their intellectual property rights.”

## OUR MARKET OPPORTUNITIES AND COMPETITION

The global model-based foundation model market is still in the early stages of commercialization. As technologies continue to mature and the willingness of users to pay steadily increases, the global model-based foundation model market is expected to grow rapidly from US\$10.7 billion in 2024 to US\$206.5 billion by 2029, representing a CAGR of 80.7%.

## SUMMARY

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We differentiate ourselves through our technical focus on long-context modeling and scalable multi-modal architecture design, which allow us to build models capable of handling complex, multi-dimensional interactions across text, visual and audio. We are the tenth largest foundation model company globally, with a market share of 0.3%. Additionally, we are the fourth largest pureplay foundation model company globally in terms of model-based revenues in 2024.

See “Industry Overview” for details.

## RISK FACTORS

We are a Specialist Technology Company seeking [REDACTED] on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. We believe the most significant risks we face include but are not limited to the following:

- We have recorded net losses, net liabilities and operating cash outflow during the Track Record Period and recorded net current liabilities as of September 30, 2025, and we may not be able to achieve or subsequently maintain profitability.
- We operate in a rapidly evolving and increasingly competitive global foundation model industry. Our business is subject to constant technological advancements and industry transformation. If we fail to continuously innovate and adapt to evolving customer needs, our competitive position would be impacted and our business, financial condition and results of operations may be materially and adversely affected.
- The content or data that we use to train our foundation models and the content generated by our foundation models could be subject to third-party intellectual property infringement claims which may materially and adversely affect our business, financial condition and results of operations.
- Any actual or perceived flaws or inappropriate usage of foundation model technologies committed by us or other third parties intentionally or inadvertently, could materially and adversely impact our reputation, business, financial condition, results of operations and the broader acceptance of foundation model products by society at-large.
- The competitiveness of our foundation models and offerings depends on our continuous and significant investment in research and development, and we intend to continue investing significantly in research and development. Such investment may negatively impact our profitability and operating cash flow in the short term and may not generate the results we expect to achieve.

See “Risk Factors” for details.

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## SUMMARY

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### INTELLECTUAL PROPERTY RIGHTS

Intellectual property lies at the heart of our research, product development and commercial success. We safeguard our proprietary technologies through a layered strategy that combines (i) statutory protection under patent, copyright, trademark, trade-secret and unfair-competition laws in the PRC and other jurisdictions, and (ii) contractual safeguards such as confidentiality undertakings, invention-assignment covenants and license agreements. All employment and key commercial contracts expressly delineate ownership of, and obligations to protect, intellectual property created or used in the course of our business. During the Track Record Period, our core technologies were patented. Such patents are typically valid for 10 to 20 years.

As of the Latest Practicable Date, we had 74 patents registered with the National Intellectual Property Administration of the PRC, 146 trademarks registered in the PRC, 72 copyrights registered with the National Copyright Administration of the PRC, 28 registered strategic domain names in the PRC and 87 trademarks registered internationally. See “Appendix IV — Statutory and General Information — B. Further Information about our Business — 2. Intellectual Property Rights of our Group” for a schedule of material intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any IP litigation, arbitration or administrative proceedings, nor have we received any claim alleging infringement of third-party rights that would have a material adverse effect on our business, results of operations, or financial condition. We will continue to monitor the landscape and, where necessary, defend or enforce our rights vigorously.

Notwithstanding the foregoing measures, we cannot rule out the possibility of future challenges to our IP or allegations of infringement against us. Enforcement actions may involve significant cost and management distraction. For a discussion of these and other related risks, please refer to “Risk Factors — We may not be able to adequately protect or enforce our intellectual property rights throughout the world, and our efforts to do so may be costly” and “Risk Factors — We may become subject to litigation brought by third parties claiming infringement by us of their intellectual property rights.” See “Business — Intellectual Property.”

### WEIGHTED VOTING RIGHTS STRUCTURE

Our Company has a weighted voting rights structure. The Company satisfies the presumption for the “Innovative Company Requirements” and the “external validation” requirements under Chapter 2.2 of the Guide for New Listing Applicants published by the Stock Exchange pursuant to the Joint Announcement on Launch of Technology Enterprises Channel published on 6 May 2025 as it meets all relevant requirements under Chapter 18C of the Rules and Chapter 2.5 of the Guide for New Listing Applicants. Under our weighted voting rights structure, our share capital comprises Class A Ordinary Shares and Class B Ordinary Shares. Each Class B Ordinary Share entitles the holder to exercise ten votes, and each Class A Ordinary Share entitles the holder to exercise one vote, respectively, on any matters subject to the vote at general meetings of the Company, subject to Rule 8A.24 of the Listing Rules that requires the Reserved Matters to be voted on a one vote per share basis.



## SUMMARY

The table below sets out the beneficial interests entitled to and voting rights to be held by the WVR Beneficiaries upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):

	Number of Class B Ordinary Shares held	Number of Class A Ordinary Shares interested in <sup>(3)</sup>	Approximate percentage of beneficial interests in the issued share capital	Approximate percentage of voting rights controlled <sup>(1)</sup>
Dr. Yan <sup>(2)</sup> . . .	74,102,534	3,355,030	[REDACTED]%	[REDACTED]%
Ms. Yun <sup>(2)</sup> . . .	7,000,000	1,644,970	[REDACTED]%	[REDACTED]%

*Notes:*

- (1) On the basis that each Class A Ordinary Share entitles the Shareholder to one vote per Share and each Class B Ordinary Share entitles the Shareholder to ten votes per Share.
- (2) For details of the shareholding structure of our WVR Beneficiaries, please refer to the section headed “History, Reorganization and Corporate Structure.”
- (3) Dr. Yan and Ms. Yun are interested in MiniMax Matrix as to 67.1% and 32.9%.

Our Company is adopting the WVR structure to enable the WVR Beneficiaries to exercise voting control over our Company. This will enable our Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who will control our Company with a view to its long-term prospects and strategy. Taking into account the WVR Beneficiaries’ contribution to the Group, such arrangement is in the best interests of the Company and its Shareholders as a whole.

Prospective [REDACTED] are advised to be aware of the potential risks of [REDACTED] in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exercise their higher voting power to influence the affairs of our Company and the outcome of Shareholders’ resolutions, irrespective of how other Shareholders vote.

Prospective [REDACTED] should make the decision to [REDACTED] in the Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by the Company, see “Risk Factors — Risks Related to the WVR Structure.” Save for the weighted voting rights attached to Class B Ordinary Shares, the rights attached to both classes of Shares are identical. For further information about the rights, preferences, privileges and restrictions of the Class A Ordinary Shares and Class B Ordinary Shares, please see “Summary of the Constitution of our Company and Cayman Islands Company Law — 2 Articles of Association” in Appendix III to this Document for further details.



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## SUMMARY

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### OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), an aggregate of 5,000,000 Class A Ordinary Shares and 74,102,534 Class B Ordinary Shares, representing approximately (i) [REDACTED]% of the voting rights in our issued share capital in general meetings (except for resolutions with respect to the Reserved Matters), and (ii) [REDACTED]% of the voting rights in our issued share capital in general meetings for resolutions with respect to the Reserved Matters, will be held by MiniMax Awakening, MiniMax Limited and Alpha EXP as well as MiniMax Matrix. MiniMax Awakening and MiniMax Limited are wholly owned by Dr. Yan through Local Linearity. MiniMax Matrix is also a controlled entity of Dr. Yan through Local Linearity. Alpha EXP is held by Scaling EXP Limited as to 99% and Local Linearity as to 1%. Scaling EXP Limited is wholly-owned by Trident Trust Company (Hong Kong) Limited, which acts as the trustee of Alpha EXP Trust. Alpha EXP Trust is a trust established by Dr. Yan (as settlor) for the benefit of himself. Accordingly, Dr. Yan, Local Linearity Inc., MiniMax Awakening, MiniMax Limited, Alpha EXP, Scaling EXP Limited, and MiniMax Matrix together will constitute as a group of Controlling Shareholders of our Company after the [REDACTED].

### PRE-[REDACTED] INVESTMENTS

We have undertaken several rounds of Pre-[REDACTED] Investments. For details of the background of our key Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.”

### LOCK-UP REQUIREMENTS UNDER RULE 18C.14 OF THE LISTING RULES

Dr. Yan, Ms. Yun and their close associates as well as our Pathfinder SIIs will be subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules. For details, see the section headed “History, Reorganization and Corporate Structure — Lock-up Periods”. Upon the Company’s [REDACTED] and the notification by the Stock Exchange that our Company will no longer be regarded as a Pre-Commercial Company after the [REDACTED], the lock-up period will expire on the later of: (i) the date on which such lock-up periods would have ended if the Company had applied for [REDACTED] as a Commercial Company; and (2) the date falling on the 30th day after the announcement on the removal of designation as a Pre-Commercial Company as required under Rule 18C.24 of the Listing Rules.

### SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I. You should read this summary in conjunction with our consolidated financial information included in the Accountants’ Report set out in Appendix I, including the accompanying notes, and the information set forth in “Financial Information.”

## SUMMARY

### Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss, in absolute amounts and as a percentage of our total revenue, for the periods indicated. See “Financial Information” for details.

	For the year ended December 31,						For the nine months ended September 30,			
	2022		2023		2024		2024		2025	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
	(unaudited)									
(in thousands, except for percentages)										
Revenue . . . . .	–	–	3,460	100.0	30,523	100.0	19,454	100.0	53,437	100.0
Cost of sales . . . . .	–	–	(4,314)	(124.7)	(26,785)	(87.8)	(18,944)	(97.4)	(40,961)	(76.7)
Gross (loss)/profit . . . . .	–	–	(854)	(24.7)	3,738	12.2	510	2.6	12,476	23.3
Other income and gains, net . . . . .	1,155	–	8,942	258.4	36,151	118.4	25,278	129.9	31,232	58.4
Selling and distribution expenses . . . . .	(587)	–	(22,827)	(659.7)	(86,995)	(285.0)	(53,389)	(274.4)	(39,325)	(73.6)
Administrative expenses . .	(3,213)	–	(7,615)	(220.1)	(14,384)	(47.1)	(9,610)	(49.4)	(22,074)	(41.3)
Research and development expenses . . . . .	(10,560)	–	(70,002)	(2,023.2)	(188,979)	(619.1)	(138,684)	(712.9)	(180,312)	(337.4)
Fair value loss on financial liabilities . . . . .	(60,509)	–	(176,826)	(5,110.6)	(214,172)	(701.7)	(128,063)	(658.3)	(313,477)	(586.6)
Finance costs . . . . .	(14)	–	(61)	(1.8)	(509)	(1.7)	(316)	(1.6)	(511)	(1.0)
Impairment losses on financial assets, net . . .	–	–	(3)	(0.1)	(88)	(0.3)	(68)	(0.3)	(22)	(0.0)
Loss before tax . . . . .	(73,728)	–	(269,246)	(7,781.7)	(465,238)	(1,524.2)	(304,342)	(1,564.4)	(512,013)	(958.2)
Income tax expense . . . .	–	–	–	–	–	–	–	–	–	–
Loss for the year/period . .	(73,728)	–	(269,246)	(7,781.7)	(465,238)	(1,524.2)	(304,342)	(1,564.4)	(512,013)	(958.2)
Attributable to:										
Owners of the parent . . .	(73,728)	–	(269,246)	(7,781.7)	(465,238)	(1,524.2)	(304,342)	(1,564.4)	(512,013)	(958.2)
Non-controlling interests .	–	–	–	–	–	–	–	–	–	–
Loss and total comprehensive income for the year . . . . .	(73,728)	–	(269,246)	(7,781.7)	(465,238)	(1,524.2)	(304,342)	(1,564.4)	(512,013)	(958.2)
Loss per share attributable to ordinary equity holders of the parent										
Basic and diluted										
–For loss for the year/period (US\$) . . . .	(0.74)		(2.56)		(4.28)		(2.80)		(4.71)	

## SUMMARY

### Non-IFRS Financial Measure

We use adjusted net loss (non-IFRS measure), which is a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS measure) helps identify underlying trends in our business that could otherwise be distorted by the effect of certain expenses that we include in our net loss. We believe that adjusted net loss (non-IFRS measure) provides useful information about our results of operations, enhances the overall understanding of our past performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to net loss or any other measure of performance or as an indicator of our operating performance. [REDACTED] are encouraged to review adjusted net loss (non-IFRS measure) and the reconciliation to its most directly comparable IFRS measure. Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage [REDACTED] and others to review our financial information in its entirety and not rely on a single financial measure.

We define our adjusted net loss (non-IFRS measure) as net loss adjusted by adding back (i) share-based payment expenses that are included in cost of sales, general administrative, research and development, and sales and marketing expenses, relates to the share-based awards that we grant to participants of our share incentive schemes and is a non-cash expense, (ii) fair value losses on financial liabilities, comprising fair value changes of convertible redeemable preferred shares which will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon [REDACTED], and convertible bonds, which have subsequently been repaid in full as of the Latest Practicable Date, and (iii) [REDACTED] expenses.

The following table presents our non-IFRS financial measure for the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2024 and 2025. See “Financial Information — Non-IFRS Financial Measure” for details.

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
	US\$	US\$	US\$	US\$	US\$
	(unaudited)				
	(in thousands)				
Net loss for the year/period . . . . .	(73,728)	(269,246)	(465,238)	(304,342)	(512,013)
Add:					
Share-based payment expenses . . . . .	1,069	3,346	6,823	6,100	8,581
Fair value loss on financial liabilities . . . . .	60,509	176,826	214,172	128,063	313,477
[REDACTED] expenses . . . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss for the year/period (non-IFRS measure). . . . .	(12,150)	(89,074)	(244,243)	(170,179)	(186,280)

## SUMMARY

We recorded US\$73.7 million, US\$269.2 million, US\$465.2 million, US\$304.3 million and US\$512.0 million in loss for the year/period in 2022, 2023, 2024 and for the nine months ended September 30, 2024 and 2025, respectively, due to significant initial investment in foundation model R&D and AI infrastructure and fair value loss on financial liabilities.

### Summary of Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our consolidated financial statements included in Appendix I to this Document.

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(US\$ in thousands)			
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment . . . . .	231	709	1,093	1,134
Right-of-use assets . . . . .	458	3,313	3,077	2,746
Prepayments, other receivables and other assets . . . . .	–	435	561	731
Financial assets at fair value through profit or loss . . . .	–	–	95,331	70,228
Financial assets at fair value through other comprehensive income . . .	–	–	4,836	6,440
Restricted cash . . . . .	–	39	38	41
<b>Total non-current assets . .</b>	<b>689</b>	<b>4,496</b>	<b>104,936</b>	<b>81,320</b>
<b>CURRENT ASSETS</b>				
Trade receivables . . . . .	–	1,338	6,982	8,063
Prepayments, other receivables and other assets . . . . .	569	4,378	13,470	11,811
Financial assets at amortised costs . . . . .	–	–	147,444	–
Financial assets at fair value through profit or loss . . . .	65,791	15,802	295,220	644,154
Time deposits . . . . .	–	91,698	26,327	–
Restricted cash . . . . .	2,221	–	27,293	25,097
Cash and cash equivalents . .	4,691	206,295	288,912	362,647

## SUMMARY

	As of December 31,			As of September 30,
	2022	2023	2024	2025
	(US\$ in thousands)			
<b>Total current assets . . . . .</b>	<b>73,272</b>	<b>319,511</b>	<b>805,648</b>	<b>1,051,772</b>
<b>CURRENT LIABILITIES</b>				
Interest-bearing bank				
borrowings . . . . .	–	–	19,455	19,102
Trade and bills payables . . .	2,394	17,242	51,212	70,219
Other payables, accruals and				
other liabilities . . . . .	2,326	14,741	51,512	17,322
Contract liabilities . . . . .	–	559	1,553	4,657
Lease liabilities . . . . .	349	1,248	1,964	1,694
Convertible redeemable				
preferred shares . . . . .	145,175	629,001	1,581,949	2,321,193
<b>Total current liabilities . . .</b>	<b>150,244</b>	<b>662,791</b>	<b>1,707,645</b>	<b>2,434,187</b>
<b>NET CURRENT</b>				
<b>LIABILITIES . . . . .</b>	<b>(76,972)</b>	<b>(343,280)</b>	<b>(901,997)</b>	<b>(1,382,415)</b>
<b>TOTAL ASSETS LESS</b>				
<b>CURRENT</b>				
<b>LIABILITIES . . . . .</b>	<b>(76,283)</b>	<b>(338,784)</b>	<b>(797,061)</b>	<b>(1,301,095)</b>
<b>NON-CURRENT</b>				
<b>LIABILITIES</b>				
Lease liabilities . . . . .	91	1,912	1,059	937
Other non-current liabilities.	–	1,218	1,200	1,467
<b>Total non-current</b>				
<b>liabilities . . . . .</b>	<b>91</b>	<b>3,130</b>	<b>2,259</b>	<b>2,404</b>
<b>Net liabilities . . . . .</b>	<b>(76,374)</b>	<b>(341,914)</b>	<b>(799,320)</b>	<b>(1,303,499)</b>

Our net current liabilities increased from US\$77.0 million as of December 31, 2022 to US\$343.3 million as of December 31, 2023, primarily due to (i) an increase in convertible redeemable preferred shares from US\$145.2 million as of December 31, 2022 to US\$629.0 million as of December 31, 2023, (ii) a decrease in financial assets at fair value through profit or loss from US\$65.8 million as of December 31, 2022 to US\$15.8 million as of December 31, 2023, (iii) an increase in trade and bills payables from US\$2.4 million as of December 31, 2022 to US\$17.2 million as of December 31, 2023, and (iv) an increase in other payables, accruals and other liabilities from US\$2.3 million as of December 31, 2022 to US\$14.7 million as of December 31, 2023, partially offset by (i) an increase in cash and cash equivalents from US\$4.7 million as of December 31, 2022 to US\$206.3 million as of December 31, 2023, and (ii) the recognition of time deposits of US\$91.7 million.

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## SUMMARY

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Our net current liabilities increased from US\$343.3 million as of December 31, 2023 to US\$902.0 million as of December 31, 2024, primarily due to (i) an increase in convertible redeemable preferred shares from US\$629.0 million as of December 31, 2023 to US\$1,581.9 million as of December 31, 2024, (ii) an increase in trade and bills payables from US\$17.2 million as of December 31, 2023 to US\$51.2 million as of December 31, 2024, and (iii) an increase in other payables, accruals and other liabilities from US\$14.7 million as of December 31, 2023 to US\$51.5 million as of December 31, 2024. This was partially offset by (i) an increase in financial assets at fair value through profit or loss from US\$15.8 million as of December 31, 2023 to US\$295.2 million as of December 31, 2024, and (ii) an increase in financial assets at amortized costs from nil as of December 31, 2023 to US\$147.4 million as of December 31, 2024.

Our net current liabilities increased from US\$902.0 million as of December 31, 2024 to US\$1,382.4 million as of September 30, 2025, primarily due to (i) an increase in convertible redeemable preferred shares from US\$1,581.9 million as December 31, 2024 to US\$2,321.2 million as of September 30, 2025, and (ii) a decrease in financial assets at amortized cost from US\$147.4 million as of December 31, 2024 to nil as of September 30, 2025, and (iii) an increase in trade and bills payables from US\$51.2 million as of December 31, 2024 to US\$70.2 million as of September 30, 2025. This was partially offset by (i) an increase in financial assets at fair value through profit or loss from US\$295.2 million as of December 31, 2024 to US\$644.2 million as of September 30, 2025, and (ii) a decrease in other payables, accruals and other liabilities from US\$51.5 million as of December 31, 2024 to US\$17.3 million as of September 30, 2025.

We had net liabilities of US\$76.4 million, US\$341.9 million, US\$799.3 million and US\$1,303.5 million as of December 31, 2022, 2023, 2024 and September 30, 2025, respectively.

As of September 30, 2025, we had net liabilities of US\$1,303.5 million primarily because of convertible redeemable preferred shares totaling US\$2,321.2 million. Nevertheless, as these convertible redeemable preferred shares will be re-designated from financial liabilities to equity as a result of the automatic conversion into ordinary shares upon [REDACTED], our net liabilities position will turn into a net assets position.

Our net liabilities increased from US\$76.4 million as of December 31, 2022 to US\$341.9 million as of December 31, 2023, primarily due to an increase of US\$269.2 million in the accumulated losses for the period, partially offset by (i) an increase of US\$3.3 million in the recognition of share-based payment expenses, and (ii) an increase of US\$0.4 million in the exchange differences on translation of foreign operations.

Our net liabilities increased from US\$341.9 million as of December 31, 2023 to US\$799.3 million as of December 31, 2024, primarily due to an increase of US\$465.2 million in the accumulated losses for the period, partially offset by (i) an increase of US\$6.8 million in the

## SUMMARY

recognition of share-based payment expenses, (ii) an increase of US\$0.4 million in the exchange differences on translation of foreign operations, and (iii) an increase of US\$0.7 million of change in fair value of equity investments at fair value through other comprehensive, net of tax.

Our net liabilities increased from US\$799.3 million as of December 31, 2024 to US\$1,303.5 million as of September 30, 2025, primarily due to an increase of US\$512.0 million in the accumulated losses for the period, partially offset by (i) an increase of US\$8.6 million in the recognition of share-based payment expenses, and (ii) an increase of US\$1.6 million of change in fair value of equity investments at fair value through other comprehensive, net of tax.

### Summary of Consolidated Statements of Cash Flows

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

	For the year ended December 31,			For the nine months ended September 30,	
	2022	2023	2024	2024	2025
	<i>(unaudited)</i>				
	<i>(US\$ in thousands)</i>				
Net cash flows used in operating activities . . . . .	(11,019)	(64,455)	(258,483)	(195,596)	(209,396)
Net cash flows used in investing activities . . . . .	(35,156)	(40,320)	(431,300)	(630,463)	(126,231)
Net cash flows generated from financing activities . .	49,786	306,243	771,092	718,827	407,913
<b>Net increase/ (decrease) in cash and cash equivalents . . . . .</b>	<b>3,611</b>	<b>201,468</b>	<b>81,309</b>	<b>(107,232)</b>	<b>72,286</b>
Cash and cash equivalents at the beginning of the year/period . . . . .	994	4,691	206,295	206,295	288,912
Effect of foreign exchange differences, net . . . . .	86	136	1,308	500	1,449
<b>Cash and cash equivalents at the end of the year/period . . . . .</b>	<b>4,691</b>	<b>206,295</b>	<b>288,912</b>	<b>99,563</b>	<b>362,647</b>

During the Track Record Period, we recorded net cash flows used in operating activities, primarily reflecting our position as an R&D-intensive Specialist Technology Company in the early stages of commercialization. In particular, our operating cash outflows were mainly attributable to (i) significant research and development expenses, including staff costs for our R&D and AI infrastructure teams and substantial third-party cloud services and other



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## SUMMARY

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computing-related costs incurred for training and operating our foundation models, (ii) our early stage of commercialisation, during which our AI-native products and Open Platform only began to generate revenue in the course of 2023 and 2024, resulting in a relatively small revenue base as compared with our operating cost structure, and (iii) other operating cash outflows, including cash operating costs relating to workforce employment, marketing and promotion to acquire and engage users, and general and administrative expenses. These factors collectively resulted in net operating cash outflows throughout the Track Record Period.

Our cash burn refers to the aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures, and (iii) lease payment. Our historical cash burn was US\$11.5 million, US\$65.9 million, US\$260.7 million and US\$211.3 million in 2022, 2023, 2024 and nine months ended September 30, 2025, respectively. Our cash burn increased throughout the Track Record Period primarily due to increases in net cash used in operating activities as we scale up R&D activities. In the future, we aim to continue to enhance our profitability and improve our net operating cash outflows position through the following focus areas: (i) leveraging the rapid growth of the foundation model industry, (ii) continuing to enhance foundation model intelligence levels, (iii) enhancing the affordability of our AI technologies, (iv) broadening monetization of our AI-native product suite, and (v) optimizing organizational efficiency and scalability. Please refer to “Business — Path to the Commercialization of our Specialist Technology Products” for our detailed strategies.

For the year ended December 31, 2025, our monthly cash burn is expected to be US\$27.9 million. As of September 30, 2025, our cash balance was US\$1,046.2 million, including cash and cash equivalents US\$362.6 million, current portion of financial assets at fair value through profit or loss US\$644.2 million and unutilised banking facilities US\$39.4 million, as they represent available liquidity to fund our operations. Assuming the expected average monthly cash burn of US\$27.9 million going forward at approximately 1.3 times of the average monthly cash burn of the twelve months ended December 31, 2024, we estimate that our cash balance is sufficient for us to operate for approximately [REDACTED] months without [REDACTED], lasting approximately until [REDACTED]. With the estimated net [REDACTED] of US\$[REDACTED] (assuming [REDACTED] new shares to be [REDACTED] at the [REDACTED] of HK\$[REDACTED] per share, being the low-end of the [REDACTED] range, and the [REDACTED] is not exercised, and deducting the estimated [REDACTED] expense), our cash is sufficient for us to operate for approximately [REDACTED] months with [REDACTED], lasting approximately until [REDACTED].

See “Financial Information — Cash Burn” for details.

## COMMERCIALIZATION AND BUSINESS SUSTAINABILITY

### Commercialization of our Specialist Technology Products

Since our inception, our commercial strategy has centered on two key areas: developing advanced foundation models and creating AI-native products that enhance productivity and quality of life. All of our foundation models and AI-native products are designed as Specialist



## SUMMARY

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Technology Products as defined under Chapter 18C of the Listing Rules. As advised by CIC, we confirm that all our Specialist Technology Products fall within the acceptable sector of artificial intelligence under the Listing Rules, and that all revenues generated during the Track Record Period were derived from sales of these products. We further confirm that all our foundation models and AI-native products have been developed in-house. For description of the ownership of our key IP rights, see “Business — Intellectual Property.”

- ***Foundation Models:*** We have built several integrated foundation models across various modalities. Our foundation model suite includes large language models, video generation models, and models for speech and music generation.
- ***AI-native Products:*** Leveraging our multi-modal foundation model suite, we deliver AI-native products and services that use the power of AI to benefit both individual users and enterprises around the world. The evolution of our AI-native products is rooted in advancements in its foundation models. Through continuous upgrades to its existing foundation models and the development of new ones, we are able to design and create AI-native products with enhanced user experience.

We are still at a nascent stage in terms of monetization and commercialization as historically we have been largely focused on developing our foundation AI models. During the Track Record Period, we have scaled our product offerings and therefore have experienced rapid revenue growth, reflecting our ability to advance proprietary foundation models while rapidly scaling the usage of our AI-native products across individual users, developers, and enterprise customers. Our revenue increased from US\$3.5 million in 2023 to US\$30.5 million in 2024, as a result of growth momentum from both our developer and enterprise-facing Open Platform and multi-modal AI-native consumer-facing products. For the nine months ended September 30, 2025, our revenue further increased to US\$53.4 million, compared to US\$19.5 million in the nine months ended September 30, 2024. These gains were driven by the enhancement of intelligent level of our foundation models, the expansion of our AI-native product suite, increased adoption by individual users, developers, and enterprise customers, and diversified monetization channels across subscriptions, in-app top-up, enterprise API usage, and online marketing services.

As we scaled up operations, we significantly improved our gross profit margin, from negative 24.7% in 2023 to 12.2% in 2024, and further to 23.3% in the nine months ended September 30, 2025. These improvements were primarily driven by advancement in intelligence level of our models, improved model and system efficiency, optimization of infrastructure allocation, and increased scale of revenue relative to compute intensity, in line with our strategy to enhance efficiency of our AI infrastructure. In particular, gross margin of AI-native products significantly improved during the Track Record Period due to improvements in user engagement and monetization and introduction of new monetized features, reflecting our reflecting our ongoing commercial emphasis on enhancing monetization from core AI-native product offerings.

## SUMMARY

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We recorded US\$73.7 million, US\$269.2 million, US\$465.2 million, US\$304.3 million and US\$512.0 million in loss for the year/period in 2022, 2023, 2024, and for the nine months ended September 30, 2024 and 2025, respectively, due to significant initial investment in foundation model R&D and AI infrastructure. Excluding share-based payment expenses, fair value changes in financial instruments and [REDACTED] expenses, our adjusted net loss (non-IFRS measure) narrowed meaningfully as a percentage of revenue, from over 2,500% in 2023 to 800.2% in 2024 and further to 348.6% in the nine months ended September 30, 2025. Our R&D expenses as a percentage of revenue declined from over 2,000% in 2023 to 619.1% in 2024 and further to 337.4% in the nine months ended September 30, 2025. We expect continued net losses in the foreseeable future as we remain largely as an R&D focused company operating in the AI research space.

We recorded net losses in 2022, 2023, 2024, and the nine months ended September 30, 2025. We recorded adjusted net loss (non-IFRS measure) and net operating cash outflow during the Track Record Period. We currently expect such positions may continue until we achieve a greater scale. We anticipate a significant increase in net loss for the year ended December 31, 2025, primarily due to the expected R&D expenses as we continue to elevate the intelligence level of our foundation models and fair value loss on financial liabilities, as the valuation of our company is expected to increase in 2025. In the future, we aim to maintain business sustainability and achieve long-term commercialization through the following focus areas: (i) leveraging the rapid growth of the foundation model industry, (ii) continuing to enhance foundation model intelligence levels, (iii) enhancing the affordability of our AI technologies, (iv) broadening monetization of our AI-native product suite, and (v) optimizing organizational efficiency and scalability.

We expect to achieve the revenue requirement for a Commercial Company pursuant to Chapter 18C of the Listing Rules in the twelve months ended December 31, 2025, primarily driven by commercial expansion of our AI-native products and increasing adoption of our Open Platform. To demonstrate our rapid growth during the Track Record Period and monetization potential, for our AI-native user products, our number of paying users expanded from around 119,700 in 2023 to 650,300 in 2024 and from approximately 489,100 in the nine months ended September 30, 2024 to approximately 1,771,600 during the same period in 2025. For our Open Platform, paying users, defined as a user who has individually consumed no less than US\$50 worth of API calls (or its equivalent in other currencies), increased from approximately 400 in the nine months ended September 30, 2024 to approximately 2,500 during the same period in 2025.

Based on the foregoing, our Directors believe, and the Joint Sponsors concur, that our business is sustainable. See “Business — Commercialization and Business Sustainability.”

## SUMMARY

### KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated:

	For the year ended December 31,			For the nine months ended September 30,
	2022	2023	2024	2025
<b>Key Income Statement ratio</b>				
Revenue growth . . . . .	N/A	N/A	782.2%	174.7%
Gross margin . . . . .	N/A	(24.7%)	12.2%	23.3%
Net loss margin . . . . .	N/A	(7,781.7%)	(1,524.2%)	(958.2%)
Adjusted net loss margin (non-IFRS measure) . . . . .	N/A	(2,574.4%)	(800.2%)	(348.6%)
Research and development expenses growth rate . . .	N/A	562.9%	170.0%	30.0%
<b>Key Balance Sheet Ratio</b>				
Current ratio . . . . .	0.49	0.48	0.47	0.43

*Note:*

1. Current ratio is calculated based on total current assets divided by total current liabilities.

See “Financial Information — Key Financial Ratios” for more information.

[REDACTED]

## SUMMARY

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[REDACTED]

### [REDACTED] Expenses

Our [REDACTED] expenses mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and [REDACTED], and (ii) [REDACTED]-related expenses, comprising professional fees paid to our legal advisors and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] range and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of HK\$[REDACTED], professional fees for our legal advisors and reporting accountants of HK\$[REDACTED] and other fees and expenses of HK\$[REDACTED]. During the Track Record Period, the [REDACTED] expenses charged to our consolidated statements of profit or loss were US\$[REDACTED] (HK\$[REDACTED]) and the issuance costs which were recognized as prepayments and are expected to be deducted from equity upon the [REDACTED], were US\$[REDACTED] (HK\$[REDACTED]). After the Track Record Period approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the [REDACTED].

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## SUMMARY

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### Future Plans and Use of [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the midpoint of the indicative [REDACTED] stated in this Document.

We intend to use the net [REDACTED] of the [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED] of the net [REDACTED] will be used for our research and development over the next five years including the development of our foundation models and our AI-native products. Specifically, (i) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] over the next five years to the research and development of our foundation models; and (ii) approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] over the next five years to the development, refinement and global scaling of our AI-native products.
- Approximately [REDACTED]%, or HK\$[REDACTED], of the net [REDACTED] will be allocated to working capital and general corporate purposes.

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

### DIVIDEND AND DIVIDEND POLICY

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and up to the date of this Document, we did not declare any dividends to our Shareholders. As of the Latest Practicable Date, we did not have a formal dividend policy or a fixed dividend distribution ratio. Any declaration and payment as well as the amount of dividends will be subject to our Articles and the Cayman Companies Act. We currently do not have any dividend policy to guide our dividends declaration or payments. Our board of directors has the discretion to pay interim dividends and to recommend to Shareholders to pay final dividends, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition and contractual restrictions. See “Financial Information — Dividends.”

### IMPACT OF THE COVID-19 PANDEMIC DURING THE TRACK RECORD PERIOD

COVID-19 did not have any material impact on the Group’s business, operation or financial condition during the Track Record Period because the Group’s core business activities are performed by distributed engineering teams and are inherently remote-compatible, its products are provided online through cloud infrastructure rather than offline channels, and it has limited reliance on physical supply chains or on-site deployment and did not experience any material project delays, customer cancellations, revenue shortfalls or credit losses attributable to the pandemic.

## SUMMARY

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### RECENT DEVELOPMENTS

As of the Latest Practicable Date, we had not experienced any material impact from tariffs, export controls, or other trade-related measures imposed by governmental authorities in the jurisdictions in which we operate. Although certain countries, including the United States, have in recent periods introduced or adjusted tariffs and related policies on goods and technologies, such measures have not had a material adverse effect on our operations, financial condition or prospects to date. We continue to monitor relevant developments and assess their potential implications for our business.

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of the periods reported in the Accountant’s Report set out in Appendix I, and there is no event since September 30, 2025 that would materially affect the information shown in the Accountant’s Report set out in Appendix I.

We anticipate a significant increase in net loss for the year ended December 31, 2025, primarily due to the expected R&D expenses as we continue to elevate the intelligence level of our foundation models and fair value loss on financial liabilities, as the valuation of our company is expected to increase in 2025.

### RECENT REGULATORY DEVELOPMENT

#### Outbound Investment Rules

Effective on January 2, 2025, the final rule issued Treasury to implement the executive order of August 9, 2023 (the “Final Rule”) imposes investment prohibition and notification requirements on U.S. Persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI systems. U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in covered foreign persons, which are defined as “covered transactions,” and include acquisitions of equity interests (including contingent equity interests), certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. Since our principal place of business is in China and we engage in the development of certain AI models, we are likely to be deemed as a “covered foreign person” as described in the Final Rule. Based on information we provided to our international sanctions advisor, it appears likely that U.S. persons that purchase our Shares in the [REDACTED] or are the parents of non-U.S. person subsidiaries that purchase our Shares in the [REDACTED] would be required to file notifications regarding their or their subsidiaries’ purchases with Treasury no later than 30 days after such purchases of the Shares. See “Risk Factors — Risks Related to Our Business and Industry — We are subject to the risks associated with international trade policies, geopolitics and trade protection measures. Changes in international relationships, trade and investment policies, trade protection and investment restriction measures may adversely impact our business, financial condition and results of operations.”

## SUMMARY

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### Export Control Regulations

In recent years, the United States has expanded export controls restrictions on China through the Export Administration Regulations (the “EAR”), administered by the Bureau of Industry and Security of the United States Department of Commerce (the “BIS”). In addition to the restrictions introduced by the BIS rules, BIS maintains lists of persons that are subject to enhanced export control restrictions. In particular, the Entity List covers foreign persons on which certain trade restrictions are imposed, including business, research institutions, governmental and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. In addition to naming additional persons to these lists, BIS has imposed complex and restrictive rules applicable to doing business with persons on them. For example, on September 29, 2025, the BIS issued an immediately effective interim final rule that extended Entity List and Military End-User List restrictions to entities that are 50% or more owned, directly or indirectly, by shareholders on those lists. The U.S. Government has indicated that implementation of the Affiliate Rule will be delayed for at least one year (i.e., until October 2026). These recent measures together with the U.S. export control regime regulate the export, reexport and transfer of U.S. products, software, and technology, including certain items manufactured outside the United States that contain greater than de minimis controlled U.S. content or are the foreign direct product of certain U.S. software or technology. Export licenses may be required depending on the nature of the items, destination, end-use, end-user and other parties to the relevant transactions.

Our AI products were developed by us without direct using material U.S. software or technology, or incorporating material components procured from U.S. suppliers. We engage certain U.S. service providers in our ordinary course of business to support the operations of our international business. The services provided by such U.S. service providers could generally be replaced by suppliers in other jurisdictions around the world, at comparable quality and price, and we therefore believe that our R&D activities and operations are not reliant on technology or raw materials of U.S.-origin to any material extent. As such, the Company has not experienced any material impact from tariffs, export controls or other trade-related measures imposed by governmental authorities in the U.S. during the Track Record Period and up to the Latest Practicable Date. Based on the discussion with management of the Company, the review of the Company’s financial information, the interviews conducted with the Company’s selected suppliers and the review of the legal memorandum issued by the Company’s international sanctions legal advisor, the Joint Sponsors concur with the Company’s confirmation above. However, if any uncertainties in U.S.-China relationship or any resulted disruption to our supply chains will make it necessary for us to make such transition, such transition may take time to complete, and cause certain delays or disruptions to our ordinary course of business, and may therefore adversely affect our business, results of operations and financial conditions.



## SUMMARY

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### **Tariff Regulations**

We are also closely monitoring potential changes in tariff policy and assessing the potential impact of such policy changes on our business operations and financial performance. For example, recently, the United States proposed to impose multiple rounds of tariffs on a wide range of goods imported from multiple countries, including China, and China responded with retaliatory tariffs. As advised by our international legal advisor, U.S. import tariffs only apply of export of physical goods to the United States. On such basis, it is of the view of our Directors that, given that we do not export physical goods to the United States, U.S. tariffs are unlikely to have a material adverse impact on our business operations and financial performance. As relevant policies are rapidly evolving, it may be difficult to evaluate these tariff measures’ potential future impacts. See “Risk Factors — Risks Related to Our Business and Industry — We are subject to the risks associated with international trade policies, geopolitics and trade protection measures. Changes in international relationships, trade and investment policies, trade protection and investment restriction measures may adversely impact our business, financial condition and results of operations.”

### **AI Chatbot Regulations**

Several U.S. states, including California, New York, Maine, and Utah, have recently enacted laws that specifically regulate AI-powered chatbots. These laws impose new operational requirements, such as clear and recurring user disclosures, and mandate the implementation of safety protocols to prevent harmful content, particularly related to self-harm. For example, California’s law, effective January 2026, includes specific protections for minors and establishes a private right of action allowing for statutory damages.

We are in the process of reviewing these regulations to ensure the continued compliance of our Talkie application. Based on (i) an assessment of the current features and functionalities of Talkie and (ii) research conducted on existing state legislation and regulations governing chatbots, as advised by our U.S. data legal advisor, (a) the current features and design of Talkie are already in material compliance with the chatbot laws currently in force in Utah, New York and Maine; and (b) Talkie is not subject to the chatbot laws currently enacted in other U.S. states, as such laws regulate functions that Talkie does not offer, such as the provision of medical services.

Guided by legal advice from our U.S. data legal advisor, we are currently implementing the updates necessary for compliance with the upcoming chatbot law in California. These updates primarily involve reviewing our user interface, supplementing certain mandatory disclosures and incorporating required safety features. Such updates are consistent with our ordinary product-development cycle for Talkie and are expected to be completed within a reasonable timeframe and at a reasonable cost. We are currently designing and implementing these updates and expect to complete the process by the end of 2025, ahead of the California



## SUMMARY

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chatbot law’s anticipated effective date in January 2026. Based on our planned timetable and the progress made to date, as advised by our U.S. data legal advisor, Talkie is expected to be in compliance with the requirements under the California chatbot law, once it is enacted in January 2026.

In light of the abovementioned view of our U.S. data legal advisor, although compliance with these state-level regulations may result in certain incremental operational costs, we do not expect such regulations to have any material adverse effect on our business, results of operations or financial condition.

For further details regarding our AI safety and alignment measures, safeguards against inappropriate or harmful outputs and user misuse, and our ongoing efforts to ensure responsible AI development, please refer to the section headed “Business — Research and Development”.