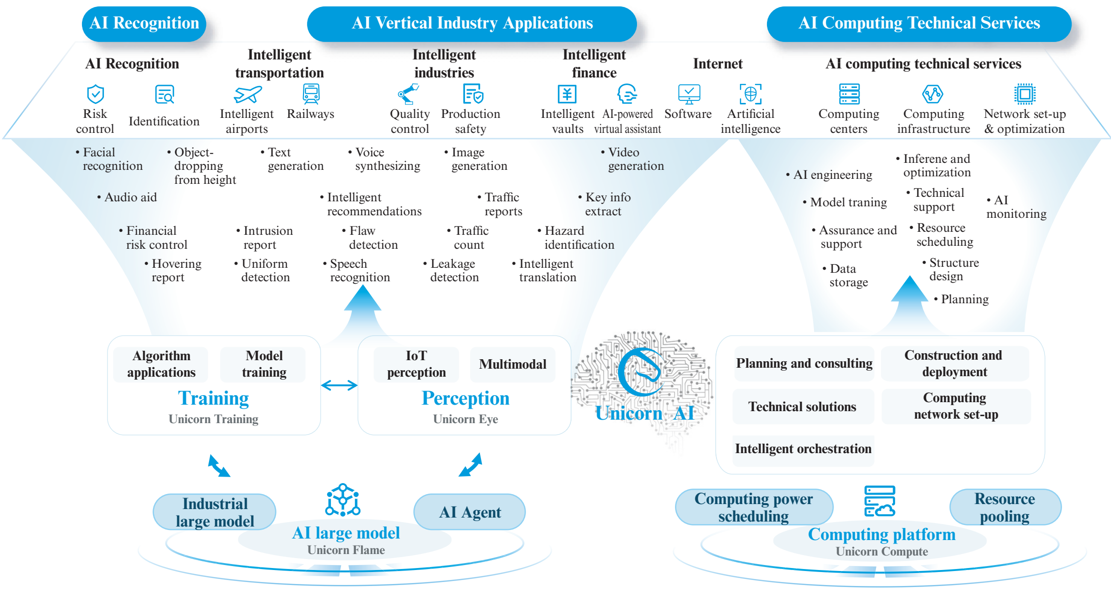
OVERVIEW

About Us

We are a full-stack AI solution provider. With algorithms and computing power at our core, we focus on the integration of leading AI algorithms, computing power management capabilities, and advanced software and hardware technologies as well as their application under industrial scenarios.

As a recognized player in China's AI research and application field, we have developed a suite of proprietary core algorithms through our long-term and in-depth cultivation. To effectively capitalize our technical strengths and create value for customers, we have developed our "Unicorn AI" integrated technology platform. Our "Unicorn AI" platform integrates our key capabilities in model development and optimization, large-scale distributed training, real-time inference services, and elastic computing power scheduling, forming the core foundation for our product innovation and technological iteration. Based on this "Unicorn AI" integrated technology platform, we provide customers in different application scenarios with integrated "algorithm + computing power" solutions, empowering the intelligent upgrading of their business and building our core competitive advantages.



Our core competency lies in the deep integration of foundational technology with application scenarios. Leveraging our in-depth understanding of customers' needs, requirements, and challenges, we are uniquely positioned with the following competitive advantages: robust full-stack technical capabilities, outstanding commercialization capabilities, and loyal, quality customers in close collaboration with us. Our strong technical capability and industry experience have enabled us to deliver and apply reliable products and services across a wide range of segments in the AI industry chain.

During the Track Record Period, our products and services included (1) AI recognition, (2) AI vertical industry applications, and (3) AI computing technical services.

- **AI recognition**. We provide AI recognition services to a wide range of customers, including leading internet companies in China, and have maintained a large, high-quality, and stable customer base. Our proprietary AI algorithms are capable of dynamic recognition, online/offline liveness detection, and facial comparison, and can identify and verify various types of information in a swift and intelligent manner. We provide precise, scenario-specific AI recognition solutions, supporting dozens of business scenarios including e-commerce content censoring, social media analysis, and financial anti-fraud.

- **AI vertical industry applications**. We are a leader in the field of empowering industries with AI technology, with robust AI technology commercialization capabilities in China. Our continued innovation in combining AI technologies with the transportation, internet and software, finance, and plant and industrial park sectors provides efficient and reliable industrial solutions with AI technologies, and empowers digital transformation of our customers and improves their operational and management efficiency. For example, we participated in the first deployment of the "Easy Security Check" service model at a ten-million-level hub airport and its subsequent deployment in a number of other airports across China after a successful try-out. During the Track Record Period and up to the Latest Practicable Date, the "Easy Security Check" platform had served over 20 million passengers at this ten-million-level hub airport.

- **AI computing technical services**. We provide a variety of AI computing technical services based on our self-developed computing power management and control platform "Unicorn Compute" and customers' hardware infrastructure. With the in-depth coordination of heterogeneous resource scheduling engines, energy efficiency optimization centers, and layered security protection systems, we are capable of delivering the intelligent orchestration and dynamic scheduling of comprehensive computing power infrastructure ranging from chips to edge devices. This enables us to provide customers with one-stop solutions supporting complex computing scenarios such as scientific research and industry-level computing needs. As of the Latest Practicable Date, we have collaborated with over 30 enterprises in the AI computing field, and have participated in the construction of high-performance computing clusters and AI computing centers in a number of cities in China, contributing to the rapid development of China's AI computing industry.

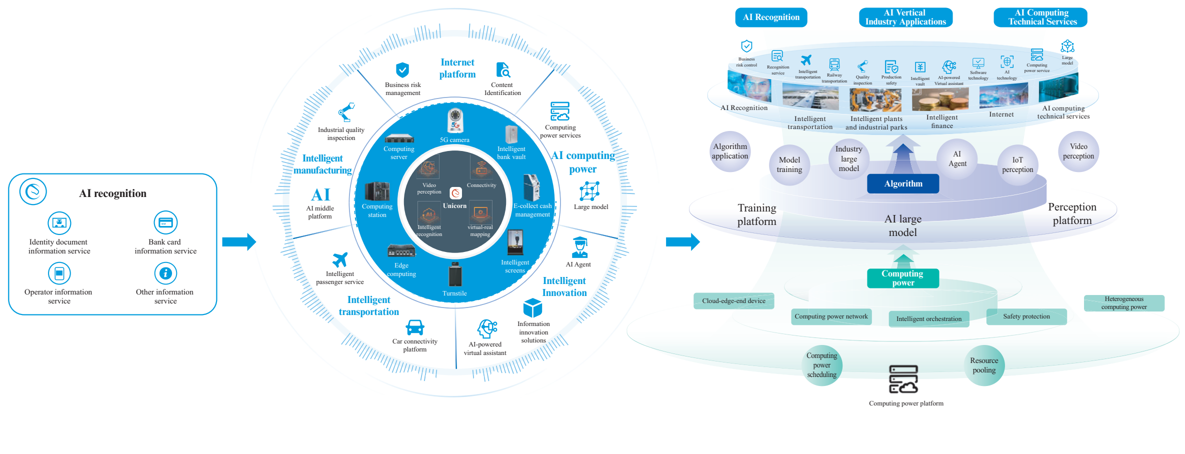
According to Frost & Sullivan, we are one of the 10 largest full-stack AI technology solution providers in China and the 8th largest technology provider in the computer facial recognition for identity verification industry in China, both in terms of revenue in 2024.

Our extensive industry experience and advanced technical capabilities are widely recognized in the industry. We have been awarded and accredited with a number of significant honors and qualification certifications at international, national, provincial, and industry levels, including "Level 3 Certificate of the Network Security Classified Protection Filing Certificate," "CMMI5" (being the highest maturity level of software capability internationally), "Specialized and Sophisticated Small and Medium-sized Enterprise," "Outstanding AI Service Provider in China," "Top 10 Artificial Intelligence Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area," and "Guangdong Engineering Technology Research Center for Computer Vision Research."

As at December 31, 2025, we owned 288 computer software copyrights and 77 patents and obtained international certifications such as CMMI5, ISO9001, ISO14001, ISO45001, ISO/IEC20001 and ISO/IEC27001.

Our Products and Solutions

We focused on the industrial application of AI recognition services at our inception. Since 2017, we gradually expanded our offerings to algorithm platform and its industrial application. In 2023, we further expanded our services to providing AI computing technical services, which makes us a full-stack AI service provider with "algorithm + computing power + industry application" capabilities.



Online intelligent recognition
2015-2016

Unicorn algorithm platform + industry application
2017-2022

Computing power + algorithm + industry application
2023-present

We offer customers with AI intelligent solutions backed by our proprietary core technology. Our AI intelligent solutions include AI recognition, AI vertical industry applications and AI computing technical services. With our technology platform at the core, our solutions are designed to meet customers' demand for algorithms, computing power, and the industrial application thereof during their digital and intelligent transformation, thereby empowering them to achieve comprehensive intelligence-driven transformation.

AI Recognition

Our AI recognition service is a multi-dimensional intelligent recognition solution designed for a diverse range of online application scenarios for customers. We have developed in-house our AI recognition platform — which can be deployed in various online scenarios by our customers through using our APIs, examples of which include online transaction security, payment security or online banking identity verification, facilitating intelligent recognition and verification of various types of information. Our AI recognition platform bridges upstream data sources and downstream enterprise customers, empowering enterprises with multi-modal AI-driven computer vision capabilities to securely and efficiently verify online the tested subjects' identities across diverse identification scenarios. Our AI recognition service utilizes multi-dimensional feature extraction technology and deep metric learning and attention mechanisms, and is capable of generating highly distinctive feature embedding vectors. Our technology increases both the speed and accuracy of the intelligent recognition and verification of various types of information. We generally charge our customers on a pay-per-use basis at a rate specified in service agreements, and price our AI recognition service based on our costs. Our customer base covers enterprise customers from a wide range of sectors, including banking, payment processing, social media, e-commerce, and travel agents.

AI Vertical Industry Applications

We provide customers with customer-specific integrated solutions for customers aiming to leverage on AI to reduce the level of human involvement in their business processes. Our services generally encompass feasibility studies, business and information infrastructure planning, architecture consultation and design, software-hardware product adaptation and optimization, delivery and deployment, and after-sale services. Leveraging our Unicorn AI platform, software engineering capabilities and deep learning technologies, as well as hardware and software technologies such as large models, AI Agents, and edge computing, we provide highly flexible customized services tailored to customers' actual needs. With in-depth insights into different business scenarios, we can improve product functionalities efficiently. Our solutions include the development of customized platforms for complex real-life scenarios, and training and optimization of AI algorithm models. We adopt flexible pricing models tailored to different client needs for our AI vertical industry applications. For industry-specific application software, customers pay a one-time fee upon deployment under a perpetual licensing arrangement. Meanwhile, AI-powered hardware such as edge devices or biometric terminals can be purchased on the one-off basis. Customized integrated AI industry applications, which combine application software, AI-capable hardware and tailored technical services, are priced based on factors including deployment complexity, required hardware and software complexity and sophistication and bespoke support levels. This flexible pricing strategy allows us to capture customers that have different operational needs in their journeys to introduce AI into their own businesses, and offers them advantages such as scalability and cost transparency across different types of business usage scenarios and operational requirements. Our major customers include transportation operators, internet and software enterprises, financial institutions and manufacturing enterprises. By integrating our core AI technology to build on our solution offerings, we facilitate the intelligence-driven transformation of a wide range of industries, including transportation, internet and software, finance, and plants and industrial parks.

AI Computing Technical Services

We provide a variety of AI computing technical services, including planning and consulting, construction and deployment, and O&M technical solutions, based on our self-developed computing power management and control platform "Unicorn Compute" and customers' hardware infrastructure. Subsequent to our entry into this area, we have gradually improved our business model underpinned by professional services provided by elite technical experts, and gradually expanded our AI computing technical services business based on our technology platforms "Unicorn Compute" and "Unicorn Training." Our "Unicorn Compute" platform leverages heterogeneous resource scheduling technology and high-availability cluster architecture to achieve standardized output of computing power and high throughput and low latency for large-scale training tasks. Our "Unicorn Training" platform provides technical support for our customers' AI model development. Our AI computing technical services are priced based on factors including scope and level of services required, number of devices requiring our services, and hardware and software complexity. We offer the AI computing technical services through both transaction-based and subscription-based models. During the inception stage of our AI computing technical services business, our lighthouse customers were mainly those that initially deployed our algorithms and industry applications. As our business and reputation built up, we have expanded our customers base to include tech companies providing big-data services and operators of computing power centers. As of the Latest Practicable Date, we have participated in the development of a number of large-scale computing power projects across the nation, including major computing power projects in east China, Gansu and Inner Mongolia.

Our Technological Foundation

Our core technologies are built on our independently developed "Unicorn AI" integrated technology platform. As the cornerstone supporting all our AI solutions, this platform comprises four core components: (i) the "Unicorn Training" platform, specifically designed for model training; (ii) the "Unicorn Eye" platform, responsible for multi-dimensional data perception; (iii) the "Unicorn Compute" computing power scheduling platform, enabling efficient computing power management; and (iv) the "Unicorn Flame" large model empowered by our algorithms. For details of our technology platforms, please see "Our Core Capabilities — Core Components of the Platform."

Through in-depth integration and collaborative optimization at the architectural level, these four components form a full-link, high-efficiency AI technology system covering algorithm development, model training, intelligent perception, and computing power resource management. This system not only provides a foundation for our continuous technological innovation and product iteration but also enhances our efficiency and capability in delivering AI technology solutions to customers, thereby empowering the intelligent transformation process of customers across various industries.

Our Financial Overview

During the Track Record Period, our revenue was primarily attributable to our AI intelligent solutions, namely AI recognition, AI vertical industry applications and AI computing technical services. For the years ended December 31, 2023, 2024 and 2025, our total revenue amounted to RMB390.9 million, RMB385.8 million, and RMB463.9 million, respectively. With our core AI technology, in-depth understanding of the application sector and practical and efficient commercialization capabilities, we realized consistent profit during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, our profit for the year amounted to RMB36.8 million, RMB66.1 million and RMB58.7 million, respectively. For the years ended December 31, 2023, 2024 and 2025, our adjusted profit for the year (non-IFRS measure) amounted to RMB36.8 million, RMB66.1 million and RMB76.0 million, respectively.

COMPETITIVE STRENGTHS

We are a company with full-stack AI capabilities, providing comprehensive algorithm, computing power and industry application solutions

As a company with full-stack AI capabilities, we provide customers with AI algorithm applications and vertical industry application solutions, and empower AI industry applications by assisting our customers in developing and operation AI infrastructure. As a technology innovation company with full-stack AI capabilities in the industry, we have established a vertically integrated advantage combining leading AI algorithms, premium AI computing capabilities, and deep integration of advanced software and hardware technology with industry application scenarios. This allows us to form a complete value chain from technical foundation to commercialization. This unique business model not only keeps our technology R&D closely in line with market demands but also fosters a virtuous commercial ecosystem in terms of data accumulation, model iteration and scenario expansion.

- **Algorithm as the core:** Through years of accumulation, we have developed our "Unicorn AI" technology platform, which embodies our algorithm capabilities and provides important support for our product innovation and technology applications. Our reliable, efficient and secure products stemming from our algorithm advantages have earned the trust of users. Based on our "Unicorn AI" platform, we have developed our AI recognition platform, which has reached an average daily request volume of over 2.7 million instances and supports the rapid deployment under various algorithms, such as mainstream open-source models and self-developed and third-party algorithms.

- **Computing power as the foundation of industry application solutions:** Computing power has become a key driver of innovation and development across all industries in the digital economy era. We take our extensive practical experience in intelligent computing center construction as the foundation and leverage our self-developed technology platform as the core driver to provide customers with end-to-end AI computing technical solutions. We have successfully empowered key partners to complete the strategic layout of multi-location intelligent computing centers across the country, building a nationwide AI computing technical service network with wide coverage, high synergy and multi-level support. As of the Latest Practicable Date, we provided AI computing technical services to over 30 customers in different industries in China. The foundational empowerment capability allows us to play a key role in the development of our customers' AI infrastructure, thereby establishing strategic partnerships in the early stage of their digital transformation process.

- **Commercialization through industry applications:** We focus on the in-depth application of AI technologies in various industries. Driven by technology R&D and scenario-based demands, we combine our strong algorithmic capabilities and solid engineering capabilities with our industrial insights in fields such as transportation, internet and software, finance, and plants and industrial parks. This forms a positive value loop between technology and its application, allowing us to develop scalable and high-value industry-specific intelligent solutions.

We possess robust technical capabilities and comprehensive solution commercialization capabilities

Our technical capabilities are widely recognized. We have undertaken a number of municipal level R&D projects, participated in the formulation of relevant industry standards, and received over 15 major awards and honors for our R&D strengths, demonstrating high recognition from authoritative institutions and leading customers in the industry. As of December 31, 2025, we had 288 computer software copyrights and 77 patents. During Track Record Period, our aggregate research and development expenses amounted to RMB94.9 million. Our R&D team consists of technical experts with extensive experience and profound academic and research backgrounds from national or international renowned institutions and organizations. They are equipped with an international perspective and leading technical capabilities. Our investment and achievements in technological innovation and R&D have further reinforced our leading position in the industry.

We are also experienced in the swift implementation of AI industry solutions in various sectors. We have successfully integrated AI algorithms into a variety of industry scenarios to develop integrated algorithms, such as facial recognition, behavior recognition and intelligent flight nodes, and combined software and hardware to create integrated industry solutions in various sectors, including transportation, internet and software, finance, and plants and industrial parks. These solutions have achieved outstanding results in practical applications, further demonstrating our technological advantages and market adaptability.

We are capable of realizing quick commercialization. With our modular functional design and flexible deployment methods, we can quickly respond to market demand and commercialize solutions in vertical sectors. Leveraging our swift deployment capability, we have captured business opportunities in various industries and demonstrated strong commercialization capabilities.

We are a recognized player in AI technology solution industry expanding from intelligent recognition to algorithms, computing power and industry applications as our core business

- **Cutting-edge application cases:** We are a full-stack AI solution provider with significant accomplishments. Relying on our self-developed "Unicorn AI" technology platform, we integrate algorithms, computing power, software, and hardware to achieve industry application of AI technology solutions providing customers across various industries with deeply customized and value-driven intelligent solutions. As a recognized player in AI technology solutions, we have gained an advantage in several segments. In terms of industry applications, leveraging our advanced hardware and software technologies and rich industry experience, we have successfully applied AI technology across various industries, including but not limited to transportation, internet and software, finance, and plants and industrial parks. We have achieved technological and business model innovations in multiple projects in these sectors, remarkably enhancing the operational efficiency and competitiveness of our customers.

- **Leading operational metrics:** According to the Frost & Sullivan Report, we are a top 10 full-stack AI technology solution provider in China. With our outstanding performance and technological advantages in the industry, we maintain a significant lead in various operational metrics. Our commitment to providing customers with customized and efficient solutions has led to continuous improvement in customer satisfaction and retention rates. Our solutions substantially enhance our customers efficiency in various business processes, such as product delivery and operational support, and our technical support enables our customers to improve operational efficiency and precision in decision-making. Our industry application solutions offer technical support for full-stack AI solutions to our customers, helping them achieve efficient operations and intelligent transformation. We have developed computing power resources management solutions for multiple data centers of our customers, providing them with excellent data processing capabilities.

We have a quality customer base with strong loyalty and sophisticated collaboration

We have cultivated a quality customer base with strong loyalty and high synergistic value, which provides robust support for the sustainable development of our core business.

Under our market-oriented development strategy, we collaborate with leading enterprises across multiple sectors including transportation, internet and software, finance and plants and industrial parks. This allows us to accumulate a high-quality customer base with strong loyalty and in-depth cooperation, and establish stable cooperative relationships with customers in various sectors.

In the AI recognition segment, we have achieved a 100% retention rate for our leading internet enterprise customers and long-term customers well-known in their industries with whom we have over three years of business relations, and have achieved cross-sale or cross-segment collaborations with a number of renowned customers.

In the AI vertical industry applications segment, we have achieved a 100% repurchase rate for nearly ten airports, such as those in Shenzhen and Guangxi, over the past five years. Moreover, our cooperation with our airport customers has continued to deepen. For instance, our business cooperation with a number of airports has expanded from sale of products used for "Easy Security Check" and intelligent security check channels to provision of technical support services and joint project development. This solidifies our longer-term cooperative relationship with customers, helps us identify new business opportunities, and promotes our win-win cooperation with customers.

Industry-leading customers have endowed us with market influence and business experience, enhanced the market recognition of our AI technology solutions, and validated the maturity and reliability of our technologies. The endorsement by leading customers and our penetration into the long-tail market have formed a virtuous cycle, with leading strategic customers contributing stable cash flow and providing technology verification platforms, and long-tail customers completing our ecological layout, promoting steady growth in our business reputation and scale.

During the Track Record Period, we served 14 industry-renowned model customers, which in aggregate generated revenues of RMB144.8 million, RMB148.3 million and RMB209.7 million, respectively, in 2023, 2024 and 2025, representing 37.0%, 38.4% and 45.1%, respectively, of our total revenue for the same period.

We are capable of responding swiftly to customers' needs with products and solutions that are highly transferrable, accurate, stable, efficient and versatile

We have a significant advantage in responding swiftly to customer needs. Our highly transferrable, accurate, stable, efficient and versatile products and solutions are capable of providing a wide range of support. Designed with a standardized architecture, our products and solutions can be deployed in a flexible, module-based manner, which enables us to offer flexible configuration and adjustment in accordance with the specific needs of our customers, thereby significantly improving our implementation efficiency and response time and ensuring the delivery of high-quality solutions in a short timeframe.

Our "Unicorn AI" technology platform serves as the cornerstone for supporting the development and application of AI technology. It integrates core modules such as AI recognition, model training, and computing power scheduling under a uniform architecture, with stability and compatibility rigorous tested in complex scenarios across multiple industries. By enabling seamless connection throughout the entire process from data insight to model deployment, our "Unicorn AI" platform significantly shortens the development cycle of AI applications and ensures that our solutions deliver outstanding performance and forward-looking competitiveness.

An innovative and forward-thinking management team backed by a strong corporate culture

Our core management team possesses exceptional business acumen, resource consolidation capabilities and extensive experience in vertical industry sectors. Having worked in financial institutions for years, our chairman of the Board, Mr. Zhang Huan, has a profound understanding of customer demands and industry policies of the banking and payment sectors. Our team members are veterans in their respective professions, with extensive experience in vertical sectors such as civil aviation and airport, automotive transportation, internet applications, banking, as well as keen insight into market trends and industry dynamics. Owing to our exceptional management capabilities, our Company managed to emerge as the leader in a highly competitive market under the leadership of our team. With abundant industry resources and efficient resource consolidation capabilities, our management team are capable of swiftly responding to market changes and capturing market opportunities, thereby laying a solid foundation for the continuous development of our Company.

Under the leadership of our core management team, we have assembled a highly professional technical team. Throughout our growth and development, we have consistently emphasized talent development. Through participation in numerous projects, we have cultivated a skilled R&D foundation and a group of marketing personnel with strong market acumen. These professionals have a clear grasp of the business demand of our customers, ensuring the delivery of top-notch comprehensive technical services. We have also recruited outstanding talent in the AI field, who are highly skilled in intelligent recognition algorithms and experienced in the implementation of AI application scenarios. In addition, we have established a rigorous talent development system to continuously enhance the professional skills and market insight of our team, thereby adapting to the rapidly evolving market environment.

Under the excellent leadership of our management team, our Company has developed a corporate culture based on the core values of "integrity, innovation and value." Adhering to the principle of integrity, we always deliver on our promises to our customers. We strictly uphold our quality and reputation standards at every stage from product development to service delivery.

In terms of innovation, we utilize our strong technical capabilities to continuously optimize our products, endeavor to provide our customers with optimized intelligence-driven solutions by incorporating cutting-edge technology and swiftly address the needs of our customers with our innovative response mechanisms and efficient operation teams, thus guaranteeing high-quality and efficient service delivery.

We emphasize value throughout the partnership with our customers. Through the provision of refined full-stack services, we empower our customers to achieve intelligence-driven transformation and upgrading, while striving for long-term cooperation by establishing close and stable relationships with our customers, thus continuously maximizing value for our customers. We believe that our corporate culture drives us to achieve continued breakthroughs.

OUR DEVELOPMENT STRATEGIES

Further increase our investment in R&D and continuously optimize our full-stack AI solution delivery capabilities

We are committed to continuously increasing investment in technology R&D and optimizing our full-stack solution delivery capabilities to meet the constantly evolving market demands.

- In terms of algorithms, we will continue to concentrate on the core capabilities and application ecosystem of our "Unicorn AI" technology platform. Emphasizing platform development, we expand the application scope across diverse scenarios to provide our customers with more intelligent and efficient solutions. We inject a constant stream of vitality into our algorithm library through our platform's expertise accumulation, exploration and algorithm iteration targeted at various industries. Meanwhile, we continue to upgrade our modules by optimizing their standardized functions and enhancing their reusability, which will effectively reduce customization costs and improve delivery efficiency, thereby strengthening our competitive strengths.

- In terms of computing power, we plan to continuously invest in core technology R&D to strengthen our leading position in the industry. Technological innovation is the core driving force behind our development. We will continue to allocate resources to the iteration and R&D of intelligent computer power scheduling algorithms, AIOps, and computing power optimization technologies, so as to ensure the leadership of our self-developed technology platform. Meanwhile, we will adopt an open and collaborative model to proactively lay out emerging hardware technologies, including exploring cooperation with industrial chain partners to conduct customized server design for specific AI scenarios, and participating in the hardware-software co-optimization of AI chips, with the aim of continuously providing our customers with solutions that feature optimal performance and energy efficiency ratios.

- In terms of industry applications, we plan to invest in training, development and scenario-based application of vertical industry large models. By continuously optimizing model architecture, algorithm design and tool invocation capabilities, we aim to enhance the accuracy, applicability and execution performance of models in specific business scenarios. we plan to steadily advance the development of AI Agent-related capabilities and promote the integration of large models with customers' business systems, private data and workflows. We will provide more scenario-adaptable intelligent solutions for various industries to help customers achieve intelligent upgrading and improve operational efficiency for their operations.

Through the above strategic investments, we are able to maintain a technological advantage under fierce market competition and continue to provide our customers with high-quality and efficient full-stack AI technology solutions, thereby driving the continuous business growth and long-term development of our Company.

Continue to enhance our commercialization capabilities and expand our business scope

We will continue to explore and meet the diverse needs of our existing customers, strengthen our commercialization capabilities and optimize customer engagement. Through accurate assessment of the specific needs of our customers, we will provide more tailored and efficient services to precisely capture market opportunities. We plan to explore additional business scenarios for the application of AI solutions and develop innovative AI industry application solutions. We will further unearth new opportunities in the existing value chain of our customers through closer collaboration and effectively address other major pain points in the industry. At the same time, we will strengthen strategic cooperation with our partners to jointly unleash the potential of AI technology applications across various industries, driving innovation and application in AI technology and achieving mutually beneficial and win-win outcomes with our concerted efforts by resource consolidation, technology sharing and market insights. Moreover, we will actively participate in the formulation of industry standards and regulations to enhance the application standards and recognition of AI technology in various industries, thus laying a solid foundation for the long-term development of our Company. In the future, we intend to enhance our commercialization capabilities and continuously expand our business scope by focusing on the following areas:

- Continue to innovate and optimize technology by deepening algorithm R&D and promoting technological integration.

- Enhance industry understanding and refine service capabilities through industry cultivation and product development.

- Expand industrial chain ecological cooperation by deepening partnerships and constructing industrial ecosystems.
- Strengthen market expansion and brand building capabilities by exploring overseas markets and participating in industry seminars and exchanges.

In addition, we also plan to continuously upgrade our business and service portfolio and introduce the managed services business model. One of our strategic priorities is to continuously drive the evolution of our business model, shifting from a project-based model to providing long-term, subscription-based managed services and computing power operation services. We believe this model will enable us to generate a more stable and predictable stream of recurring revenue. Meanwhile, through deep engagement in operations, we will establish stronger strategic partnerships with customers, thereby further solidifying our market position.

Continuously develop a thriving ecosystem of AI vertical industry applications and seek opportunities for strategic partnerships, investments and acquisitions

We will continue our efforts in developing the ecosystem of AI vertical industry applications, transforming the deployment of industrial-level AI technologies from single scenario application to an all-encompassing, end-to-end intelligent system, thereby developing AI capabilities with scalability and longevity in selected industries. We will continue to strive to build an open industry ecosystem through multi-lateral collaborations and to create a platform-based business model with strong integration and innovation capabilities. Through constant innovation and exchange and integration of diverse technologies, we will continue to innovate and transform the ecosystem of AI industry applications.

The development of AI ecosystem hinges on the three-way synergy among strategic alliances, investment and acquisitions. We will actively seek strategic opportunities, explore diverse cooperation modes and foster strategic alliances, investment and acquisition opportunities, with a view to strengthening our industry-leading position, while rigorously exploring the immense growth potential of the AI industry technology solutions market in the PRC. We are actively taking forward AI industry ecosystem cooperation to form strategic alliances with our extensive network of partners and jointly explore new growth opportunities. On the investment front, we focus on investment opportunities with high growth potential and inject capital to facilitate their rapid development. At the same time, we are actively seeking acquisition targets that closely align with our core business to achieve synergy and enhance our market competitiveness. Through precise strategic planning and efficient resource consolidation, we aim to enhance our competitiveness in new industries and vertical sectors and expand the service scope and capabilities of our platform, thereby broadening our development prospects and driving sustained value growth. As of the Latest Practicable Date, we have not identified any potential acquisition target.

Expand our talent pool by attracting and retaining AI talents

We will accelerate the improvement of our talent recruitment and human resources management system. We will expeditiously implement our specialized talent recruitment strategy by establishing targeted evaluation mechanisms in line with our current production and operation scale to conduct precise recruitment of technological R&D elites. Through this initiative, we aim to strengthen our core technology reserve and innovation capabilities, enhance our technological innovation capabilities, simultaneously improve talent management systems and optimize management systems to boost operational efficiency. We have established a rewarding mechanism for our core team and an internal control system in line with our business scale to ensure the stability of our management team. In the future, we will continue to attract composite talent with technical and managerial capabilities to satisfy our business expansion needs and improve the development of talent management systems, thus enhancing the overall management standards of our Company.

We will continue to strengthen our talent training mechanisms. We plan to adopt diverse training methods, such as organizing internal exchanges, hiring external experts, participating in AI conferences and exhibitions, to enhance the comprehensive capabilities of our employees and provide a solid talent foundation for our development. We have established a virtuous cycle of "training investment-capability enhancement-value creation" to generate constant momentum for technological breakthroughs and business upgrades.

We will continue to improve our talent incentive system. To attract and retain outstanding talent and motivate our employees, we have established a comprehensive talent promotion mechanism and a competitive compensation system. Through the implementation of an employee incentive scheme, we have created a long-term incentive mechanism to closely align the interests of our Shareholders, our Company and the core team. We are committed to providing employees with a sustainable career platform to foster a united, collaborative, bold and innovative team, thereby effectively enhancing the internal cohesion and market competitiveness of our Company.

OUR CORE CAPABILITIES

"Unicorn AI" Technology Platform

Our self-developed "Unicorn AI" technology platform is our core technological cornerstone, designed to provide clients with full-scenario, end-to-end AI solutions. Strategically integrating our industry-leading capabilities in model development, model training, AI perception, and computing power management, the "Unicorn AI" technology platform is committed to supporting all key aspects in the development and deployment of AI technology solutions ranging from multi-source data access, algorithm development, model deployment to industry application. It transforms complex AI technology systems into a scalable, productivity-driven engine that fuels clients' business growth.

Adopting a cloud-native architecture, our "Unicorn AI" platform builds a technology capability stack covering the entire AI lifecycle from the bottom up, ensuring high synergy and future scalability of our solutions.

- *Unified data foundation:* our "Unicorn AI" platform boasts robust heterogeneous data processing capabilities, enabling it to integrate and standardize multi-source data from cameras, IoT sensors, and various business databases. This lays the groundwork for clean, high-value data assets to support upper-layer AI applications.

- *Automated algorithm development:* the platform embeds a full-process automated toolchain, spanning intelligent annotation, algorithm development, and model training and optimization. Our proprietary dual-core driven training engine integrates an efficient parallel computing framework and a logical reasoning core, reducing the iteration cycle of complex models from weeks to hours, significantly accelerating algorithm innovation and application.

- *Multimodal perception and cognitive intelligence:* integrating multimodal perception and cognitive intelligence technologies, the platform can deeply analyze multi-source information (e.g., images, videos, text) to achieve accurate semantic understanding and real-time prediction. This provides a robust cognitive foundation for building AI Agents capable of autonomous planning and action.

- *Flexible computing power scheduling:* leveraging cloud-native containerization technology, the platform enables dynamic, efficient unified orchestration and scheduling of underlying heterogeneous computing resources, maximizing computing power utilization efficiency. Meanwhile, multi-dimensional real-time monitoring ensures the stability of AI task execution and the cost-effectiveness of resource deployment.

Core Components of our "Unicorn AI" Platform

Our "Unicorn AI" platform comprises four core components, forming an efficient, self-consistent technological ecosystem with synergies:

- ***"Unicorn Training" Training Platform: Data-driven Model Development Platform***

  As the core engine for the full-lifecycle management of AI models, our "Unicorn Training" platform is capable of supporting scratch-based pre-training, scenario-specific fine-tuning, and model evaluation and validation. In addition, "Unicorn Training" is integrated with the unified data foundation of our "Unicorn AI" platform, creating a two-way iterative flywheel between data and algorithms. It enables seamless feedback of data and insights generated by models in real-world application back to the training process, allowing algorithms to self-reinforce and evolve through continuous learning and optimization.

  After on-premises deployment, customers import their private data into the "Unicorn Training" platform to perform data sanitization and labeling, in order to support the training of scenario-specific algorithm models. Our "Unicorn Training" platform enables the management of local datasets. With pre-installed algorithm models, the "Unicorn Training" platform supports visual parameter adjustment of models, facilitating efficient model training and iteration. Models trained on this platform can be applied by customers to specific business scenarios.

- ***"Unicorn Eye" Perception Platform: Full-scenario Multimodal Intelligent Perception Hub***

  Our "Unicorn Eye" platform is a hardware-software integrated AI perception solution. Integrating cutting-edge AI perception algorithms and advanced audio-visual processing technologies, and combined with IoT devices, it enables multi-dimensional and accurate perception of various physical-world scenarios. The platform converts raw perception data into structured, actionable insights, thus providing a solid data foundation for intelligent transformation in various industries.

  Our "Unicorn Eye" perception platform serves as the application terminal for algorithm models. It can access various types of on-site devices such as cameras and IoT devices, and configure algorithm recognition tasks according to actual scenarios, including running appropriate algorithm models and setting alarm event rules. Our "Unicorn Eye" perception platform enables the rapid application of algorithm models to specific scenarios, realizing functions such as object detection, behavior analysis, and abnormal event early warning based on AI algorithm models, thereby helping customers improve their overall operational efficiency.

- ***"Unicorn Flame" Large Model: Industry-specific Cognitive and Autonomous Decision-making Hub***

  Developed based on mainstream open-source large models and optimized with massive industry-specific private data, our "Unicorn Flame" large model serves as the "brain" for decision-making. Compared with general-purpose large models, it has a deeper understanding of industry-specific logic and knowledge systems. Furthermore, "Unicorn Flame" is also a key reasoning engine driving autonomous AI Agents in their task execution. It autonomously breaks complex business objectives down to a series of executable steps, and intelligently utilizes tools, achieving an automated execution of tasks on top of model-assisted analysis.

  We utilize our "Unicorn Flame" platform to empower customers mainly in the following ways:

  - Build an industry-specific knowledge graph: We deploy "Unicorn Flame" in the customer's private environment and conduct in-depth fine-tuning on the model using the massive volumes of the customer's accumulated industry-specific private data.

This enables the model to deeply understand the customer's specific business logic and knowledge system, and deliver professional analysis and decision support that surpasses those of general-purpose large models.

- Drive business process automation: "Unicorn Flame" serves as the core reasoning engine of AI Agents. It can automatically decompose the customer's complex business objectives into a sequence of actionable steps, and intelligently invoke other tools in the project, realizing a leap from decision support to automated execution.

- Guarantee data security: Given that "Unicorn Flame" supports private full-scale deployment, all data processing and inference are performed within the customer's on-premises environment.

- ***Computing Power Scheduling Platform "Unicorn Compute": Efficient Intelligent Computing Power Scheduling Infrastructure***

As the computing power foundation of our AI technology solutions, "Unicorn Compute" provides a unified management system and comprehensive computing power monitoring capabilities covering a variety of heterogeneous chips. Its built-in intelligent decision engine is capable of understanding the characteristics of different types of AI workloads and implements differentiated scheduling strategies: for long-cycle, high-throughput training tasks such as large-model pre-training, it prioritizes resource stability and computing continuity; for high-concurrency, low-latency online inference tasks, it adopts elastic scaling and dynamic routing strategies. This refined scheduling and management, combined with advanced energy-efficiency optimization technologies, ensures stable, efficient computing power support with optimal energy efficiency ratios and cost structures across various business scenarios.

Our "Unicorn Compute" platform offers capabilities such as unified management, allocation and scheduling, real-time monitoring, and visualization of server resources such as CPU, memory, computing power, and storage. It provides customers with complete hardware resource perception capabilities and technical support for efficient utilization to meet their specific computing power needs, such as big data computing, AI model training, and inference.

Through the in-depth synergy of its four core components, our "Unicorn AI" platform forms a highly integrated technology ecosystem, which operates as a self-reinforcing loop. The perception capability of our "Unicorn Eye" platform and the decision-making efficiency of our "Unicorn Flame" large model are constantly improved by the innovative algorithms provided by our "Unicorn Training" platform. In the meantime, real-world data and feedback from "Unicorn Eye" and "Unicorn Flame" are provided to the "Unicorn Training" platform to be used in the training and upgrade of algorithms, while our "Unicorn Compute" platform coordinates the computing power required. This self-reinforcing technological ecosystem is the core foundation for us to deliver efficient, high-value, and scalable AI solutions to clients across industries. It also serves as the cornerstone for us to build long-term technological barriers and market competitiveness.

The "Unicorn AI" platform supports modular delivery, providing customized services to address industry pain points. Customers can choose to adopt a component separately according to their specific needs, or opt for an overall package delivery to build a complete AI solution. The core components of the "Unicorn AI" platform are mainly provided through on-premises deployment to support customer projects. The platform's on-premises deployment ensures that all data and algorithms operate within the customer's local environment, eliminating the risk of cloud leakage. We do not remotely access, retrieve, or retain customers' business data. Meanwhile, the iteration optimization and algorithm update mechanisms are fully owned by customers, who can independently control the continuous evolution of models without relying on external suppliers. This means customers have complete autonomy to rapidly iterate AI capabilities in response to business changes and ensure the security of data privacy and intellectual property rights.

OUR OFFERINGS

Overview

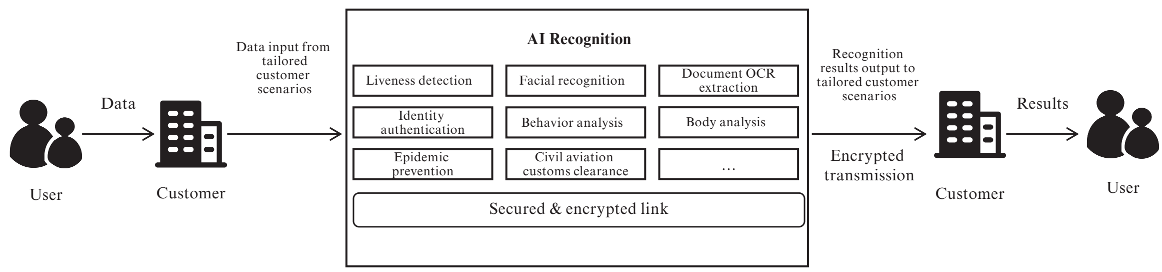
Supported by our industry knowhow and technological strengths, we developed a versatile AI recognition platform, which caters to diversified online risk detection and identity recognition scenarios. Driven by our advancements in computing infrastructure and AI algorithms, we are committed to empowering enterprises with diversified, replicable AI vertical industry applications, enhancing their operational efficiency and addressing their industry-specific challenges. While our AI recognition business focuses on providing online recognition services through APIs which bridge upstream data sources and downstream enterprise customers, our AI vertical industry application business focuses on delivering integrated hardware and software products and technical services tailored to customers' needs. With the rapid technological advancements of the AI industry, enterprises have a growing demand for computing power to support their AI development. Against this backdrop, our AI computing technical services lay the foundation for the development of AI algorithms and applications, as well as enterprise customers' AI-driven transformation, supporting extensive training for complex AI models, rapid iterations of advanced algorithms and large-scale deployments of AI applications.

Our offerings are underpinned by our proprietary "Unicorn AI" technology platform. Acting as the intelligent decision-making core, our "Unicorn AI" technology platform integrates AI algorithms, IoT devices and advanced video processing technologies to enable multi-modal analytics and algorithm development. This platform synergizes our "Unicorn Flame" foundation model, computing infrastructure and modular AI applications to form a cohesive ecosystem.

AI Recognition

We are the leading provider of computer vision algorithms, offering identity recognition, document authentication and risk prevention across various online scenarios. Leveraging our industry expertise, technological strengths and robust relationships with data sources, we developed our AI recognition platform — which can be deployed in various online scenarios through APIs, such as online transaction security, payment security or online banking identity verification.

The following diagram illustrates the workflow of our AI recognition platform:



AI Recognition Platform

Our AI recognition platform bridges upstream data sources and downstream enterprise customers, empowering enterprises with multi-modal AI-driven computer vision capabilities to securely and efficiently verify online the tested subjects' identities across diverse identification scenarios. Deploying the advanced computer vision algorithms, our platform is capable of capturing subtle details of target objects while effectively mitigating the challenges posed by complex scenarios such as motion blur and dim environment. Our AI recognition service utilizes multi-dimensional feature extraction technology and deep metric learning and attention mechanisms, and is capable of generating highly distinctive feature embedding vectors. Our technology increases both the speed and accuracy of the intelligent recognition and verification of various types of information. As a result, our platform enables a wide range of functions, including liveness detection, facial recognition, ID document OCR extraction, as well as body and behavior analysis, thereby realizing the real-time, accurate processing of identity, activity and compliance data. Our AI recognition platform has been used in multiple application scenarios, encompassing online transaction processing, anti-money laundering compliance, cybersecurity protocols, online youth wellness protection systems, pandemic control and aviation safety protocols for the airport application scenario.

The strength of our AI recognition services include the following:

- *Consistent efficiency:* Our AI recognition platform has a responding capacity of approximately 3,000 transactions per second and an availability rate of 99.99%. This enables us to process massive data in a efficient, real-time manner and provide prompt responses.

- *Security and compliance:* Our AI recognition platform has obtained Level 3 certificate of the Network Security Classified Protection Filing Certificate. It strictly complies with applicable standards and regulations, and safeguards the security of business operations and services with technology, protocols, and operational management. Our AI recognition platform safeguards end user data security and privacy through end-to-end encryption and a zero-touch architecture that automates data processing without human access, mitigating the risks of data breach and ensuring secured data transmission.

- *Assured continuity:* Our AI recognition platform provides reliable and uninterrupted services and remains responsive even during emergencies. Our AI recognition platform is protected with two backup systems in separate locations. It constantly monitors system connections to promptly resolve technical issues, and automatically manages workloads to prevent slowdowns. We have established a local application-level disaster recovery system, and conduct regular drills for different malfunction scenarios. These measures are designed to ensure that our AI recognition platform restores efficiently in the event of an actual disaster and achieve uninterrupted operation.

- *Real-time monitoring:* We monitor our AI recognition platform on a 7×24 uninterrupted basis with professional staff on active duty around the clock. Our staff are required to promptly respond to and resolve irregularities detected in order to ensure stable operation of our AI recognition platform.

Integrated via standardized APIs and adaptable service modules, the AI recognition platform consolidates, cleanses and standardizes multi-source data streams across complex ecosystems, enabling seamless integration into diversified application scenarios, such as anti-money laundering checks, network security enforcement, youth protection protocols and aviation safety compliance. The platform utilizes end-to-end encryption and non-contact data processing to ensure user privacy, while a flexible framework allows customization to meet specific operational requirements. By streamlining risk assessment and decision-making, the platform enhances regulatory adherence, reduces manual oversight and prevents identity theft. Subject to customer requirements and changes in the industry, our AI recognition platform is updated and maintained on a regular basis. We generally release functional upgrades within the version iteration cycle, and notify customers timely to ensure a smooth transition to the new version. When a customer requests to discontinue use of our AI recognition platform, we will disable the customer's account, terminate service access and cease all data exchange in accordance with the service agreements.

Our AI recognition platform had empowered hundreds of customers spanning across mobile transaction systems, e-commerce platforms, online travel services and ride-hailing apps. During the Track Record Period, the platform had processed approximately 3.5 billion recognition requests, averaging over 2.7 million requests daily, with 99.9% of these requests completed within 300 milliseconds at 99% accuracy. We generally agree with customers in relevant service agreements on how our service fees would be charged, for example, based on successfully recognized requests. When inaccurate recognition results lead to transaction failure, our system will classify the transaction as a failed request and return results of such failed request to the customers. As a result, no costs are deemed to be incurred and no fees will be charged on such failure request and we are not liable for such failure request. We generally charge our customers on a pay-per-use basis at a rate specified in service agreements.

Case Study

Customer A

Customer A, a leading internet company headquartered in Shenzhen, required AI recognition service to enhance the efficiency and security of its high-frequency online business scenarios such as user registration, account logins, online transactions and content compliance management.

To address Customer A's business needs, we provided the customer with tailored AI recognition solution and corresponding technical services, including project planning, interface integration, joint debugging, testing and verification, grayscale release and O&M supports. We integrated our AI recognition platform with the customer's platform via standardized API and customer-end SDK. Our AI recognition platform is reuseable for multi-business lines empowered by adaptable service modules. Our AI recognition platform adopts end-to-end encryption mechanism to protect user privacy. It conducts identification, consistency verification, and risk analysis based on the minimum necessary information provided by the customer, and transmits verification results back to the customer's platform for the purposes of release, secondary verification, or risk handling. Our AI recognition service was subscribed by the customer for a fix term and was charged on a pay-per-use basis.

Our AI recognition platform achieved high standards of processing performance and recognition accuracy during the Track Record Period, meeting the requirement of the customer for high-concurrency scenarios. The application of our AI recognition solution has supported the customer's online transition of real-name authentication system from traditional offline authentication system. While simplifying the user operation process and improving the user experience, this online transition has also provided an effective way for the customer to minimize operational costs. Our product and services also reduced the risk of unauthorized access and helped the customer better meet compliance requirements, achieving reliable technical support for the long-term operation and stable development of the platform of our customer.

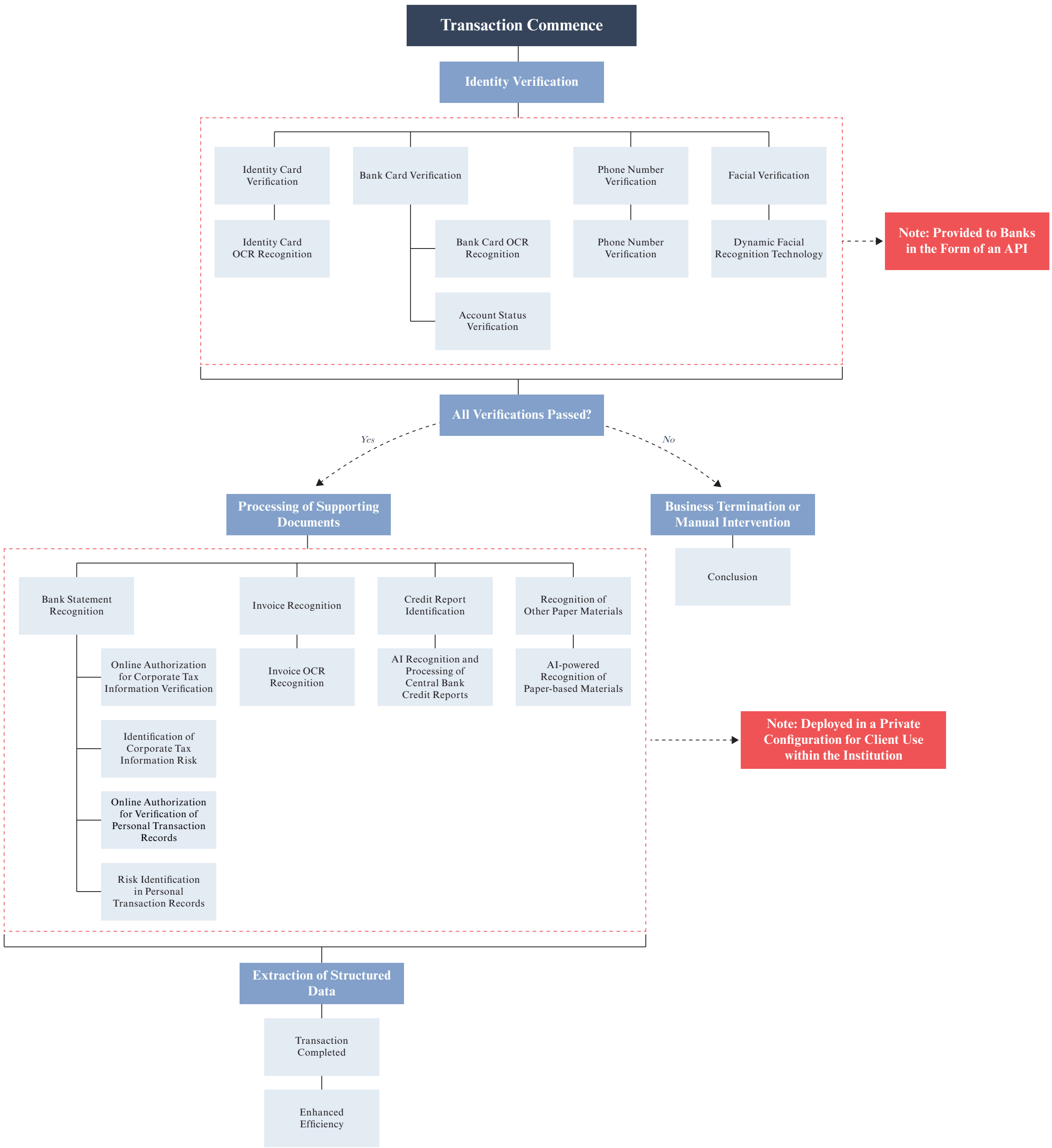
Bank of China

Bank of China, a leading Chinese financial institution, has implemented our AI recognition platform and AI vertical industry application solution to enhance the quality and efficiency of its business, improve its risk control capabilities, and strengthen its business management capabilities. For instance, when customers apply for inclusive finance loan services, financial institutions often face challenges such as inability to quickly verify customers' identity information and submitted qualification documents. Moreover, in processes such as customers initiating service applications, review, and loan disbursement, customers are generally required to visit local branch offline outlets in person, resulting in high costs and inefficiency due to the in-person verification method.

To improve the business development efficiency of inclusive finance, Bank of China has leveraged core capabilities such as information verification provided by our AI recognition platform to upgrade its integrated platform for the full process of inclusive finance. Our platform, supported by multi-modal identity verification and multi-dimensional data cross-validation, interfaced with Bank of China's platform through API and was used by Bank of China for client's identification verification, including ID card verification, bank card verification, telephone number verification and facial recognition. Through secure digital user registration processes and transaction handling, our platform compares the data submitted by users with official data sources and uses computer vision algorithms to block complex threats such as video spoofing and document forgery. We charged AI recognition services on a pay-per-use basis.

During the business processing, our AI vertical industry application solution deployed on the Bank of China's on-premises infrastructure are designed to accurately identify and recognize the supporting documents provided by the bank's customers, such as bank statements, invoices, credit reports, and other paper materials, and extract structured data, with the end result of reducing the workload of manual identification and improving the overall business efficiency. Leveraging machine learning algorithms and big data technologies, our platform conducted full-lifecycle collection, cleansing, processing, and structured transformation of user data throughout the credit business, enabling the automatic identification and modeling of key risk features. By combining Bank of China's internal decision models and risk strategies, our platform provided business personnel with accurate and interpretable risk assessment results, realizing the intelligent recommendation of credit approval plans. Through comprehensive analysis of customer portraits, credit characteristics, and the authenticity of materials, our platform further enhanced the accuracy and compliance of credit business processing workflow, and improve the overall operational efficiency. For the inclusive finance business system, we charged a one-time purchase fee based on functional modules provided, and fees for customizing personalized requirements.

Bank of China's digital inclusive financial services can, with our AI recognition capabilities built in, verify the authenticity of loan applicants' identities, and our AI recognition capabilities provide a tool for the bank to ensure compliance with financial regulations. It also helps Bank of China enhance its digital and intelligent development. The following diagram illustrates how our products and services empower Bank of China's inclusive finance loan business:



AI Vertical Industry Applications

Leveraging robust AI infrastructure, IoT connectivity and software-hardware integration capabilities, we deliver standardized yet scalable AI industry applications that address critical operational challenges across various sectors such as public transportation, internet and software sector, financial services, and industrial sectors. Our integrated AI industry applications drive digital transformation by optimizing efficiency and enabling data-driven decision-making through real-time analytics.

We have successfully commercialized our solutions by prioritizing replicable use cases with demonstrated returns. Before developing a solution or entering a new industry vertical, we assess the market size, technical feasibility and development costs to align with our capabilities.

Moreover, strategic partnerships with high-value, lighthouse customers are key to our growth. These collaborations ensure stable revenue streams and unlock cross-selling opportunities for integrating our new AI technology solutions. By providing end-to-end support spanning from feasibility consulting to post-deployment refinement, we ensure our AI applications adapt to evolving industry needs, enhancing customer loyalty.

Our AI vertical industry application solutions involve, depending on individual customers' requirements, delivering AI-powered hardware, such as edge devices or biometric terminals, based on customer needs, integrating software or algorithms into customers' IT systems, or offering technical personnel support to internet and software enterprises, including consulting services and dispatching technical teams to perform on-site tasks. We generally upgrade our AI vertical industry application solutions when we deliver functionality upgrades and new generation of products based on customer feedback. We update the AI vertical industry application solutions through on-site or remote technical supports. We adopt flexible pricing models tailored to different client needs for our AI vertical industry applications. For industry-specific application software, customers pay a one-time fee upon deployment under a perpetual licensing arrangement. Meanwhile, AI-powered hardware such as edge devices or biometric terminals can be purchased on the one-off basis. Customized integrated AI industry applications, which combine application software, AI-capable hardware and tailored technical services, are priced based on factors including deployment complexity, required hardware and software complexity and sophistication and bespoke support levels. This flexible pricing strategy ensures scalability and cost transparency across diverse operational requirements.

By integrating our core AI technology to build on our solution offerings, we facilitate the intelligence-driven transformation of a wide range of industries, including transportation, internet and software, finance, and plants and industrial parks.

- We use proprietary computer vision algorithms to optimize transportation efficiency and security. In particular, airports, subways and railways have adopted our AI technology applications to monitor traffic flows, detect safety hazards and streamline security check process. As of the Latest Practicable Date, our AI technology applications had been deployed at over 30 airports nationwide and the subway and railway systems in a number of cities, including airports in Shenzhen and Nanning and subway systems in Shenzhen and Hong Kong.

  Examples of application of our AI technology solutions in the transportation sector include the following:

  - ***Easy Security Check.*** The "Easy Security Check" service is an innovative airport security check model offered by Civil Aviation Administration of China to streamline the security check procedures for eligible passengers. We provide hardware-software integrated solutions to airports implementing the "Easy Security Check" services, including turnstiles integrating automated biometric scanners and ID readers, baggage screening and threat detection devices, as well as related software. Our solutions are used by airports to identify and authenticate passengers, cross check their eligibility for streamlined security check, and directing passengers to appropriate security check lanes. Powered by our integrated solutions, the "Easy Security Check" service significantly improves the efficiency of passenger security check and airport operations.

- o ***Intelligent Flight Display.*** Our AI-powered intelligent flight display enhances airport operational efficiency and passenger engagement through seamless integration of facial recognition, real-time flight updates and AI-powered virtual assistants. Our intelligent flight display captures passengers' facial data to retrieve personalized flight information, displaying tailored departure schedules and boarding alerts on airport displays after analyzing the raw data inputs together with the flight schedule.

- o ***Video Perception for Subway Systems***. Our video perception system combines real-time monitoring, threat detection and visual data analytics through modular cloud-edge architecture. Supported by cameras and edge devices, the video perception system uses various pretrained, multi-modal AI models for behavior analysis, object detection and safety alerts. By conducting real-time monitoring of railway perimeters, infrastructure and operational equipment, the video perception system automatically detects safety hazards on railways or metro stations, including unauthorized intrusions, structural deformations or equipment malfunctions.

- We provide comprehensive, end-to-end AI technology solutions to internet and software enterprises who increasingly seek professional support for their AI development. As of the Latest Practicable Date, we had deployed our AI technology solutions with over 60 end customers, supported by a team of expert technicians.

  Our suite of offerings includes:

  - o ***Advisory Services.*** Leveraging cross-industry expertise, we help customers identify AI use cases that align with their business objectives and navigate through regulatory considerations for AI deployment. We also furnish comprehensive consulting services tailored to each customer's AI development requirements. Specifically, we advise on AI model training, algorithm optimization, inference validation and software development.

  - o ***Technical Implementation.*** Beyond advisory services, we may deploy our technical teams for on-site tasks such as data management, algorithm model development and optimization, intelligent application development and iteration, hardware installation and debugging, and system O&M and optimization. These operational engagements reinforce customer loyalty, while affording us cross-selling opportunities for future AI technology solutions.

- Our AI technology solutions are also deployed by financial institutions to improve their cash management, security management and customer service through our integrated AI-driven hardware and risk detection algorithms. These application of our AI technology solutions enhances the efficiency of banking operations, mitigates operational risks associated with human error and helps prevent fraud, thereby lowering labor costs and improving operational security. Examples of our AI financial service applications include: (i) intelligent bank vault, (ii) financial security alert, (iii) E-Collect cash management, (iv) digital inclusive financial solutions, and (v) AI-powered virtual assistants.

- o ***Intelligent Bank Vault.*** Our AI-powered intelligent bank vault integrates advanced risk recognition algorithms and hardware, and automates the monitoring of cash storage, retrieval, auditing and transit processes. With our proprietary intrusion detection and behavior monitoring algorithms, it provides real-time operational oversight, compliance reporting and anomaly detection capabilities, reducing audit risks inherent in manual vault management and strengthening protection against theft and procedural breaches. As a result, our intelligent bank vault reduces financial institutions' reliance on manual security services. Additionally, our intelligent bank vault controls staff access with embedded computer vision and behavioral analytics algorithms, and monitors environmental threats such as smoke, vibration and water leakage with sensors and environmental analytics algorithms. Our intelligent bank vault strictly complies with the GA38–2021 national security standards and has obtained various certifications for its superior security and performance.

- o ***Financial Security Alert.*** Our financial security alert system integrates multi-zone surveillance monitoring, hybrid video codecs and automated alert devices to monitor critical areas such as banking halls and ATMs in real-time. After receiving images or videos through surveillance cameras, our computer vision algorithms can promptly process visual data to detect suspicious behavior, unattended objects and potential threats, automatically send out alerts for prompt threat responses. As a result, this system empowers banks and financial institutions to accurately monitor and respond to security breaches while reducing the reliance on manual inspections.

- o ***E-Collect Cash Management.*** Integrating AI recognition algorithms and advanced storage technologies, our E-Collect cash management system automates various cash handling process, including cash collection, validation, accounting, counterfeit detection and transaction tracking. Our E-Collect cash management system has been widely deployed in high-cashflow industry scenarios such as hospitals, retail chains, public transportation and gas stations.

- o ***Digital Inclusive Financial Solutions and AI-powered virtual assistants***: Many banks have also adopted and implemented our digital inclusive financial solutions and AI-powered virtual assistants to enhance business efficiency and service quality. In terms of digitizing loan business process, our digital inclusive financial solutions leverages multimodal large-model capabilities to conduct customer identity verification and multi-dimensional data cross-validation and assess risk profiles.

- We offer AI solutions to plants and industrial parks to enhance their quality control, production efficiency and safety management through AI-powered inspection and monitoring systems. Our AI industrial solutions include intelligent quality control, inspection and safety monitoring. As of the Latest Practicable Date, our AI plant and industrial park solutions have been deployed by over 100 renowned industrial enterprises.

- ***Case Study***

A Ten-million-level Hub Airport

A ten-million-level hub airport has adopted our AI transportation solution to create a seamless operational ecosystem that addresses multifaceted challenges in security efficiency, passenger experience and flight safety. At the core of this transformation is an interconnected suite of integrated AI solutions designed to function as a unified operational backbone. We sold our integrated AI solutions to the airport on a one-off basis, and we collected maintenance fees upon the expiration of the warranty period.

Powered by our integrated AI solutions, the "Easy Security Check" service optimizes pre-flight screening through AIoT-enabled automation, facilitating the pre-flight check-in and security check procedures. The "Easy Security Check" platform at the ten-million-level hub airport comprises the following core capabilities:

- Big data analysis service: conducting data modeling and analysis on passengers' travel data to generate passenger classification data;
- Application backend service: connecting the airport's security check system, departure control system, front-end security check equipment, and verification equipment to support the overall operation of the "Easy Security Check" platform;
- Facial recognition service: providing facial verification services for passengers based on our Unicorn AI platform;
- Front-end turnstile verification service: reading document information via the dual-authentication technology of optical scanning chip, comparing it with the holder's facial information, retrieving classification data from the big data analysis service and security check and check-in data from the application backend service, and guiding passengers to select the appropriate security check channel based on the comparison results for security screening.

By integrating biometric scanners, RFID readers and intelligent risk assessment algorithms, our integrated AI solutions help categorize passengers into tiered security channels. Low-risk travelers benefit from expedited automated lanes, where AI-driven document authentication and baggage screening reduce processing times, while higher-risk scenarios trigger targeted manual inspections. This adaptive approach optimizes resource deployment and alleviates congestion at security check points.

Complementing these security enhancements, the intelligent flight display transforms how passengers interact with flight information. High-definition cameras equipped with facial recognition capabilities link biometric data to real-time flight schedules, enabling personalized departure alerts on digital displays across multiple terminals within the airport. The intelligent flight display system comprises the following core capabilities:

- Natural language processing: processing and analyzing passengers' inquiries, providing accurate responses, and addressing their concerns based on our Unicorn AI platform.
- Video call service: offering passengers a choice to contact human customer service via reliable and low-latency video call for face-to-face communication to enhance customer experience.
- Flight inquiry: enabling passengers to obtain their own flight information by scanning their faces or documents, and providing supporting services such as boarding gate guidance.

Meanwhile, an AI-powered virtual assistant addresses inquiries ranging from boarding gate navigation to health protocol compliance, available in multiple languages through self-service kiosks. This combination of personalized information delivery and instant query resolution reduces reliance on manual routine guidance, allowing airport personnel to focus on more complex operational tasks.

In addition to improving passenger experience, we also helped improve flight safety with our bird control system, which mainly consisted of a backend bird condition management system, front-end detection equipment, and bird deterrent and scare equipment. The bird control system utilizes radar and photoelectric sensors to monitor bird activities across flight paths and runway peripheries, machine learning algorithms to analyze real-time sensor data, and bird deterrent and scare equipment to deter bird flocks using adaptive deterrent and control techniques such as directional acoustic alarms and laser dispersion. The system's predictive analytics module forecasts high-risk periods based on migratory patterns and historical incident data, enabling preemptive risk mitigation strategies.

A Major Railway Operator in South China

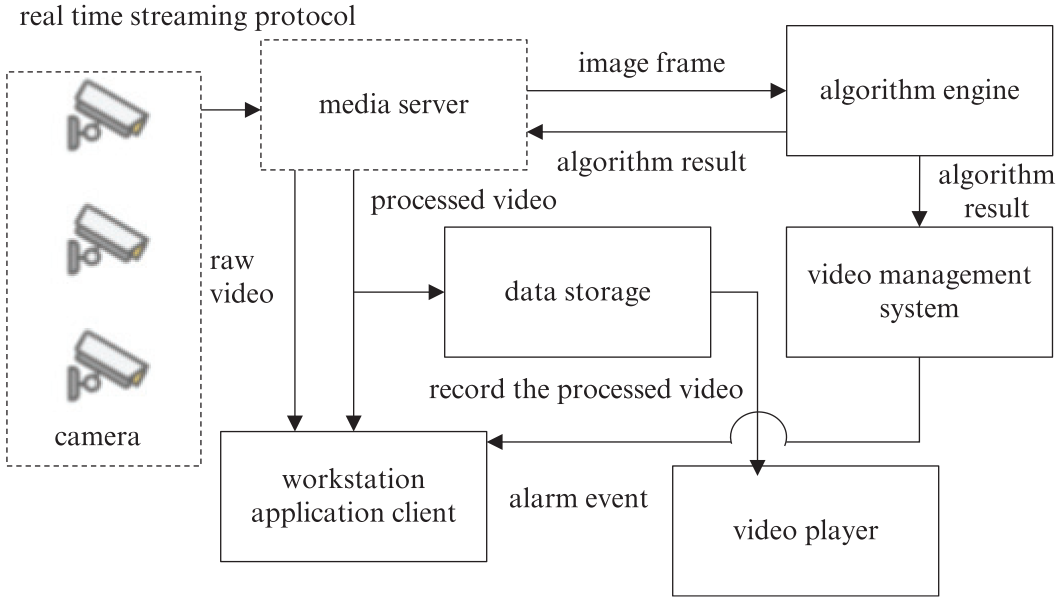
Against the backdrop of continuous expansion of operational scale, passenger flow peaks, and escalating pressure on safety management, the operator of the railway system in a major metropolitan area in South China sought a more efficient railway system management solution to overcome inefficiencies of traditional approach relying on manual patrols and monitoring.

To address this pain point, we developed a set of AI-driven video perception system covering multiple stations and various scenarios for the railway operator. The system was deployed at the railway operating control center, with sensory and edge computing devices equipped at stations that implemented our solution. The system synchronized real-time monitoring of train movements, train door and platform door alignments and station activity through edge computing units, centralized AI analytics, intelligent scheduling capabilities and centralized monitoring and management platform. The AI-driven video perception system was developed based on our Unicorn AI platform. With Unicorn AI platform's data annotation and management, model training, evaluation and optimization, as well as model inference, deployment and task orchestration capabilities, and targeted training on core algorithms such as passenger flow analysis, hazardous material detection, door error detection, and unauthorized area intrusion detection, the AI-driven video perception system has achieved a high recognition accuracy in complex environments.

For railway operations, by combining computer vision algorithms with edge-optimized visual sensors, our AI railway management system enables real-time video analytics and monitoring of railway perimeters, infrastructure and operational equipment status, thereby automating the detection of operational hazards on the railway, such as track debris, rail switch anomalies, signal light malfunctions, door operation errors and unauthorized zone intrusions. By triggering instant alerts and implementing predictive maintenance protocols, the system enhanced operational reliability, reducing reliance on human monitoring while enhancing the safety of the rail network operation.

Furthermore, with respect to the in-station management, the traditional video surveillance systems of the transportation operator deployed across metro and train stations lacked real-time, automated and multi-dimensional recognition and analytical capabilities required for proactive risk mitigation. To address these limitations, our AI-powered video perception platform was integrated seamlessly with the existing video surveillance infrastructure, so that it can leverage edge computing to enable real-time detection of passenger safety incidents while monitoring passenger flow patterns. Station operators can therefore pre-empt safety hazards and optimize crowd management through incident alerts and data-driven passenger flow monitoring.

The following diagram illustrates the business workflow of our AI-driven video perception solution:



Through real-time monitoring both in-station and rail track conditions, our AI-driven video perception solution automated the railway's operational workflows and enhanced passenger safety while reducing reliance on manual inspections, driving the digital transformation of subway station management.

AI financial service application

We cooperated with a professional cash transfer and security service provider to deliver a set of AI financial service solutions to facilitate its digital transformation. The AI financial service solutions that we provided included, among others, intelligent bank vaults.

The intelligent bank vaults that we developed integrates a number of intelligent algorithms with hardware, including multimodal perception and recognition algorithms, intelligent warning and safety management algorithms, data tracking and asset management algorithms, as well as supporting algorithms for intelligent dispatching of armored vehicles.

Our intelligent bank vaults were deployed at a number of bank branches. According to feedback from our business partner, our intelligent bank vaults are able to improve cash management efficiency, reducing bank tellers' overtime working hours. In addition, our financial security alert system greatly enhanced the security of cash management activities comparing to manual workflows. Our financial security alarm system leveraged real-time AI analysis of a large volume of security data to break through traditional limitations, such as reliance on manual patrols and delayed responses. While reducing labor input and cost expenditures, it enabled proactive intervention in risk incidents.

AI Computing Technical Services

Currently, generative AI technologies represented by large language models are leading a profound industrial transformation, and computing power has become a key strategic resource that drives corporate innovation and builds core strengths. However, building and operating a large-scale intelligent computing center efficiently is an extremely complex systems engineering project. It not only involves massive capital investment but also requires mastering cutting-edge technologies in multiple fields such as computing, storage, networking, software, and energy, and integrating them into an organic whole that is stable, efficient, and capable of supporting complex AI workloads. This inherent high technological barrier poses severe challenges to most enterprises that aim to engage in the AI wave. According to Frost & Sullivan, the market size for China's computing power market in AI technology solution industry increased from RMB32.4 billion in 2019 to RMB94.1 billion in 2024, at a CAGR of 23.79%, and the market size is expected to reach RMB321.8 billion in 2029, driven by the technological advancement of AI technologies, big data and cloud computing.

We are committed to becoming a key bridge connecting surge computing power and effective productivity. By providing one-stop, expert-level services covering the key phases in the development and operation of computing power centers, and relying on our self-developed technology platform derived from practical experience, we help customers effectively reduce project risks and total cost of ownership, significantly accelerate the implementation of their AI strategies, and continuously unlock customers' valuable computing power assets' commercial value.

We began venturing into the AI computing technical services business in 2023. During the inception stage of our AI computing technical services business, our lighthouse customers were mainly those that initially deployed our algorithms and industry applications. Their growing demand for computing resources to support large-scale model training and algorithm development created cross-selling opportunities for our AI computing technical services business.

Subsequent to our entry into this area, we have gradually improved our business model underpinned by professional services provided by elite technical experts, and expanded our AI computing technical services business based on our technology platforms, "Unicorn Compute" and "Unicorn Training." Our "Unicorn Compute" platform provides integrated technical services to computing centers focusing on computing power scheduling and server monitoring, and our "Unicorn Training" platform provides technical support for our customers' model development. For details of our technology platforms, please see "Our Core Capabilities — Core Components of the Platform."

We focus on providing customers with high-value solutions that span the entire lifecycle of their computing infrastructure. Our AI computing technical services include: (i) planning and consulting service, (ii) construction and deployment service, and (iii) O&M technical solutions. We assist customers in the installation and deployment of software and hardware, provide customers with usage authorization for "Unicorn Compute" and/or "Unicorn Training", and offer O&M technical services. We iterate our AI computing technical services by regularly rolling out system updates and providing tailored O&M supports to customers. We terminate license permissions upon expiry of software license periods, and terminate O&M services if such services are no longer required by the customers. Our AI computing technical services are priced based on factors including scope and level of services required, number of devices requiring our services, and hardware and software complexity. We offer the AI computing technical services through both transaction-based and subscription-based models.

- ***Planning and Consulting Services***

  Our planning and consulting services get involved at the very forefront of our customers' development of AI computing power. We conduct in-depth analysis of our customers' business objectives, algorithm characteristics, and data scale, and provide rigorous data-driven decision support, including but not limited to, technical feasibility assessment, accurate total cost of ownership and return on investment modeling, customized technical architecture design covering heterogeneous computing node selection, lossless network topology planning, high-performance parallel storage solutions, and cutting-edge cooling solutions such as liquid cooling, as well as procurement agency services and evaluation of suppliers and technical routes. Our in-depth engagement at this stage aims to ensure that every capital investment made by our customers has a clear path and predictable returns, and to build an advanced technical blueprint from the source that not only meets current needs but also has future scalability.

- ***Construction and Deployment Services***

  We help transform our customers' technical blueprints into solid and reliable infrastructure. We provide end-to-end project management and system integration services, taking charge of coordinating multiple suppliers and overseeing the entire process from hardware rack mounting, high-density cabling to core system integration. Our team of technical experts is responsible for completing critical and complex underlying configuration tasks, including server firmware and basic input and output system optimization, customized operating system deployment, high-performance network debugging, and the deployment and configuration of our computing power scheduling platform "Unicorn Compute" and training platform "Unicorn Training" as required. This "turnkey" service model we offer are designed to free customers from the lengthy, and uncertain construction process, enabling intelligent computing centers to achieve the goal of stable function once come online and efficient operation upon delivery.

- ***O&M Technical Solutions***

  During the operation stage of computing centers, we provide O&M technical solutions to ensure that our customers' computing power assets maintain peak performance throughout their lifecycles. Our services include conducting system performance verification and acceptance through industry-recognized benchmark tests, performing end-to-end performance bottleneck analysis and in-depth system optimization tailored to the customers' AI models. We also deploy our "Unicorn Compute" platform to deliver 24/7 full-stack, multi-dimensional server monitoring, with real-time alerts on errors and irregularities and professional chip-level maintenance support. In addition, our "Unicorn Training" platform also helps customers with data labelling, algorithm development and improvement, and model fine-tuning. This ongoing in-depth engagement aims at helping customers' computing power infrastructures achieve prime performance.

The core advantages of our AI computing technical services are as follows:

- AI engineering capabilities derived from practical experience and in-depth integration: Our advantage lies in our team's profound AI engineering background. We participate in AI infrastructure development, and also AI technology applications. This unique identity enables us to accurately insight into the subtle needs of different AI workloads for the underlying architecture from the perspective of algorithms and business, thus providing essential solutions that go beyond standardization. We are able to provide practical and effective optimization strategies that have been tested in practice for various scenarios such as optimizing communication efficiency for training tasks and ensuring low latency for inference services.

- Elite technical team and excellent execution system: Our core technical team is composed of industry experts, some of whom have rich work experience in core technical positions of leading technology enterprises or large financial institutions before joining us. Our team's professional capabilities cover high-performance computing, distributed storage, lossless network, network security and data center operation and maintenance. Our team members have valuable experience in ensuring the stable operation of large-scale and critical business systems in harsh environments.

- Scale and efficiency barriers built by proprietary technology platform: Our self-developed computing power management platform "Unicorn Compute" is the core carrier for us to productize expert experience and scale service capabilities. Through automated deployment, intelligent scheduling and predictive O&M, our "Unicorn Compute" platform has significantly improved the efficiency and quality of service delivery, and effectively reduced excessive dependence on human resources. This technical platform, deeply embedded in our customers' operation, has enhanced customer stickiness and formed our competitive barriers.

RESEARCH AND DEVELOPMENT

Our competitive position in the AI technology solution industry is dependent on the continuous investments in technological innovation and dedicated R&D initiatives. We allocate substantial resources to advance our AI infrastructure, core algorithms, application software and AI-powered hardware, delivering a comprehensive suite of AI technology solutions to address evolving industry demands.

As of December 31, 2025 our R&D team has 75 employees, among whom the key personnel have extensive industry experience and technical expertise, providing significant market insights to facilitate the development of new AI technology solutions and drive the commercialization of such solutions. We incurred R&D expenses of RMB44.8 million, RMB27.7 million and RMB22.4 million in 2023, 2024 and 2025, respectively, accounting for 11.5%, 7.2% and 4.8% of our total revenue during the same periods, demonstrating our unwavering commitment to maintaining our competitiveness through R&D efforts. As a result of our commitment to the R&D, as of December 31, 2025, we held 288 computer software copyrights and 77 patents.

In addition to our designated R&D team, we also have a team of technical specialists comprising of over 200 employees. Our team of technical specialists work closely with our R&D team and our customers to provide technical support for our products and services in various aspects.

R&D Process

We develop our products and solutions in accordance with established standards and processes, ensuring that our R&D efforts generate sufficient returns to justify the rationality of our investments.

- ***Product Research***

During the product research phase, we systematically collect and analyze in-depth elements such as market demand, technical resources, and laws and regulations to assess the commercial value and feasibility of the product. We research the pain points and needs of target users, competitive landscape and market size, evaluate existing technical and data conditions, review relevant legal, privacy and ethical risks, and estimate the investment required for the project, including human resources, timeline, and computing power and expected returns. The research results will form a comprehensive report, clarifying whether the product should be approved for initiation, and providing a decision-making basis for the next development phase.

- ***Product Project Initiation***

In the project initiation phase, we integrate the user needs, market opportunities, and technical/resource feasibility identified in the market research phase, and formulates a formal and executable project plan. We clarify the product positioning, target users and core value proposition, defines the scope of the minimum viable product version and sets function priorities. The plan includes project milestones and timeline, allocation of necessary human, technical, data and financial resources, and cost budgeting. We also identify and assesses potential technical risks, resource investment risks, market acceptance risks, and legal and privacy compliance risks, while proposing corresponding mitigation strategies. Finally, we obtain approvals from key stakeholders such as management, finance, and legal departments. The deliverables of this phase include product vision and goals, feature list, project milestones and schedule, resource and budget plan, risk register, and revenue estimation, laying a clear and traceable execution foundation for the subsequent design and development phases.

- ***Product Design***

During the design phase, we transform product positioning and requirements into a clear design blueprint, covering the planning of user workflows and interface interactions, the construction of system and technical architecture, the selection of algorithm solutions, and the setting of non-functional indicators such as security, performance, and scalability. This ensures that subsequent software development can be carried out efficiently based on unified standards, reducing rework and risks, and guaranteeing system stability and user experience.

- ***Product R&D***

In the R&D phase, we build a complete and operable software system in accordance with the product design plan, including key functions such as front-end, back-end, and interface modules. During this period, systematic testing including functional, performance, and stability testing is conducted to identify and fix issues, ensuring that all software indicators meet expected standards. The goal of this phase is to deliver a stable, fully functional, and reliable-performance version, laying a solid foundation for product launch or delivery to customers.

- ***Deployment and Delivery***

In the deployment and delivery phase, we formally deploy the fully tested product to the user environment to provide available and stable software services to the market. This includes configuring servers and supporting resources suitable for the production environment, before launch, final acceptance testing for performance and security is conducted to confirm that the product meets availability, security, and stability indicators in the real environment. Immediately after launch, monitoring, logging, and alerting mechanisms are activated to enable timely response, rapid rollback, or repair when anomalies occur. The overall goal is to ensure a smooth and secure transition of the product from the test environment to the production environment, and to guarantee stable usage for users.

R&D Initiatives

While continuously strengthening our core platform of "Unicorn AI," we have planned the following key R&D initiatives leveraging our existing technological foundation. These initiatives extend our current capabilities, aiming to transform our technological advantages into broader market opportunities and forming our long-term growth blueprint.

Next-generation enterprise-level AI Agents

Companies' application of large models is shifting from technological exploration to value realization, and we are committed to bridging the "last mile" to achieve business goal for our customers. To this end, we plan to build a low-code, highly user-friendly AI Agent platform, enabling it to serve as a "digital employee" that drives business process automation. Our platform allows customers to deeply integrate their internal knowledge bases, business data, and expert experience into AI with powerful private model fine-tuning capabilities, creating exclusive AI Agents that are able to understand their business. These AI Agents will participate in core enterprise scenarios, helping customers reshape business processes and free teams from repetitive work so that they focus on higher-value innovation and decision-making.

As of the Latest Practicable Date, we have developed an AI Agent platform based on the multimodal large model with tool calling capability which enable the AI Agent to request external tools, and memory management and multi-agent collaboration capabilities to meet our customers' specific needs. We are able to quickly apply the AI Agents integrating customers' private domain data and business systems to customers' businesses. The AI Agent platform suitable for enterprise-level scenarios is expected to further drive the evolution of AI towards the intelligent autonomous decision-making stage, and enhance operational efficiency and business innovation capabilities of customers. Our AI Agent technologies have been successfully demonstrated in a number of representative products and projects.

In the near future, our R&D of enterprise-level AI Agents is expected to focus on the following initiatives:

- **Deep reasoning and dynamic memory architecture:** We plan to develop a reasoning layer based on the chain of thought and self-reflection mechanism to enable AI Agents to possess self-logic verification and error correction capabilities when handling complex approval or financial accounting tasks. We also aim to break through the limitations of traditional databases and develop a dynamic memory network allowing digital employees to retain project history and user preferences spanning several months, so that the digital employees can realize personalized companion services.

- **Swarm intelligence and full-sensory interaction:** We plan to develop a decentralized multi-agent collaboration protocol which supports the autonomous team-up of AI Agents with distinct roles such as planners, executors and inspectors, to address the challenges of complex cross-system and cross-department business processes. We also aim to develop the protocol achieving synchronous streaming processing of visual, auditory and linguistic data, to enable AI Agents to understand the physical world through real-time video streams and provide instant feedback like humans.

AI-native integrated infrastructure

As AI applications advance in depth, computing power costs and data security have become core challenges for companies. Therefore, we will vigorously develop next-generation AI-native integrated hardware-software infrastructure to provide customers with a solid, efficient, and reliable computing power foundation. We offer one-stop solutions covering chip adaptation, computing frameworks, and application scheduling, with in-depth optimization for large model inference scenarios. Through advanced computing power scheduling and energy efficiency management systems, we maximize resource efficiency and significantly reduce the unit cost of AI applications. More importantly, we provide private deployment options to ensure the security and independent control of customers' core data, removing obstacles for the in-depth application of AI technology in key industries.

Leveraging the resource scheduling capabilities of our "Unicorn Compute" platform and the AI algorithm model analysis capabilities of our "Unicorn Eye" platform, we have launched a variety of software-hardware integrated products, including the large model all-in-one machine and edge computing analysis box. Going forward, we plan to conduct R&D of core products adapted to different chips and launch software-hardware products in various forms. As of the Latest Practicable Date, we were in the process of continuous adaptation and optimization of relevant products.

In the near future, our R&D of AI-native integrated infrastructure is expected to focus on the following initiatives:

- **Seamless heterogeneous virtualization and inference optimization:** We plan to develop a unified instruction set abstraction layer compatible with AI processing chips of both domestic and overseas origin, enabling convenient migration of training tasks across chips with a heterogeneous combination. In addition, for long-text AI inference scenarios, we plan to develop a sparse caching algorithm based on the attention mechanism, which is expected to reduce video memory occupancy and inference costs without compromising accuracy.

- **Carbon-aware scheduling and edge-cloud collaboration:** We plan to develop an intelligent task scheduling system integrating power grid load and liquid cooling models, which can automatically schedule high-energy-consumption training tasks to low-carbon-emission time periods or nodes with high heat dissipation efficiency. We also plan to construct a collaborative inference network between cloud-based large models and edge-side small models and compress the capabilities of large models to edge devices, to achieve high-privacy-protection inference with data not leaving the domain.

Robotics products

In light of digitalization trend, we make strategic deployment in the robotics field. We aim to build a hardware-decoupled universal robotics software platform to address market pain points such as inconsistent hardware standards, and provide a software solution covering perception, understanding, autonomous navigation and task planning.

To accelerate ecosystem development and complete our comprehensive layout in this field, We plan to collaborate extensively with leading hardware manufacturers to develop our platform into an industry-wide standard product. Furthermore, we plan to work with business partners to participate in the planning, design, and manufacturing of a number of benchmark products such as embodied robots and collaborative robots.

We have developed robotics solutions for a variety of scenarios. Centered on robots, these solutions are equipped with our self-developed general robotics software platform, supporting the unified access and management of multiple types of robots and IoT terminals. We have delivered robotics products for industrial applications and have gained high recognition from customers.

In the future, we plan to continue to iterate on the corresponding robotics products and explore the practical application of embodied intelligence in various fields. Our R&D of robotics products is expected to focus on the following application scenarios:

- **Standardized hardware abstraction and physical world perception:** We plan to develop standard middleware that supports multiple configurations such as wheeled robots, and robotic arm systems, to address the industry pain point of inconsistent hardware interfaces across different brands of robots. We also plan to integrate large language models with visual simultaneous localization and mapping technology to endow robots with semantic understanding capabilities, allowing them to interpret natural language commands instead of relying solely on coordinate-based movement instructions.

- **Digital-to-physical transfer learning and flexible operation:** We plan to build a high-fidelity physical simulation training platform to conduct training for robots in complex grasping skills in virtual environments through reinforcement learning, and achieve lossless transfer of these skills to physical environments. We also plan to develop multimodal perception algorithms that integrate data from fingertip tactile sensors with visual feedback, enabling robots to perform adaptive and precise operation on fragile items and flexible objects such as fabrics and cables.

DATA PROTECTION

We may access and process certain data provided by our customers or data sources when providing our AI solutions or training our AI algorithms and models. All collected data are stored within the PRC and there has been no cross-border transmission or provision of user data to third parties during the Track Record Period and up to the Latest Practicable Date. Certain types of such data may fall into the scope of personal information under applicable laws and regulations in the PRC, such as the Cybersecurity Law and the Data Security Law. During the Track Record Period and up to the Latest Practicable Date, our customers are enterprises rather than individuals. We collect only the contact information of customers' contacts and a few visitors as necessary for maintaining business relationship. We have requested our customers and visitors to ensure necessary consent for collecting such information and also made disclosure of such data collection and use in our privacy policy published on our website and other relevant channels. Given that concerning personal information is provided voluntarily on an informed basis, we have obtained necessary consent for collecting personal information from such individuals. Our Company, after having consulted with our PRC Data Compliance Legal Advisor, is of the view that, the cybersecurity related laws and regulations would not have a material adverse impact on our business operations or the [REDACTED] as of the Latest Practicable Date. On June 10, 2025, our PRC Data Compliance Legal Advisor conducted a phone consultation with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (the "**CCRC**"). Given that (i) as of the Latest Practicable Date, we had not been notified by any competent governmental authorities as a critical information infrastructure operator and [REDACTED] in Hong Kong does not constitute a purchase of internet products and services; (ii) based on phone consultation, [REDACTED] in Hong Kong does not constitute [REDACTED] abroad; and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security from the competent authorities, therefore, as advised by our PRC Data Compliance Legal Advisor, we are not obliged to apply for a cybersecurity review pursuant to *the Measures for Cyber Security Review* with respect to our proposed [REDACTED].

To comply with the regulatory requirements and ensure user data privacy, we have implemented stringent data protection policies regarding the data encryption, storage transmission, confidentiality and authorization. In particular:

- Data Encryption: Data are encrypted during storage, transmitted securely via HTTPS, and de-identified or otherwise desensitized before being shared externally.

- Data Storage: Our Data are stored in segregation based on their source, function, level and purpose, and we implement a number of network segregation, physical segregation, and logical segregation technologies such as VLAN, firewall, VDOM, and DMZ.
- Data Transmission: We ensure network transmission security through technologies such as firewalls and intrusion detection, and require internal approval, secure transmission via HTTPS.
- Data Confidentiality: We classify information into different levels of protection — including confidential, internal, and public, and we have established detailed procedures for data circulation, use, storage, labeling, and retrieval, and deployed firewalls, intrusion detection system, web application firewall to ensure cybersecurity and data confidentiality.
- Data Authorization: Our internal data authorizations are managed under Role-Based Access Control and access to data is granted according to the principles of need-to-know and with the minimum level of access privilege would be granted. Access rights are reviewed regularly, with all internal operations recorded and audited via the bastion host, we also implement abnormal behavior detection and interception mechanisms through the use of bastion host.

Aside from the above, we have also implemented various internal policies on information security, including Policy for Account, Password, and Access Rights Management (賬戶、口令和權限管理規定), Data Lifecycle Security Management Policy (數據生命週期安全管理規定), Information Classification and Confidentiality Control Procedures (信息分類與密級控制程序), System Access Control Management Policy (系統訪問控制管理規定), and have ensured that the relevant data are processed only to the extent necessary to provide services to customers, and that such data are not used for any other purposes.

We regularly monitor data access and system, promptly identifying potential data security risks and system vulnerabilities while implementing remedial measures. Additionally, we routinely back up all critical data, enabling rapid and secured data recovery during data loss or system collapse.

We have obtained certifications such as ISO/IEC 27001 certification and network security classified protection filing certificate, ensuring strict compliance with international standards for data safety and privacy, as well as regulatory requirements. Our PRC Data Compliance Legal Advisor is of the view that we have complied with all applicable PRC laws and regulations on data privacy, data security, data use and storage, and cybersecurity in all material respects during the Track Record Period and up to the Latest Practicable Date.

Data Protection in Relation to Algorithm Training

When training our algorithms, we primarily process raw data inputs from our customers and open-sourced databases. The data from customers are industry data generated or collected during the business operations of customers, which do not contain personal information. The data from open-sourced databases are processed by us only in a feature-encoded format for internal algorithm training, without reconstructing or identifying any personal information (if any). We rely on visual and video data collected by our customers to train and improve our computer vision algorithms, ensuring that our algorithms are well-prepared for complex, practical scenarios. To ensure our compliance with applicable data protection laws and regulations, we require customers to rigorously follow the regulatory requirements of data collection process. Prior to entering into business relationships with such data sources, we review their relevant business licenses and other credentials to ensure that they are legitimate professional data sources, that they have the authority to collect, maintain and share such data.

We implement strict internal access controls to ensure only authorized personnel have access to the collected data. Additionally, we regularly sanitize data in accordance with regulatory and internal standards, ensuring that historical data may be subject to data breach risks. See "— Risk Management and Internal Control — Information System Risk Management."

We have conducted compliance and legal basis reviews of training data and perform manual verification to identify and mitigate potential risks of data bias, sensitive information leakage, or data contamination. We train our "Unicorn Flame" foundation model in our internal R&D environment with open-sourced data, and deploy the "Unicorn Flame" foundation model in our on-premises infrastructure.

We use data from customers to create customized solutions based on our "Unicorn Flame" foundation model. Data from customers will be temporarily processed on our server for purpose of training customized AI solutions. Upon completion, customized AI solutions are deployed on the customers' on-premises infrastructure and we do not retain, use or have access to any data of the customers.

Data Protection in Relation to AI Recognition Business

When providing AI recognition services, we operate as an intermediary data processor between upstream data sources and downstream enterprise clients. Customers submit encrypted personal data, including user-generated images or videos, biometric features and identity document details, which we process solely to deliver identity verification services. After data processing, we encrypt such processed data with technologies such as RSA and SM4, and transmit encrypted data via designated channels to data sources for comparison against their databases. These data sources return match or no-match verification results, which we relay to clients without retention.

Our processing activities are strictly limited to operations of the AI recognition platform. As a result, we neither collect extraneous personal data nor store any customer-provided personal data throughout the data processing and our verification service process. Additionally, we require all customers to obtain acknowledgement and informed consent from the end users whose data were collected by our customers and shared with us. Our customers must provide detailed a privacy agreement that clearly inform their end users of the scope of data collected, how such data is used and shared.

Within our business cooperation agreements for the AI recognition platform, we require our customers to comply with applicable data protection laws and regulations and prohibit them from infringing on the rights, including the right to privacy and the right to data protection, of the personal data owners. We review their relevant business licenses and other credentials to ensure that they have the authority to collect, maintain and share such data, and we make sure they obtained and shared with us such data with informed consent and written authorization by the personal data owners.

Data Protection in Relation to AI Vertical Industry Applications

The AI vertical industry application solutions we provide to our customers primarily use various types of data encompassing visual, linguistic and semantic data inputs collected by sensors embedded in the hardware components, such as cameras or interface. In addition, we produce certain image or video data during the operations of our solutions, such as biometrical information captured by our cameras, identification documents scanned by our terminals or environmental data recorded by our systems. We do not store or access any data owned by our customers during their use of our products and solutions. Our data processing related to these external sales is conducted within the internal local area network, without accessing the Internet or involving any mobile internet applications. We have also adopted comprehensive data privacy and protection policies to ensure the legitimacy and safety of our data processing. See "— Risk Management and Internal Control — Information System Risk Management."

During business operations, we might have access to personal information such as contact details of employees, customers and suppliers. During the Track Record Period and as of the Latest Practicable Date, we did not collect or process any personal information of customers or other counterparties in the PRC through AI vertical industry applications, or through our official websites.

SALES AND MARKETING

Sales

We sell our AI technology solutions mainly through the direct sales by our skilled sales team. As of December 31, 2025, our sales team comprised 27 employees with extensive industry experience and deep expertise in our AI-based products and solutions. Through direct sales, we have gained first-hand insights into our customers' digital transformation and AI technology development plans, allowing us to design and develop products and solutions that effectively address their pain points. To motivate and reward our sales team, we have implemented a compensation structure that includes both fixed and performance-based components. We set specific performance targets for each team member, evaluate their performance annually, and provide performance-based compensations accordingly.

Leveraging their professional backgrounds and industry insights, our sales team facilitates our customers' understanding of landscape of AI development, fostering their trust in our expertise and creating cross-selling opportunities for our future offerings. When entering a new industry vertical or developing new solutions, we work closely with leading enterprises in the industry to complete lighthouse projects, showcasing our technological strengths and industry knowhow. As a result, these high-value, lighthouse projects may attract new customers with similar needs, generating market opportunities. Our R&D team closely collaborate with them to understand their individual needs, thus recommending appropriate products and jointly designing solutions to address their industry-specific challenges. Looking forward, we aim to generate recurring revenues through our scalable yet adaptive AI technology solutions.

We generally offer the following fee models, which may be customized and/or modified based on the specific customer requirement: (i) operation-and-service model, (ii) product-sales model, and (iii) project-based service model. Under the operation-and-service model, we establish long-term cooperative relationships with our customers and continuously provide AI recognition and AI vertical industry application products and services in response to business needs arising from the customers' operations. Under the product-sales model, we sell algorithmic SDKs, software products and intelligent terminal products directly to customers. Under the project-based service model, we deliver AI vertical industry application solution, AI computing power services and corresponding technical services tailored to the specific requirements of each project. Furthermore, we provide flexible payment arrangements to small- and medium-sized customers to expand market reach. Instead of paying prohibitive upfront costs for large-scale AI deployment, these customers can opt for subscribing our standardized AI technology solutions on a subscription-based model and pay as needed. This payment flexibility offers customers easier access to our AI technology solutions and amplifies our solutions' market presence.

Marketing

To expand our market presence, we have implemented a comprehensive marketing and branding strategy that leverages various channels to reach potential customers. These channels include in-person and online events, content marketing, partner marketing, developer outreach, search engine optimization and social media advertising.

We actively participate in industry conferences, product launch events and developer forums to exhibit illustrative case studies and our technological advancements, while fostering relationships with industry participants. Additionally, our experienced R&D team and marketing team regularly engage with our leading enterprise customers to gain the forefront industry knowledge while establishing our brand image as industry expert. These engagements serve as structured platforms to introduce our products and solutions to the broader market, meeting market demands and facilitate ongoing collaboration. These offline marketing campaigns allow us to demonstrate how our AI algorithms and integrated applications can facilitate the digital transformation and enhance operational efficiency across various industry verticals.

We also enhance brand awareness and promote our new and existing products and services through online channels, including includes regular updates on our social media platforms and engaging with AI developers from other social media forums.

INTELLECTUAL PROPERTY RIGHTS

Intellectual property is the cornerstone of our business, and we heavily invest on the development and protection of our intellectual property rights. To safeguard our intellectual property, we rely on various patent, trademark, copyright, trade secret and other intellectual property rights protection laws, as well as confidentiality procedures and contractual provisions.

As of December 31, 2025, we had 77 patents registered with the State Intellectual Property Office of the PRC. We had 22 trademarks registered with the China Trademark Office. We also had 288 software copyrights and owned seven major domain names registered in China.

Our internal control and R&D team regularly monitor the status of our intellectual property rights and the potential infringement of these rights. Typically, our employees are required to sign a standard employment contract that includes a clause stipulating that any inventions, trade secrets, developments, and other processes they create during their employment with us are our property and assigning any potential ownership rights they may claim in these works to us. During the Track record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending legal proceedings of intellectual property rights with third parties.

CUSTOMERS

We have a growing and diversified customer base spanning across different industry verticals. Our customers are primarily the enterprises with acute pressing needs for technological expertise for AI algorithms, applications and computing technical services, including internet and software enterprises, transportation operators, financial institutions, manufacturing enterprises, and tech companies. The following table sets forth number of customers and recurring customers and revenue from those customers for the period indicated:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of total customers	303	250	204
Revenue recognized from total customers (RMB in millions)	390.9	385.8	463.9
Number of recurring customers(1)	153	134	124
Revenue recognized from recurring customers (RMB in millions)	236.7	220.7	289.1

Note:

(1) we define recurring customers during the relevant year or period as those customers who have made purchases from us in previously years since January 1, 2022, and which has also purchased (or through their affiliates purchased from us) during the relevant year or period.

To meet the market trends, we have assembled a sales and marketing team consisting of experienced professionals who are well-versed in the latest technological advancements and the industry pain points. For further details, please see "— Sales and Marketing — Sales."

Furthermore, we offer a suite of value-added services, including pre-project consultation, technical and post-sales support services. Our customer service team works 24/7, providing real-time problem solving and dedicating resources to improve customer experience and stickiness. See "— Quality Control — Customer Service." We have also implemented a series of quality control policies governing the entire processes from raw material procurement to recalls of defective products, to ensure that our customers are satisfied with the superior quality of our products and meticulous service process. In addition, we regularly gather feedback from customers on how to improve our solutions or service quality, promptly responding to their suggestions and complaints. Our dedicated, customer-oriented technical support and service distinguish ourselves from our competitors, fostering a loyal customer base.

Top 5 Customers

Revenue generated from our largest customer for 2023, 2024 and 2025 accounted for approximately 18.1%, 15.5% and 11.8% of our total revenues during those periods, respectively. Revenue generated from our five largest customers in each of 2023, 2024 and 2025 accounted for approximately 35.3%, 35.3% and 36.2% of our total revenue during those periods, respectively. We typically grant a credit term up to 90 days, and periodically evaluate the creditworthiness of our five largest customers by reviewing their payment records and evaluating customers' financial condition.

The following table sets forth the details of our five largest customers for 2023:

Customer	Major products and services sold	Revenue	% of our total revenue	Background and principal business activities	Headquarter	Payment method and credit terms	Commencement year of business relationship
		(in RMB millions)					
Customer A	AI recognition service and AI vertical industry applications	70.9	18.1	Include affiliates and associates of a leading internet and technology company headquartered in Shenzhen and listed on the Hong Kong Stock Exchange. The entities we dealt with primarily engage in online payment service, cloud computing service, online banking service, internet platform operation and software development.	China	Generally monthly or quarterly settlement, payment in installments or 45 days or 45 business days after invoice date, by wire transfer.	2017
Customer B	AI vertical industry applications	22.3	5.7	A group of companies controlled by a state-owned telecommunications company listed on the Hong Kong Stock Exchange and the New York Stock Exchange. The entities we dealt with primarily engage in internet information service and information technology service.	China	Generally 30 business days after invoice date, while some are settled with upfront payment and milestone payment, by wire transfer.	2021
Customer C	AI vertical industry applications	15.3	3.9	A group of companies controlled by an internet and game services company headquartered in Hangzhou and listed on the Hong Kong Stock Exchange and Nasdaq Stock Market, primarily engaging in internet platform operation, software development, information technology service and intelligent hardware manufacturing.	China	30 business days after invoice date, by wire transfer.	2020

Customer	Major products and services sold	Revenue *(in RMB millions)*	% of our total revenue	Background and principal business activities	Headquarter	Payment method and credit terms	Commencement year of business relationship
Customer D	AI vertical industry applications/ AI computing technical services	15.2	3.9	A private company established in 2017, primarily engaging in mobile communication equipment manufacturing.	China	One month after acceptance, by wire transfer.	2023
Customer E	AI vertical industry applications	14.2	3.6	A private company established in 2012, primarily engaging in information technology service.	China	Upfront payment and milestone payment, by wire transfer.	2023

The following table sets forth the details of our five largest customers for 2024:

Customer	Major products and services sold	Revenue *(in RMB millions)*	% of our total revenue	Background and principal business activities	Headquarter	Payment method and credit terms	Commencement year of business relationship
Customer A	AI recognition service and AI vertical industry applications	60.0	15.5	See above	China	Generally 45 days or 45 business days after invoice date, monthly settlement or payment in installments, by wire transfer.	2017
Customer F	AI vertical industry applications	23.1	6.0	A private company established in 2024, primarily engaging in residential building decoration and renovation.	China	Milestone payment by wire transfer.	2024
Customer G	AI computing technical services	18.4	4.8	A private company established in 2016, primarily engaging in information technology service.	China	Payment upon acceptance and issuance of invoice, by wire transfer.	2024
Customer B	AI vertical industry applications	17.5	4.5	See above	China	30 business days after invoice date, by wire transfer.	2021
Customer C	AI vertical industry applications	17.3	4.5	See above	China	30 business days after invoice date, by wire transfer.	2020

The following table sets forth the details of our five largest customers for 2025:

Customer	Major products and services sold	Revenue *(in RMB millions)*	% of our total revenue	Background and principal business activities	Headquarter	Payment method and credit terms	Commencement year of business relationship
Customer H	AI computing technical services	54.7	11.8	A private company established in 2016, primarily engaging in big data service.	China	Payment upon acceptance and issuance of invoice, by wire transfer.	2024
Customer A	AI recognition service and AI vertical industry applications	34.4	7.4	See above	China	Generally monthly settlement or 45 business days after invoice date, by wire transfer.	2017

Customer	Major products and services sold	Revenue *(in RMB millions)*	% of our total revenue	Background and principal business activities	Headquarter	Payment method and credit terms	Commencement year of business relationship
Customer I	AI vertical industry applications	32.2	6.9	A private company established in 2014, primarily engaging in provision of security guarding services and security device.	Hong Kong	60 days after acceptance, by wire transfer.	2023
Customer J	AI recognition service	27.1	5.8	A private company established in 2021, primarily engaging in information technology consulting service.	China	60 days after acceptance, by wire transfer.	2023
Customer E	AI vertical industry applications	19.6	4.2	See above	China	Upfront payment and milestone payment, by wire transfer.	2023

During the Track Record Period and as of the Latest Practicable Date, none of our Directors, their respective associates or any of our shareholders (which, to the knowledge of Directors owns more than 5% of our issued share capital) had any interest in any of our five largest customers, except that one of our Directors holds certain publicly listed shares in one of our five largest customers and the shareholding percentage is insignificant.

Salient Terms of Contracts with Customers

The salient terms of our standard sales contracts with customers during the Track Record Period are set out below:

- ***Product and service specifications.*** Our customers typically set forth specification requirements for products and/or services ordered, such as product/solution name, configuration, features, and term of services required (as applicable).
- ***Pricing and payment.*** Our pricing is primarily determined by the functions and scope of our products and/or services, deployment complexity, required hardware and software complexity and sophistication and bespoke support levels. Our AI recognition service is generally charged on a pay-per-use basis and paid periodically, and our AI vertical industry application solutions and AI computing technical services are generally paid in accordance with project milestones with certain system license and bespoken support services paid over time.
- ***Product warranty.*** We typically agree with our customers on certain key performance indicators of our products and/or services. Further, we provide a maintenance period for selected contracts.
- ***Intellectual property.*** Each party shall retain ownership of the intellectual property rights it possessed prior to the execution of this contract. We retain ownership of the intellectual property rights related to the products we provide, including the embedded software.
- ***Confidentiality.*** Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and its contractual terms, and not use information obtained for other purposes.

Major Projects

The following table sets forth the details of our top ten projects completed during the Track Record Period in terms of contract sum for the portion of our business that was project-based:

No.	Project type	Customer	Major solutions provided	Contract value *(RMB in thousands)*	Revenue recognized during the Track Record Period *(RMB in thousands)*	Project commencement date	Project completion date
1.	AI vertical industry applications	Customer I	Intelligent railway solution	27,528.9	27,528.9	August 2025	December 2025
2.	AI vertical industry applications	Customer F	Convenience service center informatization project	26,102.2	23,099.3	March 2024	December 2024
3.	AI vertical industry applications	Customer K	Image AI technology and data middle platforms R&D project	15,080.0	14,226.4	June 2025	November 2025
4.	AI vertical industry applications	Customer E	Collaborative O&M project	15,000.0	14,150.9	January 2023	December 2023
5.	AI vertical industry applications	Customer E	AI R&D project	11,980.0	11,301.9	June 2025	October 2025
6.	AI computing technical services	Customer L	AI computing technical services	11,000.0	10,377.4	June 2025	August 2025
7.	AI vertical industry applications	Customer I	Intelligent railway solution	10,000.0	10,000.0	February 2023	December 2023
8.	AI vertical industry applications	Customer M	Corporate middle platform R&D project	9,800.0	9,245.3	July 2025	December 2025
9.	AI computing technical services	Customer H	AI computing technical services	9,100.0	8,584.9	April 2025	May 2025
10.	AI computing technical services	Customer H	AI computing technical services	8,500.0	8,018.9	March 2025	April 2025

Project Backlog

Business performance of business on a non-project basis

During the Track Record Period, most of our AI recognition business and a portion of AI vertical industry application business was provided on a non-project basis. The following table sets forth details of the number of our customers and contract sum of which revenue was recognized in each period of the Track Record Period for our business on a non-project basis:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of total customers	150	107	82
Number of newly acquired customers during the period	37	21	11
Contract sum of which revenue was recognized from total customers (RMB in thousands)	257,040.2	193,866.5	189,946.0
Contract sum of which revenue was recognized from newly acquired customers during the period (RMB in thousands)	52,112.0	17,276.8	10,430.0

Business performance of business on a project basis

AI vertical industry applications

Our average project contract sum of AI vertical industry applications business amounted to RMB1,386.1 thousand, RMB1,084.7 thousand and RMB2,317.0 thousand, and our average project gross profit of AI vertical industry applications business amounted to RMB599.6 thousand, RMB503.7 thousand and RMB654.1 thousand in each period of the Track Record Period.

The following table sets forth details of number of projects in each period of the Track Record Period for the portion of our AI vertical industry applications business that was project-based:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of ongoing projects at the beginning of the period	34	35	16
Add: Number of newly awarded projects	113	81	87
Less: Number of projects completed	112	100	80
Number of ongoing projects at the end of the period	35	16	23

The following table sets forth details of contract sum in each period of the Track Record Period for the portion of our AI vertical industry applications business that was project-based:

	Year ended December 31,		
	2023	**2024**	**2025**
Contract sum outstanding balance at the beginning of the period (RMB in thousand)	35,853.4	48,140.1	22,958.5
Add: Contract sum due to newly awarded projects	167,527.6	83,292.5	280,364.4
Less: Contract sum of which revenue was recognized during the period	155,240.9	108,474.0	185,359.5
Contract sum outstanding balance at the end of the period	48,140.1	22,958.5	117,963.4

AI computing technical services

Our average project contract sum of AI computing technical services business amounted to RMB2,031.7 thousand, RMB2,351.2 thousand and RMB5,423.5 thousand, and our average project gross profit of AI computing technical services business amounted to RMB1,435.8 thousand, RMB1,456.9 thousand and RMB3,058.6 thousand in each period of the Track Record Period.

The following table sets forth details of number of projects in each period of the Track Record Period for the portion of our AI computing technical services business that was project-based:

	Year ended December 31,		
	2023	**2024**	**2025**
Number of ongoing projects at the beginning of the period	—	1	—
Add: Number of newly awarded projects	4	49	27
Less: Number of projects completed	3	50	22
Number of ongoing projects at the end of the period	1	0	5

The following table sets forth details of contract sum in each period of the Track Record Period for the portion of our AI computing technical services business that was project-based:

	Year ended December 31,		
	2023	**2024**	**2025**
Contract sum outstanding balance at the beginning of the period (RMB in thousand)	—	4,840.0	—
Add: Contract sum due to newly awarded projects	10,935.0	112,719.0	154,317.1
Less: Contract sum of which revenue was recognized during the period	6,095.0	117,559.0	119,317.1
Contract sum outstanding balance at the end of the period	4,840.0	—	35,000.0

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers consisted primarily of (i) suppliers of hardware components, (ii) suppliers of software and (iii) third-party data sources.

Suppliers of Hardware Components

With respect to our AI vertical industry applications, we procure hardware components, such as cameras, facial recognition terminals and bank vaults.

We carefully select our hardware suppliers for our AI vertical industry applications to ensure the hardware is compatible with our software and support key functions of our solutions.

We place the procurement order based on the customer demand, considering the scale and function of the solutions. Under our framework agreements with hardware suppliers, we typically make the payment upon the delivery of hardware. We typically pay a fixed fee as set forth in the purchase order and settle the payments within 90 days upon receipt of each invoice.

Suppliers of Software

We outsource the development of certain software products to optimize our use of resources. Our software procurement typically includes software that is widely used in the industry to supplement our AI vertical industry applications solutions. To ensure the software's compatibility with our products and solutions, we rigorously select software suppliers based on their industry-specific expertise, reputation and their technical capabilities.

We typically buy the software from suppliers on a one-off basis or enter into software subscription agreements with suppliers with a term of one year that may be extended upon agreement by both parties. In terms of subscribed software, we usually pay the fixed subscription fee as set forth in the contract in the form of prepayment and are generally entitled to provide access to software to our customers as end-users. Where the solutions provided to our customers include the use of subscribed software sourced from suppliers, we typically provide access to the software to the end-users for a fixed term that is within validity period of our own software subscriptions granted by our suppliers of software.

Third-Party Data Sources

We rely on official data sources to facilitate the operation of our AI recognition platform. Our third-party data sources include government authorities, licensed bank card clearing institution, and telecommunication service providers.

Prior to entering into business relationships with such data sources, we typically review their relevant business licenses and other credentials to ensure that they are legitimate professional data sources, that they have the authority to collect, maintain and share such data, and we require them to certify to us that they have obtained informed consent from the individuals whose images or videos were collected by them and shared with us.

Top 5 Suppliers

Our major suppliers are suppliers of hardware components and software. For each of 2023, 2024 and 2025, our largest suppliers accounted for approximately 9.3%, 8.4% and 19.6% of our total purchases for the same periods, respectively. Our five largest suppliers accounted for approximately 30.9%, 34.1% and 51.5% of our total purchases for each of the same periods, respectively.

The following table sets forth the details of our five largest suppliers for 2023:

Supplier	Major products/ services procured	Purchase amount	% of our total purchase	Background and principal business activities	Payment method and credit terms	Commencement year of business relationship
		(in RMB millions)				
Supplier A	Information technology services and hardware	11.7	9.3	A private company established in 2022, primarily engages in software information technology services.	Prepayment, by wire transfer.	2022
Supplier B	Information technology services	7.3	5.9	A private company established in 2017, primarily engages in software information technology services.	10 business days after invoice date, by wire transfer.	2022
Xiamen Zhongdun Anxin Technology Co., Ltd. (廈門中盾安信科技有限公司)	Information technology services	6.9	5.5	A wholly-owned subsidiary of the First Research Institute of the Ministry of Public Security of PRC established in 2019, primarily engages in software information technology services.	Prepayment, by wire transfer.	2022
Supplier D	Information technology services	6.6	5.3	A private company established in 2018, primarily engages in software information technology services.	45 business days after invoice date, by wire transfer.	2023
Supplier E	Information technology services	6.3	5.0	A private company established in 2014, primarily engages in software information technology services.	45 business days after invoice date, by wire transfer.	2023

The following table sets forth the details of our five largest suppliers for 2024:

Supplier	Major products/ services procured	Purchase amount *(in RMB millions)*	% of our total purchase	Background and principal business activities	Payment method and credit terms	Commencement year of business relationship
Supplier F	Information technology services	9.6	8.4	A private company established in 2017, primarily engages in software information technology services.	Prepayment, by wire transfer.	2024
Supplier G	Software	9.4	8.2	A company established in 2005 and listed on NEEQ, primarily engages in information technology consulting services.	Prepayment, by wire transfer.	2023
Supplier E	Information technology services	8.3	7.2	See above	45 business days after invoice date, by wire transfer.	2023
Supplier H	Information technology services	6.8	5.9	A private company established in 2020, primarily engages in software development business.	5 business days after invoice date, by wire transfer.	2022
Supplier I	Information technology services	5.1	4.4	A private company established in 2017, primarily engages in information system integration business.	45 business days after invoice date, by wire transfer.	2024

The following table sets forth the details of our five largest suppliers for 2025:

Supplier	Major products/ services procured	Purchase amount *(in RMB millions)*	% of our total purchase	Background and principal business activities	Payment method and credit terms	Commencement year of business relationship
Supplier F	Information technology services	41.3	19.6	See above	Prepayment, by wire transfer.	2023
Supplier J	Information technology services	23.4	11.1	A private company established in 2025, primarily engages in security device and system installation business	Payment upon acceptance, by wire transfer.	2025
Xiamen Zhongdun Anxin Technology Co., Ltd. (廈門中盾安信科技有限公司)	Information technology services	20.8	9.9	See above	Prepayment, by wire transfer.	2022
Supplier K	Information technology services	11.8	5.6	A private company established in 2018, primarily engages in AI computing technical service.	10 business days after acceptance, by wire transfer.	2025
Supplier L	Information technology services	10.9	5.2	A private company established in 2018, primarily engages in data business.	5 business days after acceptance, by wire transfer.	2025

During the Track Record Period and as of the Latest Practicable Date, none of our Directors, their respective associates or any of our shareholders (which, to the knowledge of Directors owns more than 5% of our issued share capital) had any interest in any of our five largest suppliers.

Salient Terms of Contracts with Suppliers

The salient terms of our contracts with suppliers of hardware components and software typically include:

- ***Specifications.*** The product name, specification, price, quantity and other detailed items are specified in the contracts.
- ***Payment.*** We are responsible for timely payment, typically through down payments followed by the remaining balance within several days of acceptance.
- ***Delivery.*** The suppliers are generally responsible for delivery to our designated sites at the cost of the suppliers.
- ***Quality control.*** Suppliers are subject to standard quality control terms specified in each agreement. If products are found non-compliant after acceptance, we will provide written objection to the suppliers, who shall resolve the issue within a specified period after receiving the written notice.

The salient terms of our contracts with official data sources typically include:

- ***Qualification.*** The third-party data source must possess all the certifications required by the relevant data security and privacy laws, ensuring that such certifications will be renewed upon expiration.
- ***Terms.*** We typically enter the agreement of a term of one to three years, subject to the renewal upon the mutual agreement. Alternatively, we may enter into the one-time agreement that is completed upon the transfer of data.
- ***Pricing and payment.*** We can either pay the one-time flat fee or the volume-based tiered pricing that offers discounts as our data usage increases.
- ***Data privacy.*** We agree to not store, share or sell any data obtained from the third-party data sources, and all the data processing and analytics will comply with the relevant laws and regulations.

CUSTOMER AND SUPPLIER OVERLAP

Customer A, representing a group of affiliated and/or associated companies, was one of our top five customers in 2023, 2024 and 2025, with sales revenue accounting for 18.1%, 15.5% and 7.4% of our total revenue in the periods, respectively. Certain member of such group of companies was also our supplier in 2023, 2024 and 2025. In 2023, 2024 and 2025, procurement made by us from such member amounted to RMB0.7 million, RMB0.3 million and RMB0.3 million. During the Track Record Period, procurement from us by Customer A primarily included AI recognition and AI vertical industry application services, and procurement made by us from Customer A primarily included software for office use. Our transactions with Customer A were conducted in the ordinary course of business at arm's length with reference to and in consistence with market prices and terms of comparable products and services.

To the best knowledge of our Directors, during the Track Record Period, there were no other overlaps between our top five suppliers and customers or between our top five customers and suppliers except as disclosed above.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We assemble hardware components into our AI vertical industry applications and then deliver them to our customers. We typically engage third-party logistics service providers for delivering our products and solutions to our customers. To the best of our knowledge and belief, all of these logistics service providers are Independent Third Parties.

Inventory Management

Our inventories mainly include hardware components and AI vertical industry applications products and solutions. Our inventories amounted to RMB28.0 million, RMB45.2 million and RMB32.4 million as of 2023, 2024 and 2025, respectively.

We have implemented a stringent inventory control policy to monitor stock levels and minimize obsolete inventory while maintaining sufficient stock to fulfill customers' orders as needed. Our enterprise resource planning system maintains the detailed records of our procurement, including the series number, inventory types, procurement information and supplier information, ensuring that we have the complete knowledge of our inventories since they enter into our warehouses. Additionally, for inventories that require specific warehousing condition, we have adopted required measures to ensure proper storage and consistently monitor the warehousing environment, ensuring that our inventories will not be damaged.

Furthermore, to ensure the effective management of inventories, we categorize and assign unique numbers to our inventories, enabling us to track the inventory movement. We also conduct periodic inventory auditing and evaluation, ensuring that all stored hardware components and products meet the quality standard. Additionally, we require authorization for accessing the warehouse, allowing us to have effective control of inventories.

We do not employ third-party warehouse service providers, as we procure hardware components specifically for each project and complete the assembly of these components in-house.

QUALITY CONTROL

We are committed to deliver high-quality AI products and solutions. To ensure the consistency of our offerings, we have implemented a robust quality management system, which standardizes product consistency and drives iterative enhancements across our development lifecycle through rigorous process monitoring.

Assembly

In offering AI computing technical services, we help to establish computing networks and customize computing servers based on a variety of hardware components. With respect to our AI vertical industry applications, we incorporate proprietary software into hardware components procured from leading suppliers.

To ensure the reliability and effectiveness of our solutions, we have implemented rigorous criteria in selecting hardware suppliers, ensuring that their products are compatible with our software and may support operations of our AI products and solutions.

Throughout the assembling process of our AI computing infrastructure and software-embedded AI industry applications, our quality control team conducts regular on-site visits to ensure that the assembling process complies with the required protocols.

Moreover, before the delivery to customers, our quality control team conducts comprehensive tests evaluating the effectiveness of our products and solutions, comparing certain key performance indicators against the specified benchmarks.

Customer Service

Other than the effectiveness of our AI products and solutions, our prompt and professional customer services are also key to our competitiveness. Our customer service team operates on the 24/7 shifts to offer remote support, addressing inquiries in a timely and effective manner. In the meantime, our technical team delivers both remote and on-site support, responding to various technical issues promptly. Our product return and exchange policy safeguards against any quality or other issues with our hardware products, providing comprehensive procedures for repair, return or scrap of our hardware products. Furthermore, to optimize the performance of our solutions, we conduct regular system maintenance of and upgrades to our AI platform, algorithms and applications. During the Track Record Period and as of the Last Practicable Date, we did not experience any complaints that have had any material adverse effect on our brand, our business or our results of operations.

COMPETITION

The AI technology solution industry in which we operate is competitive and fragmented. According to Frost & Sullivan, we ranked 8th with a 2.5% market share in the computer facial recognition for identity verification industry in China in 2024. We compete with other companies primarily on developing and commercializing AI products and solutions for businesses. In each industry vertical we have entered, we also face competition from existing providers of traditional solutions that are not AI-driven. We may also encounter competition from new entrants in the future, which could intensify competition. For instance, more established technology companies with significant financial resources, advanced technological capabilities, and extensive sales networks may create solutions that directly compete with ours. See “Industry Overview” for more details of the competitive landscape of the industry in which we operate.

For risks relating to our competitiveness in the industry, see “Risk Factors — Risks Related to the Commercialization of Our Products and Services — The AI technology solution industry is highly competitive, and if we are unable to compete effectively against our current or future competitors, our business, financial condition and results of operations may be materially and adversely affected.”

EMPLOYEES

As of December 31, 2025, we had 371 employees. The following table sets forth a breakdown of our employees by function as of December 31, 2025:

Function	**Number of Employees**	**Percentage** (%)
Management Personnel	32	8.6
Sales and Marketing	27	7.3
Research and Development and Technical Personnel	312	84.1
Total	371	100.0

Our ability to attract, retain, and motivate qualified personnel is crucial for our success, and we consider our high-quality talent pool to be one of our core competitive strengths. We uphold high standards and employ rigorous recruitment procedures to ensure we hire top-quality candidates, using methods such as campus recruitment, online recruitment, internal referrals, and recruitment via agencies to meet diverse talent needs.

We enter into standard agreements covering confidentiality, intellectual property, employment and commercial ethics with our employees. In addition, we enter into non-competition agreements with our key employees. Our confidentiality and non-competition agreements with employees typically include a non-competition clause effective during their employment and extending up to two years post-termination, alongside a confidentiality clause lasting until the protected information is publicly available. We reserve the right to pursue legal action for any breaches of these agreements. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any breaches of these provisions.

We believe we maintain a strong working relationship with our employees and have not encountered significant labor disputes or difficulties in hiring during the Track Record Period.

Social Insurance and Housing Provident Fund

We pay social insurance contributions for our employees as required by applicable laws and regulations. This include statutory pension insurance, medical insurance, work-related injury insurance, maternity insurance and unemployment insurance. We also pay contributions to the statutory housing provident funds for our employees as required by applicable laws and regulations.

During the Track Record Period, we did not make social insurance and housing provident fund contributions in full for certain of our employees based on such employees' actual wages in accordance with applicable laws and regulations. This was primarily due to (i) our local staff responsible for ensuring compliance at the relevant time being unfamiliar with the relevant regulatory requirements; (ii) relevant employees' preference not to pay the social insurance and housing provident fund contributions to be borne by themselves; and (iii) inconsistent interpretation and implementation by local authorities of the relevant laws and regulations.

Our PRC Legal Advisor has advised us that, under PRC laws and regulations, we might be subject to late fees and fines for not being in strict compliance with such contribution requirements. If the competent government authority is of the view that the social insurance contributions we paid for our employees did not satisfy the requirements under applicable laws and regulations, we may be ordered to make up for the unpaid amount within a specified period and pay a late fee that equals to 0.05% of the total unpaid amount per day, accruing from when the social insurance contribution was due. If we fail to pay the unpaid amount or the late fee within the specified period, we may be subject to a fine ranging between one to three times of the total unpaid amount of the social insurance contribution. In addition, we may be ordered by the relevant authority to make up for the unpaid housing provident fund contributions within a specified time period, failing which we may face court proceedings to enforce such unpaid amount. Furthermore, in light of the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases which was promulgated by the Supreme People's Court (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), promulgated on July 31, 2025 and effective as of September 1, 2025, if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the people's court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3)of the PRC Labor Contract Law, the people's court shall support such claims, in which case the employer remains liable for paying economic compensation to the employee, notwithstanding any prior agreement to waive social insurance contributions. See "Regulatory Overview — Regulations on Labor — Social Insurance and Housing Provident Fund" for details. Our PRC Legal Advisor has advised us that the New Judicial Interpretation does not expand the scope of penalties or repeal the provisions of existing laws and regulations. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

See "Risk Factors — Risks Relating to Our Operations — We may be subject to penalties if we fail to make adequate contributions to social insurance and housing provident fund for our employees as required by PRC laws regulations."

Our Directors are of the view that such incidents would not have a material adverse effect on our business, financial condition and results of operations, considering that: (i) during the Track Record Period and up to the Latest Practicable Date no enforcement action, fine or penalty had been imposed against us by relevant authorities with respect to our under-contribution to employees' social insurance or housing provident fund, (ii) we will make timely payments for the unpaid amount and late fees as soon as requested by relevant authorities, (iii) based on our interview with relevant authorities, these authorities typically do not initiate actions against enterprises under their jurisdictions for their under-payment of social insurance and housing provident fund contributions, and (iv) our Controlling Shareholder has undertaken to indemnify us of any liability arising from our historical under-payment of social insurance and housing provident fund contributions. We have established internal policies and procedures to ensure that we make contributions in relation to social insurance and housing provident funds for all of our employees. For example, we have stipulated in the Regulations on Social Insurance and Housing Provident Fund Management effected from July 1, 2025 that we shall pay social insurance and housing provident fund for employees in accordance with the relevant laws, regulations and policies, so as to protect employees' legitimate rights and interests.

As advised by our PRC Legal Adviser, assuming there is no material change to current laws and regulations and their implementation and enforcement by local authorities, based on our confirmations, the facts stated above, the confirmations from and interviews with relevant authorities, and undertakings from us and our Controlling Shareholder, in the absence of material complaints filed by our employees with relevant authorities, our overall risk of being required by relevant authorities actively to make up for the shortfall in social insurance and housing provident fund contributions or being imposed material administrative penalties due to our under-payment of social insurance and housing provident funds contributions is low.

INSURANCE

We believe that our insurance coverage is sufficient, and we have obtained all mandatory insurance policies as required by PRC laws and regulations and in line with industry commercial practices. Our employee-related insurance includes pension, maternity, unemployment, work-related injury, and medical insurance, in compliance with PRC laws and regulations. Consistent with common market practice, we do not hold business interruption insurance or product liability insurance, as these are not compulsory under PRC laws. Additionally, we do not have keyman life insurance, or insurance policies covering damage to our network infrastructures, information technology systems, or properties. During the Track Record Period, we did not make any material insurance claim in relation to our business. See "Risk Factors — Risks Relating to Our Operations — Our insurance coverage may be inadequate to protect us from the liabilities we may incur or cover all of our potential costs, and as a result, our business, financial conditions and prospects may be materially and adversely affected if any such liability or losses arise."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Creating a positive ESG impact on our communities is a core aspect of our business and crucial for our sustainable development. We are dedicated to being a responsible corporate citizen, adhering to applicable laws and widely accepted ethical principles, and enhancing societal well-being. Our vision is to provide solutions that drive societal progress and facilitate communication among enterprises, organizations, and individuals, placing significant importance on ESG matters. By leveraging our technologies, we aim to create sustainable value for our business partners, customers, investors, employees, other stakeholders, and society, thereby fostering a healthy, vibrant, and sustainable ecosystem.

To this end, we plan to implement a comprehensive policy on environmental, social and corporate governance responsibilities (the "**ESG Policy**") in line with the Listing Rules. This policy outlines our corporate social responsibility objectives and provides guidance on integrating corporate social responsibility into our daily operations. Key aspects include (i) ESG responsibility philosophy and principles, (ii) management organizations, responsibilities and work measures, (iii) protection of Shareholders and creditors' rights and interests, (iv) protection of employees' rights and interests, (v) protection of our suppliers', customers' and business partners' rights and interests, (vi) environmental protection and sustainable development, (vii) public relations and social public welfare undertakings, and (viii) ESG reports and information disclosure.

Under our ESG Policy, we strive to build a sustainable community with our employees, customers, and business partners by supporting local initiatives that create lasting benefits for the community. This may involve corporate philanthropy, establishing community partnerships, and encouraging employee participation in volunteer work. Additionally, we are committed to reducing our environmental impact through energy-saving measures and sustainable development practices.

ESG Governance

Our Board holds the collective responsibility for establishing our ESG Policy, reviewing our ESG reports and supervising our ESG work. The Board may engage independent third parties to assess ESG risks and review our existing strategy, targets, and internal controls, implementing necessary improvements to mitigate risks. An ESG management team, authorized by our Board, oversees ESG-related issues and performs relevant governance responsibilities. Their duties include reviewing our Group's performance on ESG matters, preparing ESG reports and making recommendations to the Board regularly.

Sustainable Operation and Environmental Protection

We primarily carry out our business in the office and online. As we do not engage in production of any of our hardware components and merely integrate AI software and technologies with the procured hardware components, we do not believe that we are subject to significant health, safety or environmental risks in our daily operations. During the Track Record Period, due to the nature of our business and the industry we are in, we did not incur material costs in relation to the compliance of relevant environmental laws and regulations. Our business hardly produces pollutant emissions in the ordinary course of business as our operations involve neither significant consumption of fossil fuels nor release of contaminants to the environment.

Nevertheless, we are committed to a green management philosophy, and have adopted energy conservation measures to reduce our energy consumption. We have been, and will continue to be, devoting resources into ESG management. We understand the importance of contributing to sustainable development for the benefit of our environment. We will monitor environmental and climate-related risks that may impact our business, strategy, and financial performance, and evaluate the magnitude of these impacts over short, medium, and long-term horizons. In the short term, the direct environmental impacts of electricity and water consumption are of concern. Looking to the medium term, we aim to continue to achieve technological upgrades while reducing environmental impacts; in the long term, maintaining competitiveness while adhering to increasingly strict environmental regulations is also necessary.

We evaluate our electricity and water consumption in accordance with relevant regulations and policies and endeavor to proactively conserve energy in response to the government's initiatives. Our greenhouse gas emissions are mainly indirect greenhouse gas emissions generated from electricity consumed during operations. We comply with laws and regulations such as the Energy Conservation Law of the People's Republic of China and our internal environmental protection policies. We actively promote greenhouse gas management through conducting analysis on the current status of our energy consumption and low-carbon development, sorting out the total carbon emissions and composition of emission sources, analysing the historical change trends and current characteristics of carbon emissions, and identifying key emission sources. In our daily operations, we generate typical office waste, including paper, obsolete electronic equipment and packaging materials. Committed to the goal of reducing emissions, we implement targeted management through scientific and reasonable environmental measures. Our daily water usage is primarily focused on domestic use within office spaces. We actively advocate for water-saving practices and aim to implement water-efficient facilities in office areas to effectively reduce water consumption.

Environmental Targets:

- **Emissions Target:** Through continuous organizational optimization, we have reduced greenhouse gas emissions during the Track Record Period. With commitment to low-carbon operations, we aim to decrease the carbon dioxide emission intensity (tons per million RMB revenue) of our operations by 10% from baseline of 2025 by 2030.
- **Electricity Consumption Target:** By enhancing energy consumption management and improving energy efficiency, we aim to reduce electricity consumption density (kilowatt-hours per million RMB revenue) by 10% from baseline of 2025 by 2030.
- **Water Resource Utilization Target:** Through the promotion of water-saving measures to prevent wastage, we aim to reduce water use intensity (tons per million RMB revenue) by 15% from baseline of 2025 by 2030.

We strive to minimize the impact of our operations on the environment with internal policies to reduce our carbon footprint in our operation in the following ways: (i) air conditioning controls, with measures including requirements on lowest temperature, regular maintenance of air cooling technologies and optimal timing controls; (ii) promoting e-office policies and reducing paper wastage throughout our offices; (iii) requiring employees to switch off computers and other devices before getting off work; (iv) switching off certain IT equipment or automatic power shutdown for certain systems and devices during holidays as appropriate; (v) using energy-saving lights in most of our offices,and (vi) posting slogans on save electricity in our offices.

We fully recognize the potential impacts of climate change on our operating environment and proactively identify climate-related risks and opportunities to promote the development of intelligent technologies. Extreme weather events, such as heavy rains, floods, high temperatures, may have an impact on our delivery of AI technology solutions. To address such risks, we have established a risk management mechanism. We regularly monitor extreme weather conditions, formulate and update emergency response plans, and organize relevant personnel to participate in emergency drills to ensure rapid response to unexpected incidents. We aim to optimize the training needed for our AI solutions and utilize the hardware and software resources efficiently through improvements of our algorithms, technologies and platforms, thereby saving electricity consumption.

We plan to continue to develop ESG guidelines, clarify departmental responsibilities and monitor our operations. In addition, we will make constant improvement of our ESG management regulation and operation rules.

Social Responsibility

Regarding our social responsibilities, we provide a fair and supportive working environment for our employees. We comply with the employment-related laws and regulations in the places where we operate, and strictly prohibit any form of child labor or forced labor. We have formulated internal management systems such as the Employee Handbook and the Performance Appraisal and Management System to protect the legal rights and interests of employees. We maintain transparent policies on compensation, dismissal, equal opportunities, and anti-discrimination. Our hiring process is merit-based, and it is our corporate policy to ensure equal opportunities and fair compensation for all employees. We encourage employees who experience any form of discrimination to seek immediate assistance, enabling us to conduct timely investigations and follow up as necessary. We aim to provide our employees with competitive compensation. Besides salary, we also provide employees comprehensive benefit packages, including festival and holiday gifts, supplementary commercial medical insurance and outings. Additionally, we provide occasional meal and travel subsidies to promote our employees' welfare and create a cohesive working environment. As part of our commitment to social welfare, we also organize initiatives for employees to engage in various social welfare and education programs, aligning our core value of promoting the social development.

We attach great importance to employee training and development. In line with the career development paths of employees in different positions, we provide customized training programs, including comprehensive new employee training and professional skills training tailored for core positions.

We prioritize the health and safety of our employees, strictly complying with relevant laws and regulations. We have been continuously improving our enterprise occupational health and safety management system. During the Track Record Period, there had not been any material workplace injuries or work-related employee deaths.

We place great importance on social responsibility. We have participated in several public interest events such as poverty alleviation activities. We have obtained an honorary certificate of poverty alleviation and assistance for Pu'an County, Guizhou Province, which demonstrates our contribution to the community. We plan to further spread our love and warmth to society in areas such as environmental protection, educational equity, science and culture development, public health improvement, community development, and poverty alleviation.

Supply Chain Management

We recognize that the ESG performance of suppliers is crucial to the achievement of our sustainable development goals. We are committed to establishing and implementing a management system to identify, assess, mitigate and monitor potential adverse environmental and social impacts across the supply chain, ensuring that supply chain operations align with our values, national laws and regulations, and international standards. We have established a comprehensive supplier review mechanism. When onboarding suppliers, we generally conduct background checks on potential suppliers, including date of establishment, business scale, market reputation, financial status, and historical performance. In addition, we value environmental compliance, energy and carbon emission management, hazardous substance control, and waste disposal practice when considering supplier admission, and give priority to suppliers that have obtained ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications., we also incorporate specific indicators such as product energy efficiency rating and proportion of recyclable materials in procurement requirements to conduct a comprehensive assessment of suppliers.

Product Responsibility

Ensuring product excellence is of paramount importance to us. We have implemented a comprehensive quality management system. We have strictly defined product approval criteria and product quality red lines. For product after-sales services, we timely addresses customer after-sales issues in accordance with the On-Site Handling Specifications for Customer Issues (客戶問題現場處理規範).

We have implemented an intellectual property protection mechanism. At the early stages of product development, we conduct professional searches and analyses to identify risks related to intellectual properties. In addition, we have an infringement emergency response mechanism. Upon detecting infringement risks, we will promptly take measures such as halting sales, negotiation or legal remedies to minimize the adverse effects of potential infringements.

IMPACT OF COVID-19

Since the end of December 2019, the COVID-19 pandemic has materially and adversely affected the Chinese and global economy. Our Directors considered that we had not experienced any material adverse impact on our business operations and financial condition, due to the COVID-19 pandemic up to the Latest Practicable Date. As the COVID-19 pandemic has subsided since early 2023, we do not anticipate further adverse impact on our business and financial performance.

PROPERTIES

As of the Latest Practicable Date, we were in the process of purchasing certain properties in the PRC. As of the Latest Practicable Date, we did not own any property in China and leased 11 major properties for commercial use. As of the Latest Practicable Date, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report.

As of the Latest Practicable Date, the leasing agreements of our major leased properties in the PRC as described above had not been registered with the relevant PRC governmental authorities. The relevant registering procedures require cooperations by the respective lessors and we failed to register these leases either due to non-cooperation of some lessors or lack of proof for ownership of the lease on the lessor's part. Our PRC Legal Advisor has advised us that the lack of registration of the lease agreements will not affect the validity of the lease agreements under PRC laws, but a maximum penalty of RMB10,000 may be imposed against us for each non-registered lease if we fail to complete the lease registration after we are requested to do so by the competent PRC government authorities. The aggregate maximum penalty for the non-compliance relating to the filing of lease agreements would be between RMB11,000 and RMB110,000 based on major lease agreements in force as of the Latest Practicable Date. If we were ordered to make such payment, we will do so promptly and within the prescribed time period.

As of the Latest Practicable Date, with respect to four of our major leased properties, the relevant lessors had not provided us with valid property ownership certificates, due to lack of proof on the lessor's part or proof of authorization or permission from title owner to lease the property to us. In each scenario, we may face challenges to our rights to use the leased properties, and may be forced to vacate the relevant properties and relocate our offices. For more information about the risks with respect to our leased properties, please see "Risk Factors — Risks Related to Our Operations — As some of our leased properties have title defects, or the lessors are unable to provide property ownership certificates and have not completed registration procedures with the relevant authorities, we may be required to cease occupying and using such leased properties."

As advised by our PRC Legal Advisor, in the event any of the relevant lease agreements be deemed invalid or otherwise unenforceable because the relevant lessor is not the legal owner and has not been duly authorized by the legal owner of the relevant property, we shall have the right to claim against the relevant lessors for all the damages we suffered. We believe we would be able to relocate to a different site relatively easily if we are required by third parties to do so. In addition, our Controlling Shareholder had agreed to indemnify us for any losses, damages, costs and expenses arising out of or in connection with vacating the properties and relocating our offices. Based on the above, our PRC Legal Advisor is of the view that our business operation will not be adversely and materially affected as a result of the absence of property ownership certificates, authorization or permission.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

In our ordinary course of business, occasionally, we might be involved in various legal, arbitral, or administrative proceedings as part of our regular business activities. Regardless of their outcomes, such proceedings may negatively affect us due to costs associated with defense and settlement, diversion of management resources, and other factors.

As of the Latest Practicable Date, there was no legal proceeding against us pending or threatened that could, if decided against us, have a material adverse effect on our business, financial condition and results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, and save as disclosed in this document, we had complied with the applicable laws and regulations in relation to our business in all material respects. For details on our historical non-compliance regarding social insurance and housing provident fund contributions, please see "— Employees — Social Insurance and Housing Provident Fund."

LICENSES, APPROVALS AND PERMITS

Our Directors, as advised by our PRC Legal Advisor, confirm that, as of the Latest Practicable Date, other than the non-compliance matter as detailed in this document, we had complied with all relevant PRC laws and regulations in all material respects and have obtained all necessary licenses, approvals and permits from relevant regulatory authorities which could have a material impact on our current business operations in China. Such business licenses had remained in full effect.

The table below sets forth the details of the material licenses and permits as of the Latest Practicable Date:

License/Permit	Entity Holding the License/Permit	Grant Date	Expiration Date
Security Engineering Enterprise Design, Construction and Maintenance Capability Certificate	Our Company	December 8, 2020	December 7, 2026
Unicorn Eye platform Network Security Classified Protection Filing Certificate	Our Company	July 3, 2025	/
Unicorn Training platform Network Security Classified Protection Filing Certificate	Our Company	June 19, 2025	/
AI recognition platform Network Security Classified Protection Filing Certificate	Our Company	June 21, 2023	/
Construction Enterprise Qualification Certificate	Our Company	February 9, 2023	May 11, 2026
Customs Declaration Unit Filing Certificate	Our Company	February 7, 2023	/
Shenzhen Network Security Classified Protection Assessment Result	Our Company	August 4, 2025	/

RISK MANAGEMENT AND INTERNAL CONTROL

We focus on establishing and maintaining risk management systems and internal controls through carefully considered policies and procedures that align with our business operations. We consistently work on enhancing these systems and regularly evaluate the implementation of our risk management policies to ensure their effectiveness and adequacy. Comprehensive risk management policies addressing various operational aspects, including financial reporting, compliance, information system, intellectual property, human resources, and anti-bribery and anti-corruption have been adopted and implemented.

Financial Reporting Risk Management

Our financial reporting is supported by comprehensive accounting policies, encompassing financial management, budgeting, and financial statement preparation. Procedures are in place to implement these policies, with our finance department reviewing management accounts in accordance. Ongoing training is provided to our finance staff to ensure proper adherence and effective implementation.

Compliance and Intellectual Property Risk Management

We have instituted stringent internal procedures to ensure compliance with relevant rules and regulations and to safeguard our intellectual property rights. Our in-house legal department reviews and updates contract templates with customers and suppliers, scrutinizing all relevant business operation documents, such as licenses and permits, before entering into any contracts.

We have established detailed internal procedures to assess our products and services, including upgrades, for regulatory compliance before their public release. Our management oversees the procurement of mandatory governmental approvals and ensures timely applications, renewals, or filings for trademark, copyright, and patent registrations with the appropriate authorities.

Information System Risk Management

Sufficient maintenance, storage and protection of data is crucial to our success. We have implemented relevant internal measures and controls to ensure the security of our IT infrastructure, protect our data and prevent leakage or loss. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material system failure in our IT infrastructure, or any material leakage or loss of data.

We regularly conduct data security audits and check the access and use of data. We endeavor to spot potential data security risks in a timely manner and takes measures to mitigate the risks and improve our information system. Our IT team prepare and submit data security audit reports to our management team on a regular basis to ensure that the company remains in compliance with relevant laws, regulations and industry standards. All critical data are backed up regularly and stored securely. The data backup ensures that in the event of data loss or corruption, the lost or corrupted can be quickly restored to minimize any impact on our business operations.

We have obtained ISO/IEC 27001 certification and network security classified protection filing certificate and other certifications to ensure that our data security and privacy protection measures meet international standards. We strictly adhere to relevant laws and regulations of the PRC, such as the Cybersecurity Law and the Data Security Law, to ensure the legality and compliance of data processing activities.

Human Resources Risk Management

We have developed internal control and risk management policies covering human resource management, from recruitment to training, work ethics, and legal compliance. Our recruitment process ensures high-quality hires, supplemented by specialized training for employees across departments. Employee performance is reviewed periodically, with remuneration linked to performance. Regular monitoring of internal risk management policies helps identify, manage and alleviate risks related to non-compliance with our code of conduct, work ethics, and internal policies or legal violations.

Anti-bribery and Anti-corruption Management

An anti-corruption policy has been implemented to guard against bribery, corruption, and fraud. The policy outlines potential unethical conduct and the corresponding anti-bribery and corruption measures. We provide an anonymous internal reporting channel for staff to report any such incidents, which are investigated and appropriately addressed.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation, significant ones of which are set forth below:

Award/Recognition	Award year	Awarding Institution/Authority
Industry Responsibility Leader for the High-Quality Development of Artificial Intelligence	2024	Shenzhen Artificial Intelligence Industry Association
China IoT Pilot Award Science and Technology Innovation Award	2023	Shenzhen IoT Association
Shenzhen Artificial Intelligence Award — Shenzhen Artificial Intelligence Industry Application Award	2021	Shenzhen Artificial Intelligence Association
Guangdong Provincial Computer Vision Research Engineering Technology Research Center	2019	Guangdong Provincial Department of Science and Technology
National High and New Technology Enterprise	2017	Shenzhen National Tax Bureau